



The Shell Petroleum Development
Company of Nigeria Limited
Shell Industrial Area
Rumuobiakani
P.O. Box 263
Port Harcourt
Rivers State, Nigeria
Tel +234 807 0269999
Internet www.shellnigeria.com

Attention: Lateef Biobaku

Gas Supply and Pipeline Assets Dept
Nigeria LNG Limited
Bonny Island, Rivers State

June 16, 2021

Our Ref: **SPDC-2021- 06-00000070**

**SPDC JV SELLERS' CONDENSATE DEGRADATION INVOICE FOR DISPUTED 49
CARGOES PLUS CARGOES 27 & 28 OF NOV 2020**

Find attached credit note to offset the Condensate Degradation surcharge for the SPDC JV Condensate handled mostly in years 2019 and 2020 in line with clause 4.3 of the Heavy Condensate Emergency Recovery, Handling, Processing and Evacuation Agreement. This offset is directly to the Joint Venture Partners Account through May 2021 Gas Sales Invoice.

Below is the schedule of Debit Notes covered by this Credit Invoice as provided in Attachment 1. This represents the second instalment payment of \$13,767,461.67 against total payment of \$ 41,302,385.01.

Please note that Value Added Tax (VAT) has not been computed for this transaction.

We look forward to your usual prompt action.

Yours faithfully,

For: The Shell Petroleum Development Company of Nigeria Limited

Ojiako Chijioke
Senior Commercial Adviser

cc: NNPC, TEPNG, NAOC

Attachment 1

SPDC JV / NLNG Disputed Condensate Degrading Charge Resolution (May 2021)

				Optimised Award			Award		
S/N	Cargo ID	BOL DATE	VOLUME (MT)	Net Revenue (\$)	Revenue (\$)	Surcharge (\$)	Net Revenue (\$)	Revenue (\$)	Surcharge (\$)
1	NLNG/VITOLSPT/COND/03/0419	17-Apr-19	37,626.00	18,873,201.60	20,942,631.60	-2,069,430.00	18,873,201.60	20,942,631.60	(2,069,430.00)
2	NLNG/TOTSASPT/COND/04/0519	10-May-19	31,153.00	15,082,101.89	17,044,740.89	-1,962,639.00	15,082,101.89	17,044,740.89	(1,962,639.00)
3	NLNG/TOTSASPT/COND/05/0519	31-May-19	30,941.00	12,603,197.53	13,593,309.53	-990,112.00	12,603,197.53	13,593,309.53	(990,112.00)
4	NLNG/VITOLSPT/COND/06/0619	14-Jun-19	35,339.00	15,686,982.10	16,075,711.10	-388,729.00	15,686,982.10	16,075,711.10	(388,729.00)
5	NLNG/TOTSASPT/COND/07/0719	4-Jul-19	31,374.00	13,730,203.62	15,549,895.62	-1,819,692.00	13,730,203.62	15,549,895.62	(1,819,692.00)
6	NLNG/TOTSASPT/COND/08/0719	14-Jul-19	31,346.00	13,909,787.50	14,379,977.50	-470,190.00	13,180,366.08	14,998,434.08	(1,818,068.00)
7	NLNG/TOTSASPT/COND/09/0719	29-Jul-19	30,446.00	12,188,142.72	14,136,686.72	-1,948,544.00	12,188,142.72	14,136,686.72	(1,948,544.00)
8	NLNG/VITOLSPT/COND/10/0819	15-Aug-19	36,437.00	14,002,010.36	15,386,616.36	-1,384,606.00	13,224,809.15	15,447,466.15	(2,222,657.00)
9	NLNG/VITOLSPT/COND/11/0819	21-Aug-19	35,970.00	13,766,798.10	15,133,658.10	-1,366,860.00	12,981,573.00	15,139,773.00	(2,158,200.00)
10	NLNG/TRAFSPT/COND/12/0919	2-Sep-19	34,004.00	14,107,579.52	14,651,643.52	-544,064.00	13,877,712.48	14,897,832.48	(1,020,120.00)
11	NLNG/TOTSASPT/COND/13/0919	16-Sep-19	31,293.00	14,115,646.44	15,304,780.44	-1,189,134.00	14,115,646.44	15,304,780.44	(1,189,134.00)
12	NLNG/TOTSASPT/COND/14/0919	26-Sep-19	31,475.00	12,427,274.25	14,473,149.25	-2,045,875.00	12,427,274.25	14,473,149.25	(2,045,875.00)
13	NLNG/TOTSASPT/COND/15/1019	5-Oct-19	31,299.00	13,009,429.35	14,636,977.35	-1,627,548.00	12,540,883.32	14,575,318.32	(2,034,435.00)
14	NLNG/VITOLSPT/COND/16/1019	13-Oct-19	36,731.00	15,504,155.10	17,340,705.10	-1,836,550.00	15,504,155.10	17,340,705.10	(1,836,550.00)
15	NLNG/VITOLSPT/COND/17/1019	18-Oct-19	36,101.00	16,031,732.08	17,403,570.08	-1,371,838.00	15,763,501.65	17,496,349.65	(1,732,848.00)
16	NLNG/TOTSASPT/COND/18/1019	1-Nov-19	31,347.00	15,574,130.01	16,075,682.01	-501,552.00	15,574,130.01	16,075,682.01	(501,552.00)
17	NLNG/TOTSASPT/COND/19/1119	11-Nov-19	31,350.00	14,311,275.00	15,659,325.00	-1,348,050.00	14,022,228.00	15,965,928.00	(1,943,700.00)
18	NLNG/ASCNTMSPT/COND/20/1119	24-Nov-19	31,451.00	14,659,311.10	16,420,567.10	-1,761,256.00	12,552,094.10	16,735,077.10	(4,182,983.00)
19	NLNG/TRAFSPT/COND/21/1219	1-Dec-19	30,979.00	14,239,497.35	15,726,489.35	-1,486,992.00	11,296,802.14	16,253,442.14	(4,956,640.00)
20	NLNG/TOTSASPT/COND/22/1219	12-Dec-19	31,277.00	14,693,934.60	16,445,446.60	-1,751,512.00	14,272,007.87	16,461,397.87	(2,189,390.00)
21	NLNG/TOTSASPT/COND/23/1219	21-Dec-19	31,220.00	14,607,838.00	16,324,938.00	-1,717,100.00	14,425,513.20	16,548,473.20	(2,122,960.00)
22	NLNG/TOTSASPT/COND/24/1219	28-Dec-19	31,297.00	15,387,483.02	16,701,957.02	-1,314,474.00	15,387,483.02	16,701,957.02	(1,314,474.00)
23	NLNG/VITOLSPT/COND/01/0120	11-Jan-20	31,330.00	16,260,270.00	16,730,220.00	-469,950.00	16,260,270.00	16,730,220.00	(469,950.00)
24	NLNG/TOTSASPT/COND/02/0120	20-Jan-20	31,329.00	14,195,483.19	15,511,301.19	-1,315,818.00	14,195,483.19	15,511,301.19	(1,315,818.00)
25	NLNG/TOTSASPT/COND/03/0220	4-Feb-20	31,349.00	12,880,050.14	14,196,708.14	-1,316,658.00	12,880,050.14	14,196,708.14	(1,316,658.00)
26	NLNG/ASCNTMSPT/COND/04/0220	8-Feb-20	31,328.50	13,070,563.49	14,386,360.49	-1,315,797.00	12,720,937.43	14,600,647.43	(1,879,710.00)
27	NLNG/VITOLSPT/COND/05/0220	19-Feb-20	31,353.00	13,362,648.60	13,989,708.60	-627,060.00	13,362,648.60	13,989,708.60	(627,060.00)
28	NLNG/ASCNTMSPT/COND/06/0320	12-Mar-20	31,727.00	5,066,801.90	5,859,976.90	-793,175.00	4,381,498.70	6,272,427.90	(1,890,929.20)
29	NLNG/VITOLSPT/COND/07/0320	26-Mar-20	31,345.00	2,719,178.75	3,502,803.75	-783,625.00	2,719,178.75	3,502,803.75	(783,625.00)
30	NLNG/ASCNTMSPT/COND/08/0420	6-Apr-20	31,470.00	3,359,422.50	3,988,822.50	-629,400.00	2,440,498.50	4,303,522.50	(1,863,024.00)
31	NLNG/ASCNTMSPT/COND/09/0420	15-Apr-20	31,352.00	3,238,661.60	3,708,941.60	-470,280.00	2,329,453.60	4,179,221.60	(1,849,768.00)
32	NLNG/TOTSASPT/COND/10/0520	3-May-20	26,952.00	-134,760.00	-134,760.00	0.00	-296,472.00	485,136.00	(781,608.00)
33	NLNG/VITOLSPT/COND/11/0520	14-May-20	36,066.00	1,334,442.00	3,822,996.00	-2,488,554.00	1,334,442.00	3,822,996.00	(2,488,554.00)
34	NLNG/VITOLSPT/COND/12/0520	25-May-20	31,361.00	1,285,801.00	3,386,988.00	-2,101,187.00	1,285,801.00	3,386,988.00	(2,101,187.00)
35	NLNG/VITOLSPT/COND/01/0718	7-Aug-18	31,354.00	18,376,579.40	19,695,328.64	-1,318,749.24	18,376,579.40	19,695,328.64	(1,318,749.24)
36	NLNG/VITOLSPT/COND/16/0720	4-Jul-20	36,442.00	10,347,705.90	12,825,761.90	(2,478,056.00)	10,338,595.40	12,780,209.40	(2,441,614.00)
37	NLNG/VITOLSPT/COND/17/0720	15-Jul-20	35,940.00	10,424,397.00	12,041,697.00	(1,617,300.00)	10,424,397.00	12,041,697.00	(1,617,300.00)
38	NLNG/VITOLSPT/COND/18/0720	25-Jul-20	31,409.00	8,968,839.95	10,288,017.95	(1,319,178.00)	8,427,034.70	10,468,619.70	(2,041,585.00)
39	NLNG/TOTSASPT/COND/19/0820	4-Aug-20	31,492.00	8,792,566.40	10,934,022.40	(2,141,456.00)	8,792,566.40	10,934,022.40	(2,141,456.00)
40	NLNG/TOTSASPT/COND/20/0820	18-Aug-20	31,384.00	10,508,932.40	11,544,604.40	(1,035,672.00)	10,508,932.40	11,544,604.40	(1,035,672.00)
41	NLNG/TOTSASPT/COND/21/0820	24-Aug-20	35,951.00	10,893,153.00	13,517,576.00	(2,624,423.00)	10,893,153.00	13,517,576.00	(2,624,423.00)
42	NLNG/VITOLSPT/COND/22/0920	3-Sep-20	36,807.00	10,561,768.65	12,107,662.65	(1,545,894.00)	9,706,005.90	12,098,460.90	(2,392,455.00)
43	NLNG/VITOLSPT/COND/23/0920	13-Sep-20	31,400.00	10,571,438.00	11,042,438.00	(471,000.00)	9,685,330.00	10,784,330.00	(1,099,000.00)
44	NLNG/VITOLSPT/COND/24/0920	25-Sep-20	30,009.00	10,122,035.70	10,572,170.70	(450,135.00)	10,122,035.70	10,572,170.70	(450,135.00)
45	NLNG/TOTSASPT/COND/25/1020	1-Oct-20	29,827.00	9,043,844.67	10,087,789.67	(1,043,945.00)	8,880,989.25	10,909,225.25	(2,028,236.00)
46	NLNG/VITOLSPT/COND/26/1020	13-Oct-20	31,422.00	10,014,191.40	11,302,493.40	(1,288,302.00)	9,888,503.40	11,333,915.40	(1,445,412.00)
47	NLNG/TOTSASPT/COND/13/0520	31-May-20	30,955.00	6,115,160.25	8,220,100.25	(2,104,940.00)	6,115,160.25	8,220,100.25	(2,104,940.00)
48	NLNG/TOTSASPT/COND/14/0620	13-Jun-20	31,433.00	8,117,572.25	9,437,758.25	(1,320,186.00)	8,117,572.25	9,437,758.25	(1,320,186.00)
49	NLNG/TOTSASPT/COND/15/0620	23-Jun-20	31,378.00	8,928,609.90	9,964,083.90	(1,035,474.00)	8,928,609.90	9,964,083.90	(1,035,474.00)
				556,937,069.28	621,940,030.52	-65,002,961.24	542,129,264.13	627,042,524.57	-84,913,260.44

Resolution Summary		
S/No	Description	Amount (US\$)
a	NLNG initial position on SPDC JV liability	(84,913,260.44)
b	SPDC optimised position on SPDC JV liability	(65,002,961.24)
c	Disputed portion of SPDC JV liability (a-b)	(19,910,299.20)
d	NLNG initial revenue	627,042,524.57
e	SPDC optimised NLNG revenue	621,940,030.52
f	Optimised portion to keep NLNG revenue whole (e-d)	(5,102,494.05)
g	Balance disputed portion (c-f)	(14,807,805.15)
h	Negotiated 50:50 balance split (g/2)	(7,403,902.58)
i	Total SPDC JV negotiated liability on 49 cargoes (b+f+h)	(77,509,357.87)
j	Total payment on 49 cargoes	37,266,599.85
k	Total outstanding on 49 cargoes (i-j)	(40,242,758.02)
l	SPDC JV balance payment on NLNG/TOTSASPT/COND/27/1120	(534,429.00)
m	SPDC JV balacve payment on NLNG/TOTSASPT/COND/28/1120	(525,198.00)
n	Total outstanding on 49 cargoes and balace payments on cargoes NLNG/TOTSASPT/COND/27/1120 & NLNG/TOTSASPT/COND/28/1120 (k+l+m)	(41,302,385.02)
o	Three (3) Installmental payment (n/3)	(13,767,461.67)

14,807,805.15	-5,102,494.05	19,910,299.20
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**SPDC VAT Registration No. LVC17002892 EXHIBIT H**

DATE: 16/06/2021

SUBJECT: SPDC JV SOKU CONDENSATE CREDIT NOTE

PERIOD: SPIKED CONDENSATE DEGRADATION (DISPUTED 49 CARGOES PLUS CARGOES 27 & 28 OF NOV 2020)

ATTN: GENERAL MANAGER FINANCE NLNG

FROM: SPDC JV Sellers' Representative, Gas Sales Centre (LGSP)

This credit note is prepared in accordance with clause 4.3 of the Heavy Condensate Emergency Recovery, Handling, Processing and Evacuation Agreement based on the invoice received from NLNG. The Base sum payable by SPDC JV Partners to NLNG is US\$ - 13,767,461.67 while applicable VAT payable by SPDC JV Partners is US\$ 0.00 to bring total offset to US\$ - 13,767,461.67 . The applicable VAT is to be remitted by NLNG to FIRS.

SELLER	AMOUNT
NNPC	US\$ - 13,767,461.67 x 55% = US\$ - 7,572,103.92
SPDC	US\$ - 13,767,461.67 x 30% = US\$ - 4,130,238.50
TEPNG	US\$ - 13,767,461.67 x 10% = US\$ - 1,376,746.17
NAOC	US\$ - 13,767,461.67 x 5% = US\$ - 136,707.80
ESCROW	0 x 0% = US\$ 0.000000
	US\$ - 13,767,461.67
5% VAT	US\$ 0.000000
	<u>US\$ - 13,767,461.67</u>

	NAME OF BANK	ACCOUNT NO	AMOUNT
NNPC	JP Morgan Chase 450 West 33rd Street New York NY10001	Federal Government of Nigeria CBN/Nigerian National Petroleum Gas Revenue A/C No: 816296438 Swift: CHASUS33	USD \$ - 7,572,103.92
SPDC	CITIBANK N.A Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB GREAT BRITAIN	SPDC Nigeria Ltd US Dollar account 14083326 IBAN: GB50 CITI 18500814083326	USD \$ - 4,130,238.50
TEPNG	JP Morgan Chase 60, Victoria Embankment Floor 5, London EC4Y OJP	Total EP Nigeria Ltd IBAN: GB45CHAS60924241057209	USD \$ - 1,376,746.17
NAOC	NAOC CORPORATE Banque Eni S.A. Brussels, Belgium Swift : ENIBBSNX	1162620 Thro' CITIBANK NEW YORK SWIFT CITIUS33 A/C 36252891	USD \$ - 688,373.08

	NAME OF BANK	ACCOUNT NO	AMOUNT
ESCROW	NNPC/SPDC/TEPNG/NAOC/GBARA Standard Chartered Bank London SWIFT SCBL GB 2L Account no. 3582-088442-001 IBAN GB64 SCBL 6091 0412559331	01 01 2559331 50 Thro' Standard Chartered Bank New York SWIFT SCBL US 33	USD \$0.0

Payment due date : 30/06/2021

SIGNED :

Ojiako Chijioke
(Senior Commercial Adviser)

LNG GAS SUPPLY OPERATIONS (SPDC GAS SALES CENTER) :
ON BEHALF OF SPDC JV

**Shell Petroleum Development Company of Nigeria Ltd**

Freeman House
21/22 Marina.
P.M.B 2418 Lagos, Nigeria.
Telephone: +234 807 0221722
Fax: +234 80 70262136
Internet: www.shellnigeria.com

CREDIT NOTE

Attn: Accounts Payable Department
Nigeria LNG Ltd
NLNG ROAD, OFF EASTERN BY PASS
PORT HARCOURT RIVERS STATE
Nigeria

Credit Note No: 1600003762

Date: 17.06.2021
Your account with us: 110033
Our Contact: O.Ige7@shell.com
Our Tax ID No: 01063403-0001

Dear Sir/Madam,
We have credited the amount listed below to your account.

Description	Currency	Amount
NNPC-SOKU Disputed Condensate-2019& 20-2nd instal	USD	7,572,103.92
SPDC-SOKU Disputed Condensate-2019& 20-2nd instal	USD	4,130,238.50
TEPNG-SOKU Disputed Condensate-2019& 20-2nd instal	USD	1,376,746.17
NAOC-SOKU Disputed Condensate-2019& 20-2nd instal	USD	688,373.08
SEE SUPPORTING DOCUMENT FOR PAYMENT INSTRUCTIONS		
Subtotal		13,767,461.67
VAT		0.00
Total		13,767,461.67

Amount in words: Thirteen million seven hundred and sixty-seven thousand four hundred sixty-one US Dollar and sixty-seven Cents

VAT on applicable items has been calculated at 0.00%

PAYMENT INSTRUCTION

You may deduct the value of this credit note from your next payment on any of our invoices bearing the bank account below

Account Name:
Account Number:
Bank Name:
Bank Address: , ,
Branch Code:
IBAN:
SWIFT Code:
For: Shell Petroleum Development Company of Nigeria Ltd