

**SPECIAL PROVISIONS**  
**TO**  
**CONTRACT FOR SHORT-TERM**  
**SALE AND PURCHASE OF NATURAL GAS**

**dated July 1, 2001**

**by and between**  
**BP Energy Company ("BPEC")**  
**and**  

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1. The following provision shall be inserted at the end of Section 1.2 Oral Transaction Procedure:

The parties hereby consent to the electronic recording of their oral agreements and related telephone discussions. Failure by the Confirming Party to send, or the other party to return, an executed Transaction Confirmation shall not invalidate any Gas purchase and sale transaction (each a "Transaction" and collectively "Transactions") agreed to by the parties in an EDI transmission or telephone conversation. The parties agree not to contest or assert any defense to the validity or enforceability of telephonic Transactions entered into pursuant to the Contract under laws relating to whether certain agreements are to be in writing or signed by the party to be thereby bound, or the authority of any employee of the party to enter into a Transaction. In the absence of a written Transaction Confirmation, recorded telephone conversations shall be considered a "writing" and may be used as evidence of the Transaction. If a written Transaction Confirmation exists, in the event of conflict between the terms and provisions of the written Transaction Confirmation and a recorded telephone conversation, the terms and provisions of the written Transaction Confirmation shall control to the extent of any such conflict.

2. The following provisions shall be added as Section 3.3:

- 3.3. (i) Notwithstanding anything to the contrary in this Contract (including, without limitation, anything in Section 11 of this Contract), in the event (a) Seller is unable to sell and deliver the Contract Quantity as a result of an event of Force Majeure, and (b) the Contract Price is a fixed price, Seller shall pay Buyer for each MMBtu of gas not delivered as provided in Section 3.2 above.
- (ii) Notwithstanding anything to the contrary in this Contract (including, without limitation, anything in Section 11 of this Contract), in the event (a) Buyer is unable to purchase and receive the Contract Quantity as a result of an event of Force Majeure, and (b) the Contract Price is a fixed price, Buyer shall pay Seller for each MMBtu of gas not purchased and received as provided in Section 3.2 above.

3. In the first sentence of Section 7.2, delete "the later of the Payment Date or".

4. The following text shall be added as Section 7.5:

7.5 In the event that Buyer and Seller are each required to pay an amount in the same Month hereunder, then such amounts with respect to each Party may be aggregated and the Parties may discharge their obligations to pay through netting, in which case the Party, if any, owing the greater aggregate amount may pay to the other Party the difference between the amounts owed.

5. Section 10.1 should be deleted in its entirety and replaced with the following text:

10.1 When reasonable grounds for insecurity of payment or title to the Gas arise, either party (the "Requesting Party") may demand adequate assurance of performance from the other party (the "Affected Party"). Adequate assurance shall mean sufficient security in the form and for the term reasonably specified by Requesting Party, including, but not limited to, a standby irrevocable letter of credit (in form and substance and from a commercial U.S. bank acceptable to Requesting Party in its sole discretion), a prepayment, a security interest in an asset acceptable to Requesting Party, a performance bond or a guarantee by an entity that is acceptable to Requesting Party in its sole discretion. In the event either party shall (i) make an assignment or any general arrangement for the benefit of creditors; (ii) fail to make any payment on the date due; (iii) file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or cause under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; (iv) otherwise become bankrupt or insolvent (however evidenced); (v) be unable to pay its debts as they fall due; or (vi) fail to provide Requesting Party with adequate assurance in accordance with this Section 10 in an amount and form acceptable to Requesting Party in its sole discretion within seventy-two (72) hours of a demand therefor; then Requesting Party shall have the right to either withhold and/or suspend deliveries of Gas or payment upon no less than one (1) Business Day of written notice, and/or establish a date on which this Contract shall terminate if such default is not cured ("Early Termination Date") upon giving two (2) Business Days of written notice to Affected Party; provided that upon the occurrence of a default listed in items (iii) and (iv) of Section 10.1 hereof, as it may apply to any party, this Contract shall automatically terminate, without notice, as if an Early Termination Date has been immediately declared (in which case, the Day of such automatic termination shall be the Early Termination Date). Seller may immediately suspend deliveries to Buyer hereunder in the event Buyer has not paid any amount due Seller hereunder on or before the second Business Day following the date such payment is due. The non-defaulting party's rights under this Section 10 are in addition to any and all other remedies available hereunder. The parties specifically agree that this Contract and all Transactions pursuant hereto are "forward contracts" as such term is defined in the United States Bankruptcy Code, 11 U.S.C. Section 101(25).

6. The following provisions shall be added as Section 10.3:

10.3 If an Early Termination Date has been declared or deemed to have been declared, as the case may be, Requesting Party shall have the right to liquidate any or all Transactions, including any portion of a Transaction not yet fully delivered, then outstanding by:

(a) closing out each Transaction being liquidated at its Market Value so that each such Transaction is canceled and a settlement payment in an amount equal to the difference between such Market Value and the Contract Value, as defined below, of such Transaction shall be due to the Buyer under the Transaction if such Market Value exceeds the Contract Value and to the Seller if the opposite is the case; and

(b) discounting each amount then due under clause 10.3(a) above to present value in a commercially reasonable manner as at the time of liquidation (to take account of the period between the date of liquidation and the date on which such amount would have otherwise been due pursuant to the relevant Transaction); and

(c) setting off or aggregating, as appropriate, all such settlement payments (discounted as appropriate) and (at the election of the non-defaulting party) any or all other amounts owing between the Parties under this Contract so that all such amounts are aggregated and/or netted to a single liquidated amount payable by one Party to the other. Such net amount due shall be paid by the close of business on the Business Day following the Early Termination Date.

For purposes of this Section 10, "Contract Value" means the quantity of Gas or other product remaining to be delivered under a Transaction multiplied by the Contract Price per MMBtu. "Market Value" means the quantity of Gas or other product remaining to be

delivered under a Transaction multiplied by the market price per MMBtu determined by the non-defaulting party in a commercially reasonable manner. The rate of interest used in calculating net present value shall be determined by the non-defaulting party in a commercially reasonable manner.

7. The following section shall be added as Section 13.9:

13.9 The parties agree that they will maintain this Contract and all parts and contents hereof, or any information exchanged under this Contract, in strict confidence, and that it will not cause or permit disclosure of the contents hereof, or any information exchanged hereby, to any nonaffiliated third party without the prior written consent of the other party hereto; provided, however, that disclosure by either party is permitted (a) to such party's legal and financial consultants; (b) in the event and to the extent it is required by a court or agency exercising jurisdiction over the subject matter hereof; (c) to such party's permitted successor or assign hereunder; and (d) to the extent necessary to obtain transportation of the Gas purchased and sold hereunder.