

F. Notes to consolidated financial statements

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2016	Oil and Petroleum USD'M	Metals and Minerals USD'M	All other segments USD'M	Total USD'M
Segment assets and liabilities				
Equity-accounted investees	2,345.6	1,109.4	9.4	3,464.4
Other non-current assets	1,555.0	2,634.9	848.9	5,038.8
Non-current assets classified as held for sale	-	-	-	-
Total assets	22,529.9	13,527.0	5,173.2	41,230.1
Total liabilities				
	14,678.0	10,444.0	10,261.0	35,383.0
Other segment information				
Capital expenditure	302.7	326.4	125.1	754.2
Depreciation and amortisation	39.8	75.3	89.6	204.7
Impairment of non-financial assets	0.8	(169.3)	-	(168.5)
Impairment of financial assets	8.0	25.5	6.3	39.8
Impairment of equity-accounted investees	-	250.0	-	250.0

Geographical information

The following table sets out information about the geographical location of the Group's revenue from external customers:

2017	Oil & Petroleum USD'M	Metals and Minerals USD'M	Total USD'M
Revenue from external customers			
Europe	20,876.2	5,763.9	26,640.1
Asia	34,760.8	24,013.2	58,774.0
North America	20,500.3	9,218.9	29,719.2
Latin America	9,357.9	992.3	10,350.2
Africa	3,974.5	381.8	4,356.3
Australia	339.6	30.2	369.8
Middle East	4,207.5	2,003.6	6,211.1
Total revenue from external customers	94,016.8	42,403.9	136,420.7

2016	Oil & Petroleum USD'M	Metals and Minerals USD'M	Total USD'M
Revenue from external customers			
Europe	16,559.4	9,805.8	26,365.2
Asia	17,744.1	19,673.6	37,417.7
North America	13,791.3	2,348.8	16,140.1
Latin America	6,516.6	1,346.9	7,863.5
Africa	4,775.8	745.8	5,521.6
Australia	573.0	225.3	798.3
Middle East	3,871.1	120.3	3,991.4
Total revenue from external customers	63,831.3	34,266.5	98,097.8

5. Acquisitions of subsidiary and non-controlling interests

There were no significant transactions during the year, nor in 2016, to acquire subsidiaries or non-controlling interests.

6. Deconsolidation of subsidiaries

a. 2017

Trafigura Mexico Holding BV

On 14 October 2016, the Group has entered into a Stock Purchase Agreement with Tajin Transporte S.a.r.l for the sale of 100% of its share in Trafigura Mexico Holding BV and PPM Energy S.A.P.I. de C.V, including the owned Rights of Way necessary for the Transportation Service Agreement tender for the Tuxpan – Tula natural gas pipeline and real estate properties in Mexico. The total consideration of the sale was USD68.1 million of which USD65.3 million was received in cash before 30 September 2017. On 31 May 2017, being the closing date of the transaction, the Group has recognised a gain of USD50.2 million which has been recognised under disposal of subsidiaries as reported in note 8, Other income/(expense).

b. 2016

(i) AEMR SA, Angola

During the second quarter of financial year 2016, the Group has reversed the impairment it had recorded in financial year 2015 of USD243.6 million in respect of the iron-ore investment in AEMR SA, Angola (AEMR). A presidential decree has been issued in February 2016 which will result in the liquidation of AEMR. The Group obtained a signed Instrument of Confession of Indebtedness (the "Debt Instrument") from the Angolan Ministry of Finance. Under the Debt Instrument, the Angolan Ministry of Finance will assume a consolidated debt value of USD409 million to the DT Group as compensation for the investments that the DT Group has made in AEMR. The debt is payable to the Group over a period of 48 months commencing in January 2017 and has thus been recorded at a discounted value of USD357.6 million under loans receivable.

As part of this arrangement, the assets held by AEMR have been transferred to the non-controlling interest partner in AEMR (Ferrangol). As a result of the arrangement, it has been concluded that the Group no longer has control over AEMR and therefore AEMR has been deconsolidated in the Group's consolidated financial statements as per 31 March 2016. The divestment of AEMR and the recognition of the receivable towards the Angolan Ministry of Finance resulted in a gain of USD264.6 million recorded in Other income split between a reversal of impairment of USD243.6 million and gain on divestment of subsidiary of USD21 million (refer to note 8). After taking into account non-controlling interest, the net result of the impairment reversal and the divestment of AEMR attributable to owners of the company is USD72 million.

7. Revenue

	2017 USD'M	2016 USD'M
Sales of goods	136,315.1	98,020.0
Rendition of services	105.6	77.8
Total	136,420.7	98,097.8

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8. Other income/(expense)

	2017	2016
	USD'M	USD'M
Release/(additions) to provisions	(1.1)	6.7
Gain/(loss) on disposal of tangible and intangible fixed assets	(0.4)	12.4
Gain/(loss) from disposal of other investments	0.6	0.1
Gain/(loss) on sale of equity-accounted investees	3.0	(5.4)
Gain on divestment of subsidiaries	30.8	20.3
Gain/(loss) on fair value through profit and loss instrument	118.7	(134.2)
Impairments of financial assets	(23.8)	(39.8)
Impairments of non-financial assets	(17.4)	(75.1)
Reversal of impairments of non-financial assets	-	243.6
Impairments of equity-accounted investees	(4.2)	(250.0)
Dividend income	0.7	0.4
Gain/(loss) on foreign exchange	31.3	7.1
Other	25.0	(19.3)
Total	163.2	(233.2)

2017

The gain on divestments of subsidiaries comprises of the gain of USD50.2 million on the sale of Trafigura Mexico Holding BV and PPM Energy S.A. P.I. de C.V. as described under note 6. This gain is offset by the effect of the deconsolidation of the Group's railway operations in Colombia in Impala. Due to a consequent lack of sustainable profit and safety and security concerns these operations have been sold to a third party resulting in a loss on disposal of USD19.4 million. This loss is mainly comprised of recycling of foreign currency translation losses recognised in equity until the disposal date.

The gain on fair value instruments through profit and loss includes a fair value movement of the debt securities related to the investment in Porto Sudeste de Brasil SA of USD135.7 million (2016 loss of USD125.9 million) offset by a USD20.1 million impairment to nil value in relation to the investment in Indian refinery NOCL which filed for bankruptcy in July 2017.

During the regular assessment to determine asset impairments, the Group decided to record impairments of USD23.8 million on financial assets mainly related to the Cedars Energy LLC of USD20.1 million.

For details on the impairments of non-financial assets, refer to notes 11 and 12.

For the additions to provisions we refer to note 24.

2016

In 2016, other income and expenses included an impairment of USD250 million recognised in relation to the equity investment in Porto Sudeste do Brasil SA and the reversal of the impairment on AEMR of USD243.6 million (see note 6). For a description of the Porto Sudeste impairment please refer to note 13.

For details on the reversal of impairments in 2016 relating to non-financial assets please refer to notes 6 and 13.

The Group entered into sale and leaseback transactions of 17 vessels which have been leased back for periods ranging between eight and 10 years. These sale and leaseback transactions generated a total gain of USD16.1 million which is accounted for as a gain on disposal of tangible and intangible assets.

During the regular assessment in 2016 to determine asset impairment, the Group decided to record an impairment of USD42.7 million on non-financial assets related to the Group's railway operation in Colombia. Overall, the future operations and projected financial performances do not demonstrate sufficient discounted future cash flows to support the assets book values, leading to the impairment. The operations have been negatively impacted by a number of safety and security concerns, a complex economic environment and a consequent lack of sustainable profit growth in the current context. These activities have been sold in 2017.

9. General and administrative expenses

	2017	2016
	USD'M	USD'M
Depreciation and amortisation	199.0	204.7
Staff costs	527.9	513.5
General and other	218.2	228.5
Total	945.0	946.7

General and other cost mainly comprise travelling cost, office cost and IT cost.

Refer to note 28, employee benefits, for a breakdown of the staff costs.

10. Tax

a. Tax expense

Income tax expense recognised in the statement of income consists of the following:

	2017	2016
	USD'M	USD'M
Current income tax expense	135.0	102.0
Adjustments in relation to current income tax of previous year	(8.7)	(9.4)
Deferred tax expense/(income)	(48.6)	14.0
Withholding tax in the current year	3.7	3.6
Total	81.4	110.2

b. Tax recognised in other comprehensive income

The tax credit/(charge) relating to components of other comprehensive income is as follows:

	2017	2016
	USD'M	USD'M
Tax (expense)/income on cash flow hedges	(1.1)	(3.3)
Prior period tax adjustments	-	-
Total	(1.1)	(3.3)

F. Notes to consolidated financial statements

c. Reconciliation of effective tax rate

Trafigura's operations are subject to income taxes in various foreign jurisdictions. The statutory income tax rate varies between 10% and 37.5%, which results in a difference between the weighted average statutory income tax rate and Singapore's statutory tax rate of 17% (2016: 17%).

The weighted average statutory income tax rate increased in 2017 compared to 2016 by 4.7% as a consequence of a change in the mix of profits and losses generated in the various countries in which Trafigura operates.

The reconciliation between tax expense and the result of accounting profit multiplied by the Company's statutory income tax rate for the years ended 30 September 2017 and 2016 is as follows:

	2017		2016	
	USD'M	%	USD'M	%
Profit before tax	968.7	-	1,084.9	-
Income tax expense at statutory blended tax rate	227.0	23.4%	203.1	18.7%
Tax effect of adjustments to arrive at the effective income tax rate:				
Effect of unused tax losses, not recognised as deferred tax assets	20.3	-	51.7	-
Non-taxable income or subject to specific tax holidays	(232.8)	-	(141.9)	-
Non-deductible expenses	53.6	-	13.6	-
Foreign exchange	18.3	-	(10.5)	-
Adjustments in relation to income tax of previous year	(8.7)	-	(9.4)	-
Withholding tax	3.7	-	3.6	-
Effective tax rate	81.4	8.4%	110.2	10.2%

d. Deferred tax assets and liabilities

Breakdown deferred tax assets and liabilities

	2017		2016	
	USD'M	USD'M	USD'M	USD'M
Provisions	(158.1)	(158.1)		
Property, plant and equipment	(3.2)	(3.2)		
Derivatives	10.0	-		
Losses	169.1	96.5		
Equity-accounted investees	(36.0)	(36.0)		
Other temporary differences	(17.3)	15.1		
Deferred tax liability, net	(35.4)	(85.7)		

Deferred tax assets and liabilities after netting

	2017		2016	
	USD'M	USD'M	USD'M	USD'M
Net deferred tax asset/(liability)	(35.4)	(85.7)		
Reflected in the consolidated balance sheet as follows:				
Deferred tax assets	153.2	103.8		
Deferred tax liabilities	(188.6)	(189.5)		
Deferred tax liability, net	(35.4)	(85.7)		

Reconciliation of deferred tax liabilities

	2017		2016	
	USD'M	USD'M	USD'M	USD'M
Opening balance as at 1 October				
Tax expense during the period recognised in profit or loss	(85.7)	(83.2)		
Other comprehensive income	48.6	(13.9)		
Deferred taxes deconsolidated business combinations	(1.1)	(2.8)		
Foreign currency differences and other	-	-		
Closing balance as at 30 September	(35.4)	(85.7)		

Deferred tax assets are recognised for temporary differences and unused tax losses to the extent that realisation is probable as sufficient taxable profit is expected in the countries where the deferred tax assets are originated.

No deferred tax liability has been recognised in respect of undistributed earnings of subsidiaries. This is because Trafigura is able to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

	2017		2016	
	USD'M	USD'M	USD'M	USD'M
Unrecognised tax losses carried forward				
Losses expiring within 1 year	-	5.1		
Losses expiring between 1-5 years	0.5	18.4		
Losses expiring after 5 years	253.9	193.8		
Total	254.4	222.3		

The unrecognised deferred tax assets for losses relate to entities for which it is not probable that taxable profit will be available to offset against these losses.

e. Tax uncertainties

Trafigura operates numerous jurisdictions worldwide resulting in cross border intercompany transactions whereby the transfer pricing rules applied in one country have an impact on the results in another country. In order to reduce transfer pricing uncertainties, transfer pricing studies are performed and reports are prepared to fulfil local transfer pricing requirements.

Due to complexity of tax rules, interpretation by local taxing authorities can differ from Trafigura's interpretation based on opinions provided by local tax counsel. Trafigura believes that it has sufficiently provided for financial consequences (if any).

In countries where Trafigura starts new operations or alters business models, the issue of permanent establishment and profit allocation thereto may arise. The risk is that taxing authorities in multiple jurisdictions claim taxation rights over the same profit.

11. Property, plant and equipment

USD'M	Land and buildings	Machinery and equipment	Barges and vessels	Other fixed assets	Total
Cost					
Balance at 1 October 2016					
Additions	968.9	587.0	654.4	944.4	3,154.7
Reclassifications	15.5	8.1	48.5	266.8	338.9
Effect of movements in exchange rates	150.5	197.8	166.0	(578.0)	(63.7)
Disposals	(21.0)	(0.8)	(0.3)	(3.4)	(25.5)
Divestment of subsidiaries	(30.4)	(2.7)	(134.1)	(96.5)	(263.7)
	(6.1)	(3.6)	(9.6)	(20.2)	(39.5)
Balance at 30 September 2017	1,077.4	785.8	724.9	513.1	3,101.2
Depreciation and impairment losses					
Balance at 1 October 2016					
Depreciation for the period	218.0	270.9	82.9	237.9	809.7
Impairment losses	46.4	31.4	36.2	21.8	135.8
Reclassifications	9.2	-	6.5	0.8	16.5
Effect of movements in exchange rates	6.0	2.5	-	(3.8)	4.7
Disposals	(9.5)	(0.7)	(0.1)	(2.0)	(12.3)
Divestment of subsidiaries	(4.7)	(0.8)	-	(3.5)	(9.0)
	(3.8)	(8.1)	(4.0)	(19.2)	(35.1)
Balance at 30 September 2017	261.6	295.2	121.5	232.0	910.3
Net book value at 30 September 2017	815.8	490.6	603.4	281.1	2,190.8
USD'M					
Cost					
Balance at 1 October 2015					
Additions	805.7	452.2	648.0	1,180.5	3,096.4
Reclassifications	69.1	36.4	96.8	506.1	708.4
Effect of movements in exchange rates	178.4	103.9	392.3	(681.7)	(71)
Disposals	(56.7)	(0.3)	0.8	2.7	(53.5)
	(27.6)	(15.3)	(483.5)	(63.1)	(589.5)
Balance at 30 September 2016	968.9	587.0	654.4	944.4	3,154.7
Depreciation and impairment losses					
Balance at 1 October 2015					
Depreciation for the period	171.9	247.1	88.2	188.8	696.1
Impairment losses	46.8	19.6	51.9	29.7	148.0
Reclassifications	7.6	5.1	3.3	40.2	56.2
Effect of movements in exchange rates	0.5	11.4	(9.4)	(3.5)	(1.1)
Disposals	(1.1)	0.5	0.3	1.5	1.2
	(7.7)	(12.8)	(51.5)	(18.7)	(90.7)
Balance at 30 September 2016	218.0	270.9	82.9	237.9	809.7
Net book value at 30 September 2016	750.9	316.0	571.5	706.6	2,345.0

j. Fair value

(i) Fair values versus carrying amounts

The fair values of inventories, financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

2017	Carrying value USD'M	Fair value USD'M
Assets		
Listed equity securities		
– Fair value through OCI	19.3	19.3
Listed debt securities		
– Fair value through profit or loss	447.6	447.6
Unlisted equity investments		
– Fair value through profit and loss	45.5	45.5
Unlisted equity investments		
– Fair value through OCI	122.6	122.6
Loans receivable and advances	670.7	670.7
Inventories	13,926.7	13,926.7
Trade and other receivables	17,506.3	17,506.3
Components of tolling agreement	162.6	162.6
Derivatives	610.4	610.4
Deposits	338.3	338.3
Cash and cash equivalents	4,988.7	4,988.7
Total financial assets and inventories	38,838.4	38,838.7

2017	Carrying value USD'M	Fair value through profit and loss USD'M
Liabilities		
Loans and borrowings		
Floating rate borrowings	28,873.7	28,873.7(*)
Fixed rate borrowings	2,360.3	2,453.2
Finance lease and purchase contract	20.6	20.6(*)
Trade and other payables	9,778.4	9,778.4(*)
Derivatives	702.6	702.6
Total financial liabilities	41,735.6	41,828.5

2016	Carrying value USD'M	Fair value through profit and loss USD'M
Assets		
Listed equity securities		
– Fair value through OCI	97.6	97.6
Listed debt securities		
– Fair value through profit or loss	327.0	327.0
Unlisted equity investments		
– Fair value through profit and loss	59.4	59.4
Unlisted equity investments		
– Fair value through OCI	56.3	56.3
Loans receivable and advances	801.3	801.3(*)
Inventories	11,537.7	11,537.7
Trade and other receivables	15,199.9	15,199.9(*)
Derivatives	573.6	573.6
Deposits	7.9	7.9(*)
Cash and cash equivalents	3,141.9	3,141.9(*)
Total financial assets and inventories	31,802.6	31,802.6

2016	Carrying value USD'M	Fair value through profit and loss USD'M
Liabilities		
Loans and borrowings		
Floating rate borrowings	23,241.0	23,241.0
Fixed rate borrowings	1,987.4	2,039.2
Finance lease and purchase contract	38.8	38.8
Trade and other payables	8,952.6	8,952.6
Components of tolling agreement	151.8	151.8
Derivatives	658.9	658.9
Total financial liabilities	35,030.5	35,082.3

(*) Management has determined that the carrying amounts of trade and other receivables, cash and cash equivalents, deposits and trade and other payables reasonably approximate their fair values because these are mostly short-term in nature and are re-priced regularly.

The fair value of the guarantee disclosed in note 26 was calculated based on level 3 valuation inputs taking into account current illiquid market conditions, which include sanctions enacted by the US and EU.

Offsetting of financial assets and liabilities

In accordance with IAS 32 the Group reports financial assets and liabilities on a net basis in the consolidated statement of financial position only if there is a legally enforceable right to set off the recognised amounts and there is intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. The financial assets and liabilities subject to offsetting, enforceable master netting and similar agreements as at 30 September 2017 and 2016 were as follows:

2017	Amounts eligible for sett off under netting agreements			Amounts not subject to netting agreements USD'M	Net amounts presented in the statement of financial position USD'M
	Gross Amount USD'M	Amounts offset USD'M	Net amount USD'M		
Related parties	822.2	(9.1)	813.1	–	813.1
Derivative assets	674.2	(458.0)	216.2	394.2	610.4

Related parties	(75.1)	9.1	(66.0)	–	(66.0)
Derivative liabilities	(735.6)	458.0	(277.6)	(425.0)	(702.6)

2016	Amounts eligible for sett off under netting agreements			Amounts not subject to netting agreements USD'M	Net amounts presented in the statement of financial position USD'M
	Gross Amount USD'M	Amounts offset USD'M	Net amount USD'M		
Related parties	914.2	(23.6)	890.6	–	890.6
Derivative assets	916.6	(678.6)	238.0	335.6	573.6
Related parties	(32.1)	23.6	(8.5)	–	(8.5)
Derivative liabilities	(943.6)	678.6	(265.0)	(394.0)	(659.0)

For the financial assets and liabilities subject to enforceable master netting or similar arrangements above, each agreement between the Group and the counterparty allows for net settlement of the relevant financial assets and liabilities when both elect to settle on a net basis. In the absence of such an election, financial assets and liabilities may be settled on a gross basis, however, each party to the master netting or similar agreement will have the option to settle all such amounts on a net basis in the event of default of the other party.

(ii) Fair value hierarchy

The table below analyses the assets and liabilities carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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Level 1 classifications primarily include futures with a maturity of less than one year. Level 2 classifications primarily include swaps and physical forward transactions which derive their fair value primarily from exchange quotes and readily observable broker quotes. Level 3 classifications primarily include physical forward transactions which derive their fair value predominately from calculations that use broker quotes and applicable market based estimates surrounding location, quality and credit differentials. In circumstances where Trafigura cannot verify fair value with observable market inputs (level 3 fair values), it is possible that a different valuation model could produce a materially different estimate of fair value. It is Trafigura's policy to hedge significant market risk, therefore sensitivity to fair value movements is limited. Trafigura manages its market risk using the Value at Risk (VaR) as disclosed in note 27b.

Other financial assets and inventories	Level 1 USD'M	Level 2 USD'M	Level 3 USD'M	Total USD'M
30 September 2017				
Listed equity securities – Fair value through OCI	19.3	–	–	19.3
Listed debt securities – Fair value through profit or loss	–	–	447.6	447.6
Unlisted equity investments – Fair value through profit and loss	–	–	45.5	45.5
Unlisted equity investments – Fair value through OCI	–	–	122.6	122.6
Futures	24.4	–	–	24.4
OTC derivatives	–	64.7	41.9	106.6
Physical forwards	–	1.8	231.4	233.2
Cross-currency swaps	–	68.8	–	68.8
Interest rate swaps	–	5.7	–	5.7
Components of tolling agreement	–	162.6	–	162.6
Other financial derivatives	–	171.7	–	171.7
Inventories	–	13,926.7	–	13,926.7
Total	43.7	14,402.0	889.0	15,334.7

Other financial liabilities	Level 1 USD'M	Level 2 USD'M	Level 3 USD'M	Total USD'M
30 September 2017				
Futures	21.8	–	–	21.8
OTC derivatives	–	27.8	0.2	28.0
Physical forwards	–	3.8	326.9	330.7
Cross-currency swaps	–	151.0	–	151.0
Interest rate swaps	–	2.5	–	2.5
Other financial derivatives	–	168.6	–	168.6
Fixed rate borrowings	–	2,453.2	–	2,453.2
Total	21.8	2,806.9	327.1	3,155.8

Other financial assets and inventories	Level 1 USD'M	Level 2 USD'M	Level 3 USD'M	Total USD'M
30 September 2016				
Listed equity securities – Fair value through OCI	97.6	–	–	97.6
Listed debt securities – Fair value through profit or loss	15.1	–	311.9	327.0
Unlisted equity investments – Fair value through profit and loss	–	–	59.4	59.4
Unlisted equity investments – Fair value through OCI	–	–	56.3	56.3
Futures	24.1	–	–	24.1
OTC derivatives	–	191.3	21.8	213.1
Physical forwards	–	6.5	175.6	182.1
Cross-currency swaps	–	28.5	–	28.5
Interest rate swaps	–	20.8	–	20.8
Other financial derivatives	–	104.9	–	104.9
Inventories	–	11,537.7	–	11,537.7
Total	136.8	11,889.7	625.0	12,651.5

Other financial liabilities	Level 1 USD'M	Level 2 USD'M	Level 3 USD'M	Total USD'M
30 September 2016				
Futures	15.6	–	–	15.6
OTC derivatives	–	143.9	–	143.9
Physical forwards	–	1.0	227.9	228.9
Cross-currency swaps	–	144.2	–	144.2
Interest rate swaps	–	30.9	–	30.9
Other financial derivatives	–	90.6	–	90.6
Components of tolling agreement	–	151.8	–	151.8
Fixed rate borrowings	–	2,039.2	–	2,039.2
Total	15.6	2,454.8	227.9	2,850.1

The overview of the fair value hierarchy and applied valuation methods can be specified as follows:

Listed equity securities – Fair value through profit or loss	2017 USD'M	2016 USD'M
– level 1 Assets	19.3	97.6
Liabilities	–	–

Valuation techniques and key inputs:	Quoted prices in an active market
Significant unobservable inputs:	None

Listed debt securities – Fair value through profit or loss	2017 USD'M	2016 USD'M
– level 1 Assets	–	15.1
Liabilities	–	–

Valuation techniques and key inputs:	Quoted prices in an active market
Significant unobservable inputs:	None

Futures	2017 USD'M	2016 USD'M
– level 1 Assets	24.4	24.1
Liabilities	21.8	15.6

Valuation techniques and key inputs:	Quoted prices in an active market
Significant unobservable inputs:	None

OTC derivatives	2017 USD'M	2016 USD'M
– level 2 Assets	64.7	191.3
Liabilities	27.8	148.9

Valuation techniques and key inputs:	Reference prices
Significant observable inputs:	Inputs include observable quoted prices sourced from traded reference prices or recent traded prices indices in an active market for identical assets or liabilities.

Physical forwards	2017 USD'M	2016 USD'M
– level 2 Assets	1.8	6.5
Liabilities	3.8	1.0

Valuation techniques and key inputs:	Reference prices
Significant observable inputs:	Inputs include observable quoted prices sourced from traded reference prices or recent traded prices indices in an active market for identical assets or liabilities.

Cross-currency swaps	2017 USD'M	2016 USD'M
– level 2 Assets	68.8	28.5
Liabilities	151.0	144.2

Valuation techniques and key inputs:	Reference prices
Significant observable inputs:	Inputs include observable quoted prices sourced from exchanges or recent traded prices indices in an active market for identical assets or liabilities.

2017

Interest rate swaps		2017	2016
		USD'M	USD'M
– level 2	Assets	5.7	20.8
	Liabilities	2.5	30.9
Valuation techniques and key inputs:		Discounted cash flow model	
Significant observable inputs:		Inputs include observable quoted prices sourced from exchanges or traded reference indices in an active market for identical assets or liabilities. Prices are adjusted by a discount rate which captures the time value of money and counterparty credit considerations.	

Other financial derivatives		2017	2016
		USD'M	USD'M
– level 2	Assets	171.7	104.9
	Liabilities	168.6	90.6
Valuation techniques and key inputs:		Discounted cash flow model	
Significant observable inputs:		Inputs include observable quoted prices sourced from exchanges or traded reference indices in an active market for identical assets or liabilities. Prices are adjusted by a discount rate which captures the time value of money and counterparty credit considerations.	

Inventories		2017	2016
		USD'M	USD'M
– level 2	Assets	13,926.7	11,537.7
	Liabilities	–	–
Valuation techniques and key inputs:		Quoted prices in an active market premium discount on quality and location	
Significant unobservable inputs:			

Fixed rate borrowings		2017	2016
		USD'M	USD'M
– level 2	Assets	–	–
	Liabilities	2,453.2	2,039.2
Valuation techniques and key inputs:		Discounted cash flow model cash flows discounted at current borrowing rates for similar instruments	
Significant observable inputs:			

Components of tolling agreements		2017	2016
		USD'M	USD'M
– level 2	Assets	162.6	–
	Liabilities	–	151.8
Valuation techniques and key inputs:		Reference prices	
Significant observable inputs:		Inputs include observable quoted prices sourced from traded reference prices or recent traded prices indices in an active market for identical assets or liabilities.	

Listed debt securities – Fair value through profit or loss		2017	2016
		USD'M	USD'M
– level 3	Assets	447.6	311.9
	Liabilities	–	–
Valuation techniques and key inputs:		Discounted cash flow model	
Significant unobservable inputs:		– Forecast throughput – Discount rates using weighted average cost of capital – market illiquidity – operating cost and capital expenditures The resultant asset is a discounted cash flow of the underlying throughput. Increase/decrease of the forecasted throughput will result in an increase/decrease of the value of the asset.	

Unlisted equity investments – Fair value through profit and loss		2017	2016
		USD'M	USD'M
– level 3	Assets	45.5	59.4
	Liabilities	–	–
Valuation techniques and key inputs:		Quoted prices obtained from the asset managers of the funds.	
Significant unobservable inputs:		– market illiquidity – price of commodities	

Unlisted equity investments – Fair value through OCI		2017	2016
		USD'M	USD'M
– level 3	Assets	122.6	56.3
	Liabilities	–	–
Valuation techniques and key inputs:		Quoted prices obtained from the asset managers of the funds.	
Significant unobservable inputs:		– market illiquidity – price of commodities	

OTC derivatives		2017	2016
		USD'M	USD'M
– level 3	Assets	41.9	21.8
	Liabilities	0.2	–
Valuation techniques and key inputs:		Discounted valuation of cashflows generated by mean-reverting price simulations.	
Significant unobservable inputs:		Mean reversion Volatility	

Physical forwards		2017	2016
		USD'M	USD'M
– level 3	Assets	231.4	175.6
	Liabilities	326.9	227.9
Valuation techniques and key inputs:		Discounted cash flow model	
Significant unobservable inputs:		Prices are adjusted by differentials including: – Quality – Location An increase/decrease in one input resulting in an opposite movement in another input, resulting in no material change in the underlying value	

USD'M	Physical forwards/ Derivatives	Equity/Debt securities	Total
1 October 2016			
Total gain/(loss) recognised in income statement	(30.5)	427.5	397.0
Total gain/(loss) recognised in OCI	(51.3)	117.6	66.3
Invested	–	6.9	6.9
Disposals	–	72.8	72.8
Total realised	–	(10.7)	(10.7)
30 September 2017	(53.8)	614.1	560.3

USD'M	Physical forwards/ Derivatives	Equity/Debt securities	Total
1 October 2015			
Total gain/(loss) recognised in income statement	(157.7)	664.0	506.3
Total gain/(loss) recognised in OCI	193.2	(135.1)	58.1
Invested	–	(12.1)	(12.1)
Disposals	–	5.5	5.5
Total realised	–	(94.8)	(94.8)
30 September 2016	(30.5)	427.5	397.0

There have been no transfers between fair value hierarchy Levels in 2017. Materially all level 3 physical forwards are settled in the next year. See note 16 for equity/debt securities.

28. Employee benefits

a. Equity participation plan

The immediate parent of the Company, Trafigura Beheer B.V., has an equity participation plan (EPP) which is open to employees of the Group. Shares issued to employees are preference shares of Trafigura Beheer B.V. which give rights to economic benefits with limited voting rights. The founders and controlling shareholders of the Group represented by the Board of Directors of Trafigura Control Holdings Pte. Ltd., a parent company of Trafigura Beheer B.V., in consultation with the Board of Directors of the Company, decide on the share awards to be issued to employees. Annual remuneration (which includes the equity participation awards) is subject to review by the remuneration committee of the Group.

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The value of the shares is based on the net asset value of an ordinary share as set out in Articles of Association of Trafigura Beheer B.V., which the Group believes is a fair approximation of the fair value. Shares awarded under the EPP may vest immediately or over a period of several years.

Employees do not have the right to freely sell shares that have vested unless Trafigura Control Holdings Pte. Ltd. has granted approval and has refrained from its right to nominate a prospective purchaser and make a purchase offer. Upon termination of employment, employees must transfer all of their shares at the direction of Trafigura Control Holdings Pte. Ltd. or hold the shares subject to further directions of Trafigura Control Holdings Pte. Ltd.

Neither Trafigura Beheer B.V. nor the Group have a legal or constructive obligation to settle the shares held by employees in cash. If employment is ceased prior to the end of the vesting period the shares will be forfeited unless otherwise determined by Trafigura Control Holdings Pte. Ltd.

The Group's EPP is classified as an equity-settled plan in the Group's financial statements; the fair value of the shares granted, determined at the grant date, is recorded in the statement of income rateably over the vesting period of the shares.

During 2017, 12,135 immediately vesting shares were granted to employees representing a value of USD15.5 million (2016: 5,613 shares representing a value of USD24.0 million) and 46,555 shares were granted with a vesting period of one to five years representing a value of USD59.5 million (2016: 28,251 shares representing a value of USD120.8 million).

Compensation in respect of share based payments recognised in staff costs amounted to USD82.2 million in 2017 (2016: USD77.7 million).

Unrecognised staff costs in respect of rateably vesting shares expected to be recognised from 2018 to 2021 amount to USD97.9 million at 30 September 2017 (2016: USD107.0 million).

b. Personnel expenses

	2017	2016
	USD'M	USD'M
Salaries and bonuses	387.9	395.4
Social security costs	24.7	25.0
Pension costs	33.1	15.4
Share-based payments	82.2	77.7
Total	527.9	513.5

The average number of employees split geographically is depicted below:

	Oil & Petroleum	Non-Ferrous & Bulk	Corporate and Other	Total
	FTE	FTE	FTE	FTE
2017				
North, Central and South America	249	1,705	169	2,123
Europe and Africa	185	406	278	869
Asia, Middle East and Australia	257	291	395	943
Total	691	2,402	842	3,935

	Oil & Petroleum	Non-Ferrous & Bulk	Corporate and Other	Total
	FTE	FTE	FTE	FTE
2016				
North, Central and South America	201	1,929	148	2,278
Europe and Africa	248	470	245	963
Asia, Middle East and Australia	205	301	360	866
Total	654	2,700	753	4,107

29. Related parties

In the normal course of business, the Company enters into various transactions with related parties including fixed price commitments to sell and to purchase commodities, forward sale and purchase contracts, agency agreements and management service agreements. Outstanding balances at period end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related-party receivables or payables.

All transactions between the Company and its subsidiaries are eliminated on consolidation along with any unrealised profits and losses between its subsidiaries, associates and joint ventures.

a. Transactions with key management personnel

(i) Key management personnel compensation

In addition to their salaries, the Group also provides non-cash benefits to directors and executive officers. Executive officers also participate in the Group's equity participation plan (see note 28). Compensation of key management personnel, including all members of the Board of Directors and Management Board, comprised of the following:

	2017	2016
	USD'M	USD'M
Short-term employee benefits	12.8	18.1
Post-employment benefits	0.5	0.5
Share-based payments	29.5	22.0
Total	42.8	40.6

(ii) Key management personnel and director transactions

As at 30 September 2017 loans receivable from the members of the Board of Directors and Management Board total USD10.6 million (2016: USD11.6 million). Interest is charged on the loans at approximately LIBOR + 1.0% and the loans are repayable within the one to three year bracket.

b. Other related-party transactions

	2017	2016
	USD'M	USD'M
Related-party receivables/(payables)		
Trafigura Beheer B.V.	(47.4)	352.6
Puma Energy	642.1	374.1
PT Servo Meda Sejahtera	-	122.5
Farringford NV	29.6	17.2
Beheer Malta Ltd	(8.1)	(7.2)
Ecore B.V.	4.3	16.4
Empresa Minera del Caribe S.A.	263.3	150.0
JINCHUAN Group Co. Ltd.	16.5	31.4
Minas de Aguas Teñidas, S.A.U ("MATSA")	72.6	262.2
Essar Oil Limited	374.4	-
Other	103.0	100.9
Total	1,450.4	1,420.2

	2017	2016
	USD'M	USD'M
Sales (mainly Puma Energy)	7,627.1	6,697.4
Purchases	1,986.5	1,456.1
Terminaling & dockage fees	167.6	148.1
Interest income	58.2	49.3

Transactions between related parties are made on commercial terms.

The below table summarises the nature of relationship and nature of transactions entered with the related party:

Party	Nature of relationship	Nature of transaction
Beheer Malta Ltd	Parent company	Buy back of treasury shares
Buckeye Partners LLC	Equity-accounted investee	Lease agreements
Ecore B.V.	Cousin group	Cost recharges, trading and hedging
Empresa Minera del Caribe SA	Equity-accounted investee	Financing and trading agreement
Essar Oil Limited	Equity-accounted investee	Financing and trading agreement
Farringford NV	Ultimate parent	Loans and cost recharges
JINCHUAN Group Co. Ltd.	Equity-accounted investee	Trading agreement
Minas de Aguas Tefidas, S.A.U ("MATSA")	Equity-accounted investee	Financing and trading agreement
Porto Sudeste do Brasil S.A.	Equity-accounted investee	Loans and cost recharges
Puma Energy Holding	Equity-accounted investee	Financing and trading agreement
Trafigura Beheer B.V.	Parent company	Loans and cost recharges

A list of consolidated subsidiaries and associates is included in note 32.

30. New standards and interpretations not yet adopted

The Group has not applied the following new and revised IFRSs, which have been issued but are not yet effective, in these financial statements.

- IFRS 15 Revenue from Contracts with Customers including amendments to IFRS 15, effective 1 January 2018
- IFRS 16 Leases, effective 1 January 2019
- Annual Improvements to IFRSs 2014-2016 Cycle (Issued December 2016), effective 1 January 2017
- Amendments to IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses, effective 1 January 2017
- Amendments to IAS 7 Statement of Cash Flows – Disclosure Initiative, effective 1 January 2017
- Amendments to IFRS 2 Share-based Payment – Classification and Measurement of Share-based Payment Transactions, effective 1 January 2018
- Amendments to IFRS 4 Insurance contracts – regarding the implementation of IFRS 9 Financial instruments, effective 1 January 2018
- Amendments to IAS 40 Investment property – relating to transfers of investment property, effective 1 January 2018
- IFRS 17 Insurance contracts – standard replaces IFRS 4, effective 1 January 2021
- IFRIC 22 Foreign currency transactions and advance considerations – foreign currency transactions or parts of transactions, effective 1 January 2018
- IFRIC 23 Uncertainty over income tax treatments – recognition and measurement of uncertain income tax treatments, effective 1 January 2019

In 2015 the Group early adopted IFRS 9 – Financial Instruments.

The Group is in the process of making an assessment of the impact of these new and revised IFRSs upon initial application. Trafigura is investigating the impact on IFRS 15. IFRS 16 Leases is expected to have a significant impact on the balance sheet of the Group and the presentation of lease cost in the statement of income.

The following IFRSs have been applied for the first time in 2017 which did not have a significant impact on the financial statements.

- IFRS 14 Regulatory Deferral Accounts, effective 1 January 2016. Will not be endorsed for use in the EU
- Annual improvements 2014: amendments to IFRS 5 Non-current assets held for sale and discontinued operations regarding methods of disposal – IFRS 7 Financial Instruments regarding service contracts – IAS 19 Employee benefits regarding discount rates – IAS 34 Interim financial reporting regarding disclosure of information, effective 1 January 2016
- Amendments to IFRS 11 Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations, effective 1 January 2016
- Amendments to IAS 16 Property, Plant and Equipment and IAS 41 Agriculture – Bearer Plants, effective 1 January 2016
- Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation, effective 1 January 2016
- Amendments to IAS 27 Separate Financial Statements – Equity Method in Separate Financial Statements, effective 1 January 2016
- Amendments to IFRS 10 Consolidated Financial Statements and IFRS 12 Disclosure of Interests in other entities and IAS 28 Investments in Associates and Joint Ventures – Applying the Consolidation Exception, effective 1 January 2016
- Amendments to IAS 1 Presentation of Financial Statements – Disclosure Initiative, effective 1 January 2016

31. Subsequent events

On 14 November 2017, the Company launched a tap of its recent USD600 million perpetual bond issued on 21 March 2017, and raised USD200 million at a 103.625% price. Yield of the bond at issuance was at 5.912%. The bond will be consolidated and form a single series with the USD600 million perpetual securities issued on 21 March 2017 which is listed on the Singapore Stock Exchange.

On 2 October 2017, the Company closed a new syndicated revolving credit facility of USD1.99 billion replacing the maturing RCF facilities in 2017. The new Facilities comprise a 365-day USD-denominated revolving credit facility (USD1,175 million), a three-year USD term loan facility (USD435 million), as well as a Renminbi (CNH)-denominated one-year tranche (USD380 million). The Facilities will be used for general corporate purposes.

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F. Notes to consolidated financial statements

32. Consolidated subsidiaries and associates

For entities where legal shareholding is less than 50%, the Group has consolidated based on the definition of control under IFRS. Certain entities with a percentage of effective economic interest below 50% are held through intermediate holding companies controlled by the Group.

Principal consolidated operating subsidiaries	Location	% Owned 2017	% Owned 2016
Ango Recycling Industry, Lda.	Angola	25.0%	25.0%
Boyaca Navigation Inc.	Panama	100.0%	100.0%
C.I. Trafigura Petroleum Colombia S.A.S.	Colombia	100.0%	100.0%
Catalina Huanca Sociedad Minera S.A.C.	Peru	100.0%	100.0%
DT Trading Ltd.	Bahamas	50.0%	50.0%
DTS Commercial Pte. Ltd.	Singapore	50.0%	50.0%
DTS Refining Pte. Ltd.	Singapore	50.0%	50.0%
DTS Shipping Ventures Pte. Ltd.	Singapore	50.0%	50.0%
Edenfield Procurement DMCC	United Arab Emirates	100.0%	100.0%
Empresa de Recolha de Residuos de Angola, Lda. (Errangol)	Angola	25.0%	25.0%
Fangchenggang Guo Tong Import and Export Co. Ltd.	China	100.0%	100.0%
Galena Asset Management B.V.	Netherlands	100.0%	100.0%
Galena Asset Management Limited	United Kingdom	100.0%	100.0%
Galena Asset Management SA	Switzerland	100.0%	100.0%
Galena Investments 2 Limited	Malta	100.0%	100.0%
Genghis Holding Company Limited	Malta	100.0%	100.0%
Iberian Minerals Corp.	Switzerland	100.0%	100.0%
Impala Holdings Limited	Malta	100.0%	100.0%
Impala Logistics (Shanghai) Company Limited	China	100.0%	100.0%
Impala Middle East General Warehousing L.L.C.	United Arab Emirates	100.0%	100.0%
Impala Terminals Barrancabermeje S.A.	Colombia	100.0%	100.0%
Impala Terminals Burnside LLC	United States	100.0%	100.0%
Impala Terminals Colombia SAS	Colombia	100.0%	100.0%
Impala Terminals DRC SARL	Congo, The Democratic Republic of the	100.0%	100.0%
Impala Terminals Group B.V.	Netherlands	100.0%	100.0%
Impala Terminals Mexico, S.A. de C.V.	Mexico	100.0%	100.0%
Impala Terminals Middle East FZE	United Arab Emirates	100.0%	100.0%
Impala Terminals Peru S.A.C.	Peru	100.0%	100.0%
Impala Terminals UK Limited	United Kingdom	100.0%	100.0%
IWL (Luxembourg) S.à.r.l.	Luxembourg	100.0%	100.0%
IWL Capital LLC	Marshall Islands	100.0%	100.0%
IWL Holding B.V.	Netherlands	100.0%	100.0%
IWL Holdings (Luxembourg) S.à.r.l.	Luxembourg	100.0%	100.0%
IWL Investments (Luxembourg) S.à.r.l.	Luxembourg	100.0%	100.0%
IWL River Inc.	Panama	100.0%	100.0%
LYKOS India Private Limited	India	100.0%	100.0%
Manatee Holding Company Limited	Malta	100.0%	100.0%
NGL Equipments, S.A. de C.V.	Mexico	100.0%	100.0%
Ningbo Trans-Coal Trading Co., Ltd.	China	100.0%	100.0%
Petromining S.A.	Argentina	100.0%	100.0%
Puma Energy Holdings Malta Limited	Malta	100.0%	100.0%
Seal Sands Gas Transportation Limited	United Kingdom	100.0%	0.0%
Shanghai Trafigura Energy and Resource Trading Co., Ltd.	China	100.0%	100.0%
TAG ECO Recycling (UK) Limited	United Kingdom	100.0%	100.0%
TCPU Inc.	United States	100.0%	100.0%
Teesside Gasport Limited	United Kingdom	100.0%	-
Trafigura Argentina S.A.	Argentina	100.0%	100.0%
Trafigura B.V.	Netherlands	100.0%	100.0%
Trafigura Canada General Partnership	Canada	100.0%	100.0%
Trafigura Chile Limitada	Chile	100.0%	100.0%
Trafigura Coal Colombia S.A.S.	Colombia	100.0%	100.0%

Principal consolidated operating subsidiaries	Location	% Owned 2017	% Owned 2016
Trafigura Corpus Christi Holdings LLC	United States	100.0%	100.0%
Trafigura Derivatives Limited	United Kingdom	100.0%	100.0%
Trafigura DMCC	United Arab Emirates	100.0%	100.0%
Trafigura Energy Colombia S.A.S.	Colombia	100.0%	100.0%
Trafigura Eurasia LLC	Russian Federation	100.0%	100.0%
Trafigura Funding S.A.	Luxembourg	100.0%	100.0%
Trafigura Holding GmbH	Switzerland	100.0%	100.0%
Trafigura Holdings Limited	Malta	100.0%	100.0%
Trafigura Holdings Pte. Ltd.	Singapore	100.0%	100.0%
Trafigura India Private Limited	India	100.0%	100.0%
Trafigura Investment (China) Co., Ltd.	China	100.0%	100.0%
Trafigura Limited	United Kingdom	100.0%	100.0%
Trafigura Maritime Logistics Pte. Ltd.	Singapore	100.0%	100.0%
Trafigura Maritime Ventures Limited	Malta	100.0%	100.0%
Trafigura Marketing Inc.	United States	100.0%	100.0%
Trafigura Marketing Ltd.	Canada	100.0%	100.0%
Trafigura Metales Basicos S.A.C.	Peru	100.0%	100.0%
Trafigura Mexico, S.A. de C.V.	Mexico	100.0%	100.0%
Trafigura Mongolia LLC	Mongolia	100.0%	100.0%
Trafigura Nat Gas Limited	Malta	100.0%	100.0%
Trafigura Overseas Projects Pte. Ltd.	Singapore	100.0%	100.0%
Trafigura Peru S.A.C.	Peru	100.0%	100.0%
Trafigura Pte. Ltd.	Singapore	100.0%	100.0%
Trafigura Services Pte. Ltd.	Singapore	100.0%	100.0%
Trafigura Services South Africa (Pty) Ltd.	South Africa	100.0%	100.0%
Trafigura Trade Holdings B.V.	Netherlands	100.0%	100.0%
Trafigura Trade Investments B.V.	Netherlands	100.0%	100.0%
Trafigura Trading (Europe) Sarl	Switzerland	100.0%	100.0%
Trafigura Trading LLC	United States	100.0%	100.0%
Trafigura Trading Yangshan Co., Ltd.	China	100.0%	100.0%
Trafigura Ukraine LLC	Ukraine	100.0%	100.0%
Trafigura Ventures Trading Ltd.	Mauritius	100.0%	100.0%
Trafigura Ventures V.B.V.	Netherlands	100.0%	100.0%
Union Holdings (Malta) Limited	Malta	100.0%	100.0%
Union Mining International B.V.	Netherlands	100.0%	100.0%

Associates and joint ventures carried at net equity value	Location	% Owned 2017	% Owned 2016
ATALAYA MINING PLC (previously known as EMED MINING PUBLIC LIMITED)	Cyprus	22.0%	22.0%
Buckeye Texas Partners LLC	United States	20.0%	20.0%
Empresa Minera del Caribe S.A. (Joint venture)	Caribbean	49.0%	49.0%
Guangxi Jinchuan Non-ferrous Metals Co., Ltd	China	30.0%	30.0%
Mineração Morro do Ipê S.A.	Brazil	25.5%	-
Napoli Limited	Bermuda	49.0%	49.0%
Nycstar N.V.	Belgium	24.6%	24.6%
Porto Sudeste do Brasil S.A. (Joint venture)	Brazil	49.2%	47.4%
PT Servo Meda Sejahtera	Indonesia	-	46.5%
Puma Energy Holdings Pte. Ltd.	Singapore	49.6%	49.6%
Tendril Ventures Pte. Ltd. (Joint venture)	Singapore	49.0%	-
TM Mining Ventures, S.L. (Joint venture)	Spain	50.0%	50.0%
Transportadora Callao S.A.	Peru	30.0%	30.0%

33. Board of Directors

The Board of Directors

Christopher Cox	Mark Irwin
José Larocca	Pierre Lorinet
Sipko Schat	Andrew Vickerman
Mike Wainwright	Jeremy Weir

Singapore, 7 December 2017.

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Trafigura Group Pte. Ltd. and the companies in which it directly or indirectly owns investments in are separate and distinct entities. In this publication, the collective expressions 'Trafigura', 'Trafigura Group', 'the Company' and 'the Group' may be used for convenience where reference is made in general to those companies. Likewise, the words 'we', 'us', 'our' and 'ourselves' are used in some places to refer to the companies of the Trafigura Group in general. These expressions are also used where no useful purpose is served by identifying any particular company or companies.

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F. Notes to consolidated financial statements

2017

Machinery and equipment mainly consists of specialised industrial equipment.

In 2017 the Group finalised the sale and leaseback transactions of 17 vessels entered in 2016 by delivering the last three vessels. The vessels have been leased back from periods ranging between eight and 10 years. The sale and leaseback transaction generated a total consideration in 2017 of USD134.2 million and a net nil result. The sale and leaseback transaction can be classified as an operational lease. The lease agreements are in line with market rent for longer-term charters. The future charter commitments of these leases are included in the outstanding commitments under note 26.

Main investments during 2017 relate to the Colombian port project USD71.7 million, vessels USD103.4 million and the construction of a splitter unit in Mexico USD54.4 million. The Colombian project relates to the development of multimodal transport activities in Colombia, that includes an inland port at Barrancabermeja and fluvial equipment providing multimodal logistics services linking the industrial heartland to the Caribbean ports Cartagena and Barranquilla via the Magdalena River. During the ramp-up of the project, the Colombian market environment for oil products has been challenging and combined with insufficient draft on the Magdalena River. For the assessment of the regular impairment determination, the Colombia project represents one CGU as the specific assets do not have independent associated cash flows. The value in use is calculated based upon the discounted cash flows associated with the assets. This calculation incorporates all aspects of the Colombia Multimodal project including expected revenues and relevant costs. Based on the projections until 2044, which corresponds to the end of the concession, and using a discount rate of 9.77%, the recoverable amount exceeds the carrying amount of USD1,065 million of the assets by USD251 million and therefore no impairment was required. The sensitivity analyses on the valuations show that an increase/decrease in the discount rate of +/-0.5% points has an impact on the recoverable amount of minus USD68 million/plus USD73 million. A change in the EBITDA of 10% causes a change of USD138 million to the recoverable amount.

During 2017, assets with a value of USD66.3 million (mainly land and buildings) from three DT subsidiaries were transferred to assets held for sale.

Included in the Other fixed assets category is assets under construction, which relates to assets not yet in use. Total balance at 30 September 2017 amounted to USD194.2 million (2016: USD618.7 million). Once the assets under construction come into operation they are reclassified to the appropriate asset category and it is from that point that they are depreciated. Decrease is mainly driven by a change in transaction type of vessels (see note 26). Further other fixed assets mainly consist of small equipment, computer hardware, software licences, office equipment and refurbishment.

The net book value of property, plant and equipment acquired under finance leases at 30 September 2017 was USD20.6 million (2016: USD38.8 million).

Certain items of property, plant and equipment are pledged as collateral for an amount of USD496.2 million (2016: USD545.9 million).

Depreciation expenses are included in general and administrative expenses. Impairment charges are included in other income and expense.

During the financial year ended 30 September 2017, the Company has capitalised borrowing cost of a total amount of USD12.3 million under other fixed assets (2016: USD35.8 million) which mainly relates to the multimodal logistics and infrastructure project along the Magdalena river in Colombia. These borrowing costs are based upon a capitalisation rate of 5.50% – 8.00% of the eligible assets.

2016

In 2016 the Group entered into sale and leaseback transactions of 17 vessels which have been leased back from periods ranging between eight and 10 years. The sale and leaseback transactions generated a total consideration in FY2016 of USD449.0 million and a gain of USD16.1 million. The sale and leaseback transactions qualify as an operational lease. The gain is accounted for under other operating income. The lease agreements are in line with market rent for longer-term charters. The future charter commitments of these leases are included in the outstanding commitments under note 26.

During the regular assessment to determine asset impairment, the Group decided to record an impairment of USD42.7 million on non-financial assets related to the Group's railway operation in Colombia. The operations have been negatively impacted by a number of safety and security concerns, a complex economic environment and a consequent lack of sustainable profit growth in the current context. The investment has been impaired up until the value we expect to receive on the remaining asset. In 2017 these assets have been sold to a third party.

12. Intangible assets

USD'M	Goodwill	Licences	Other intangible assets	Total
Cost				
Balance at 1 October 2016				387.7
Additions	8.1	36.4	343.2	52.2
Reclassifications	-	2.0	50.2	16.2
Effect of movements in exchange rates	-	0.7	15.5	-
Disposals	-	(0.4)	0.4	(1.3)
Divestment of subsidiaries	-	-	(1.3)	(14.8)
	-	(0.2)	(14.6)	
Balance at 30 September 2017	8.1	38.5	393.4	440.0
Amortisation and impairment losses				
Balance at 1 October 2016				157.2
Amortisation for the period	2.2	2.1	152.9	63.3
Impairment	-	0.3	63.0	0.2
Effect of movements in exchange rates	-	-	0.2	-
Reclassifications	-	-	-	-
Disposals	-	(0.1)	16.5	(0.5)
Divestment of subsidiaries	-	-	(0.5)	(0.3)
	-	-	(0.3)	
Balance at 30 September 2017	2.2	2.3	231.8	236.3
Net book value at 30 September 2017	5.9	36.2	161.6	203.7
USD'M				
Cost				
Balance at 1 October 2015				354.7
Additions	8.1	40.5	306.1	45.8
Reclassifications	-	-	45.8	6.7
Effect of movements in exchange rates	-	-	6.7	(1.7)
Disposals	-	1.3	(3.0)	(17.8)
	-	(5.4)	(12.7)	
Balance at 30 September 2016	8.1	36.4	343.2	387.7
Amortisation and impairment losses				
Balance at 1 October 2015				108.9
Amortisation for the period	2.2	1.9	104.8	56.3
Impairment	-	0.2	56.1	7.4
Effect of movements in exchange rates	-	5.4	2.0	(0.9)
Reclassifications	-	-	(0.9)	2.3
Disposals	-	-	2.3	(16.8)
	-	(5.4)	(11.4)	
Balance at 30 September 2016	2.2	2.1	152.9	157.2
Net book value at 30 September 2016	5.9	34.3	190.3	230.5

Goodwill is the only intangible asset with an indefinite life. All other intangible assets are amortised as follows:

- Licence fees paid are amortised evenly over their respective periods, for which the licences have been granted, generally not exceeding 10 years.
- Other intangible assets are amortised evenly over their estimated useful economic life. Other intangibles mainly consist of software of USD146.8 million (2016:USD155.1 million) and payments made under exclusivity contracts with clients for petroleum fuels and lubricants.

Amortisation expenses are included in general and administrative expenses. Impairment charges are included in other income and expense. Intangible assets with finite lives are tested for impairment when impairment indicators exist. Goodwill is tested for impairment annually either individually or at the cash-generating unit (CGU) level.

For the purpose of impairment testing, goodwill is allocated to the CGUs, or groups of CGUs.

F. Notes to consolidated financial statements

13. Equity-accounted investees

	2017	2016
	USD'M	USD'M
Opening Balance – 1 October 2016	3,464.4	3,167.5
Effect of movements in exchange rates	5.9	(42.5)
Additions	375.1	553.9
Disposals	(60.4)	(44.1)
Impairments	(4.2)	(250.0)
Share of net income/(loss)	(232.2)	94.3
Dividends received	(35.8)	(13.7)
Other	(24.9)	(1.0)
Closing Balance – 30 September 2017	3,487.9	3,464.4

2017

The Group's share of profit in its equity-accounted investees for the year was a loss of USD232.2 million (2016: USD94.3 million gain). The positive share of income in our investments of Puma and MATSA of USD81.6 million was offset against losses in Porto Sudeste and Nyrstar of USD317.6 million.

In 2017, the Group received dividends of USD35.8 million from its investments in equity-accounted investees (2016: USD13.7 million).

On 31 July 2017 the Group sold its 46.5% stake in PT Servo Meda Sejahtera (Servo), an Indonesia-based business with strategic logistical assets which enable efficient transportation of unprocessed coal from local mines to the river port. The total consideration was USD226 million and included a USD158 million repayment of outstanding loans to Servo. The result on this transaction amounts USD3.0 million which is offset by the share of net loss during the year until the date of the transaction. As part of the sale agreement, the Group granted a vendor loan of USD68.9 million which bears interest at 10%. The loan is in total, including accrued interest, repayable on 31 July 2024 (see also note 15).

On 18 August 2017, an investment consortium comprised of Trafigura, private investment group United Capital Partners (UCP) and Oil Holdings completed the acquisition of a 49% stake in Mumbai-based Essar Oil Limited (EOL) for a total consideration of USD3,880 million including acquisition costs. The acquiring entity, Kesani Enterprises Company Limited (Kesani), has financed the acquisition through a non-recourse loan facility and capital contributions by the consortium. The acquisition includes the Vadinar oil refinery and storage and import/export facilities, as well as a domestic retail network business consisting of over 3,500 retail service stations. The 20Mtpa super-refinery, with a Nelson complexity index of 11.8, is located on strategic shipping routes to demand centres in the Far East and close to Middle East sources of production. India is one of the world's most important sources of growth in energy demand and the deregulation of pricing of the Indian retail market is expected to bring potential growth opportunities for EOL's retail network. As of the balance sheet date, the acquisition accounting, including the determination of the acquisition-date fair values of the identifiable assets and liabilities and calculation of goodwill to be recognised in the carrying amount of the investment in accordance with the provisions of IAS 28, is provisional. Trafigura's 49% investment in Tendril Ventures Pte Ltd, the joint venture of the investment consortium that owns Kesani amounted to USD270.3 million as at 30 September 2017 (original consideration paid in cash USD291.7 million). Tendril Ventures Pte Ltd is a jointly controlled entity which qualifies as a joint venture.

During the regular assessment to determine asset impairment or whether a previously recorded impairment may no longer be required, the Group concluded that in relation to Trafigura's investment in Porto Sudeste do Brasil SA no impairment was required in addition to the impairment recorded in prior year. Impairment exists when the carrying value of an asset or CGU exceeds its recoverable amount, which the company has defined as the higher of value in use and fair value less costs of disposal. As the majority of the specific assets related to Porto Sudeste do not have independent associated cash flows, Porto Sudeste represents one CGU. The recoverable amount of the investment in Porto Sudeste was measured based on value-in-use which is determined using a discounted cash flow model for the port (level 3). The discount rate used in determining the value in use was 7.73% (2016: 8.2%). The recoverable amount of the investment in Porto Sudeste was determined to be USD102 million. The value-in-use methodology inherently includes elements of judgement and estimations in relation to projected future throughput volumes and associated port fees. Management has made these judgements based on their best estimates and the information available. The sensitivity analyses on the valuations show that an increase/decrease in the discount rate of +/-0.5% points has an impact on the recoverable amount of minus USD126 million/plus USD141 million. A change in the throughput volume of the port of 5% causes a change of USD61 million to the recoverable amount and a change in the average port fees of 5% has an impact of USD99 million.

Furthermore during 2017 Trafigura made additional investments of USD56.1 million in Porto Sudeste, USD9.0 million in Buckeye Texas Partners LLC and a new investment in an Iron ore mine in Brazil of USD11.0 million.

2016

In October 2015, Trafigura made an additional capital contribution of USD275 million in Puma Energy Holdings Pte. Ltd. to enable further growth. During 2016, the company invested USD141.6 million in a copper smelting company in China. In February 2016, Trafigura subscribed to the rights offering by Nyrstar N.V. allowing it to increase its investment in Nyrstar N.V. by USD70 million. Also during 2016 Trafigura made an additional investment of USD36.9 million in PT Servo Meda Sejahtera, a coal trading partner located in Indonesia.

The reduction in equity-accounted investees in 2016 was as a result of the sale of a minor stake in Puma Energy Holding Pte. Ltd. of USD41.8 million. Besides that an impairment of USD250 million was made on Trafigura's equity investment in Porto Sudeste, as described below.

Due to the continued low iron ore price environment, strong competition on logistics fees and low international freight rates, the Group decided that an impairment of USD250.0 million in relation to Trafigura's investment in Porto Sudeste do Brasil SA was required.

Name	Place of Incorporation/ registration	Activities	Percentage of equity attributable to the Group 2017	Percentage of equity attributable to the Group 2016
Atalaya Mining PLC (previously known as EMED Mining Public Limited)	Cyprus	Mining	22.0%	22.0%
Buckeye Texas Partners LLC	United States	Terminalling	20.0%	20.0%
Empresa Minera del Caribe S.A. (Joint venture)	Caribbean	Mining	49.0%	49.0%
Guangxi Jinchuan Non-ferrous Metals Co., Ltd	China	Smelter	30.0%	30.0%
Mineração Morro do Ipê S.A.	Brazil	Mining	25.5%	-
Napoil Limited	Bermuda	Oil trading	49.0%	49.0%
Nyrstar N.V.	Belgium	Mining, Metal processing	24.6%	24.6%
Porto Sudeste do Brasil S.A. (Joint venture)	Brazil	Port services	49.2%	47.4%
PT Servo Meda Sejahtera	Indonesia	Coal trading	-	46.5%
Puma Energy Holdings Pte. Ltd.	Singapore	Mid- and downstream oil activities	49.6%	49.6%
Tendril Ventures Pte. Ltd. (Joint venture)	Singapore	Oil refinery, terminal and retailing of fuel	49.0%	-
TM Mining Ventures, S.L. (Joint venture)	Spain	Mining	50.0%	50.0%
Transportadora Callao S.A.	Peru	Transportation	30.0%	30.0%

Name	Segment	2017 USD'M	2016 USD'M
Oil and Petroleum:			
Puma Energy Holdings Pte. Ltd.	Oil and Petroleum	2,113.5	2,059.8
Tendril Ventures Pte. Ltd. (Essar Oil Limited)	Oil and Petroleum	270.3	-
Buckeye Texas Partners LLC	Oil and Petroleum	270.9	276.0
Napoil Limited	Oil and Petroleum	8.7	8.7
Others	Oil and Petroleum	1.2	1.1
Total		2,664.6	2,345.6
Metals and Minerals:			
TM Mining Ventures, S.L. (MATSA)	Metals and Minerals	395.6	407.3
Porto Sudeste do Brasil S.A.	Metals and Minerals	65.4	256.1
Nyrstar N.V.*	Metals and Minerals	96.7	161.9
Guangxi Jinchuan Non-ferrous Metals Co., Ltd	Metals and Minerals	141.7	141.7
ATALAYA MINING PLC (previously known as EMED MINING PUBLIC LIMITED)*	Metals and Minerals	63.7	53.8
PT Servo Meda Sejahtera	Metals and Minerals	-	56.2
Empresa Minera del Caribe S.A.	Metals and Minerals	16.8	16.8
Transportadora Callao S.A.	Metals and Minerals	8.4	8.7
Mineração Morro do Ipê S.A.	Metals and Minerals	9.2	-
Others	Metals and Minerals	12.8	6.9
Total		810.3	1,109.4
All other segments:			
Others	Corporate and Others	13.0	9.4
Total		3,487.9	3,464.4

* Listed investments. Fair value as on 30 September 2017:

Nyrstar N.V.	182.9	168.7
ATALAYA MINING PLC (previously known as EMED MINING PUBLIC LIMITED)	53.9	28.8

Only the individually significant associates Puma Energy Holdings Pte. Ltd. and TM Mining Ventures S.L (MATSA) are shown separate from the other associates.

	Puma Energy Holdings Pte. Ltd.		TM Mining Ventures, S.L.	
	2017 USD'M	2016 USD'M	2017 USD'M	2016 USD'M
Non current assets	5,192.8	5,019.1	1,514.1	1,581.6
Current assets	2,415.0	2,070.9	297.7	172.2
Non current liabilities	2,764.0	2,916.8	579.5	798.1
Current liabilities	2,797.0	2,273.0	441.2	140.8
Revenue	14,178.3	12,725.6	593.5	310.5
Profit/(loss) for the year	127.5	120.4	49.8	(33.0)
Dividends paid	29.9	-	-	-
Other comprehensive income	30.9	(109.7)	(73.3)	3.2
Total comprehensive income	158.4	10.7	(23.5)	(29.7)
Net assets	2,047.4	1,900.3	791.2	814.8
Trafigura's ownership interest	49.6%	49.6%	50.0%	50.0%
Acquisition fair value and other adjustments	1,100.3	1,117.3	-	-
Carrying value	2,113.5	2,059.8	395.6	407.3

Other associates	2017 USD'M	2016 USD'M
	Assets	5,700.8
Liabilities	4,718.8	2,866.0
Revenue	2,009.9	1,328.9
Profit/(loss) for the year	(300.6)	(165.9)

The amount of corporate guarantees in favour of associates and joint ventures as at 30 September 2017 was USD101 million (2016: nil).

14. Prepayments

Under the prepayments category we account for the prepayments of commodity deliveries. The contractually outstanding prepayments amount decreases in size with each cargo that is delivered, until maturity. Once the contractually agreed total cargo has been fully delivered, the prepayment agreement falls away leaving no remaining contractual obligations on Trafigura or the supplier. The Company monitors the commodity prices in relation to the prepayment contracts and manages the credit risk together with its financial assets as described in note 27. The prepayments are split in non-current prepayments (due > 1 year) and current prepayments (due < 1 year). A portion of the long-term prepayments, as well as short-term prepayments, is on a limited recourse basis. Interest on the prepayments is added to the prepayments balance.

F. Notes to consolidated financial statements

15. Loans receivable

	2017	2016
	USD'M	USD'M
Loans to associates and related parties	326.4	433.9
Other non-current loans receivable	344.3	367.4
Total	670.7	801.3

Loans to associates and related parties include a shareholder loan receivable from Minas de Aguas Teñidas (MATSA) of USD82.6 million (2016: USD251.8 million). This loan is held to collect contractual cash flows and generates a fixed income for the Group. During 2017, USD169.1 million repayment has been received on this loan. Also included under this line is a loan receivable from Empresa Minera del Caribe S.A. of USD230.0 million (2016: USD140.0 million).

In determining the impairment provision on loans granted to associates, these loans form part of the net investment in the associate and the impairment test has been based upon the total consideration on these associates. Based on these assessments no impairment needs to be recorded at 30 September 2017.

Other non-current loans receivables include various loans which are granted to counterparties which the Company trades with. During 2017 Trafigura granted a vendor loan with a balance of USD70.1 million as per 30 September 2017 to the buyer of our share in PT Servo Meda Sejahtera (Servo) as described in note 13. This line also includes the long-term part, amounting to USD214.8 million, of the debt agreement with the Angolan Ministry of Finance as described in note 6. Considering the diversity of these loans, Trafigura decided to assess the Expected Credit Loss ('ECL') of these loans individually based on different scenarios of probability of default ('PD') and loss given default ('LGD'). Based upon the individual analysis of these loans, the recorded expected losses on these loans amount to USD3.3 million (2016: USD2.5 million).

16. Other investments

	2017	2016
	USD'M	USD'M
Listed equity securities		
- Fair value through OCI	19.3	97.6
Listed debt securities		
- Fair value through profit or loss	447.6	327.0
Unlisted equity investments		
- Fair value through profit and loss	45.5	59.4
Unlisted equity investments		
- Fair value through OCI	122.6	56.3
Total	635.0	540.3

The Group's long-term investments consist of listed equity securities, listed debt securities and unlisted equity securities. The listed equity securities have no fixed maturity or coupon rate. The fair values of listed equity investments are based on quoted market prices while the fair value of the unlisted equity securities is determined based on a Level 3 valuation as prepared by management.

The increase in other investments is mainly due to the upward valuation of the debt instrument related to Porto Sudeste (USD135.7 million), additional investment in Galena Funds (USD68.6 million) offset by the sales of the listed Chinalco Mining shares (USD75.9 million) and USD15.1 million of listed Nyrstar bonds.

The listed debt securities consist of a financial instrument related to the investment in Porto Sudeste do Brasil SA which is accounted for under equity accounted investees in note 13. These instruments are held to collect cash flows. Since the payments on these debt instruments are dependent on the port's throughput, they are classified as fair value through profit or loss. Since the free float of these listed debt instruments is extremely thin and in the absence of normal market activity, it has been concluded that no active market exists and therefore the fair value is determined using a level 3 valuation. The holders of the instrument are entitled to a fixed royalty payment per metric tonne processed by the port and therefore have direct exposure to the business risks of Porto Sudeste. As a result, the fair value of this instrument is based on a discounted cash flow model of the port in which the business plan of Porto Sudeste is reflected. Revenues are calculated over a period ending in 2064 and throughput volumes are held constant from 2021 onwards. In this calculation, management used a discount rate of 12.5% (2016: 12.58%). Due to the limited liquidity of the port asset, a discount factor of 10% is applied (2016: 26%) relating to the lack of marketability. This input is based on a put option model and volatilities of comparable companies. The level 3 valuation of the debt securities increased as a result of improved projections of the throughput of the port and a decrease in the discount factor relating to lack of marketability leading to a value of the debt securities value of USD447.6 million. The sensitivity analysis on this valuation shows that an increase/decrease of the throughput of the port of 5% has an impact on the value of USD22 million, an increase/decrease of the discount rate by 0.5% points has an impact on the valuation of USD27 million. A change in the discount rate due to lack of marketability by 5% points has an effect of USD25 million on the valuation.

Throughout the financial year, no dividend has been recognised related to the equity securities held at 30 September 2017. The net change in fair value in equity securities measured at fair value through other comprehensive income ('OCI') was positive USD8.6 million (2016: negative USD31.7 million). A cumulative gain of USD18.2 million (2016: USD66.0 million loss) was transferred within equity from OCI to retained earnings due to disposals of items valued at fair value through OCI.

17. Inventories

	2017	2016
	USD'M	USD'M
Carrying amount		
Storage inventories	8,508.1	7,069.1
Floating inventories	5,403.7	4,455.7
Supplies	14.9	12.9
Total	13,926.7	11,537.7

As at 30 September 2017 (and 30 September 2016) all of the inventory has either been pre-sold or hedged. The Group is committed to financing its day-to-day trading activity through self-liquidating transactional lines, whereby the financing banks retain security on the goods purchased. The percentage of total inventories financed in this way is carefully monitored.

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18. Trade and other receivables

	2017	2016
	USD'M	USD'M
Trade debtors	7,148.3	6,725.7
Provision for bad and doubtful debts	(55.1)	(56.6)
Accrued turnover	7,406.1	5,403.7
Broker balances	1,011.0	1,212.1
Other debtors	340.9	333.2
Loans to third parties	293.3	217.3
Loans to related parties	1.9	104.2
Other taxes	407.6	222.5
Prepaid expenses	139.2	147.2
Related parties	813.1	890.6
Total	17,506.3	15,199.9

All financial instruments included in trade and other receivables are held to collect the contractual cash flows. Furthermore, the cash flows that the Group receives on these instruments are solely payments of principal and interest.

Of the USD7,148.3 million trade debtors, USD2,142.7 million (2016: USD1,516.0 million) had been sold on a non-recourse basis under the securitisation programme. Of the USD813.1 million receivables on related parties USD124.2 million (2016: nil) had been sold on a non-recourse basis under the securitisation programme. Refer to note 19. As at 30 September 2017, 14.6% (2016: 17.7%) of receivables were between 1-60 days overdue, and 12.6% (2016: 17.8%) were greater than 60 days overdue. Such receivables, although contractually past their due dates, are not considered impaired as there has not been a significant change in credit quality of the relevant counterparty, and the amounts are still considered recoverable taking into account customary payment patterns and in many cases, offsetting accounts payable balances. Trafigura applied the simplified method in assessing expected credit losses. The accounts receivables have been divided in aging buckets and based on a historical analysis on defaults and recovery rates a percentage for expected credit losses has been determined. Trafigura manages to limit credit losses by renegotiating contracts in the case of a default. From the above analysis, an expected credit loss as at 30 September 2017 of USD4.7 million has been taken into account (30 September 2016: USD5.9 million). The loss allowance provision at 30 September 2017 amounts to USD55.1 million (2016: USD56.6 million). The primary character of this provision is that it is in line to resolve demurrage claims and commercial disputes with our clients. Accrued turnover represent receivable balances for sales which have not yet been invoiced. They have similar risks and characteristic as trade debtors. Trade debtors and accrued turnover have similar cashflow characteristics and are therefore considered to be a homogeneous group of financial assets.

19. Securitisation programme

The Group operates a Securitisation Programme which enables the Group to sell eligible receivables. The securitisation vehicle, Trafigura Securitisation Finance plc., is consolidated as part of the Group and consequently the receivables sold to the programme are included within the consolidated trade debtor balances.

Over time the external funding has increased significantly in size while incorporating a longer term committed funding element, principally through the issuance of Medium Term Notes (MTN), as well as retaining a significant proportion of variable funding purchased by bank sponsored conduits.

As at 30 September 2017, the maximum available amount of external funding of the programme was USD2,535.9 million (2016: USD1,888.0 million). The utilised external funding of the programme as at 30 September 2017 was USD2,517.4 million (2016: USD1,485.0 million).

The available external funding of the securitisation programme consists of:

	Interest rate	Maturity	2017	2016
			USD'M	USD'M
AAA MTN	Libor + 0.95%	2017 – October	279.0	279.0
BBB MTN	Libor + 2.25%	2017 – October	21.0	21.0
AAA MTN	Libor + 0.85%	2020 – June	235.0	–
AAA MTN	2.49%	2020 – June	230.0	–
BBB MTN	Libor + 1.70%	2020 – June	35.0	–
AAA VFN	See note	Various throughout the year	1,525.4	1,425.4
BBB VFN	See note	Various throughout the year	114.7	107.2
Senior subordinated debt	LIBOR + 4.25%	2020 – March	95.8	55.4
Total			2,535.9	1,888.0

a. Interest rate note

The rate of interest applied to the AAA Variable Funding Notes is defined in the securitisation facility documentation and is principally determined by the demand for Commercial paper issued by six bank-sponsored conduits. The Group benchmarked the rate provided against overnight Libor. In the case of the rate of interest applicable to the BBB Variable Funding Notes, the rate of interest is principally determined by the liquidity of the interbank market.

b. Maturity note

The maturity of the AAA Variable Funding Notes has been staggered so as to diversify the maturity profile of the AAA funding. This aims to mitigate the 'liquidity wall' risk associated with a single maturity date for a significant funding amount.

F. Notes to consolidated financial statements

20. Cash and cash equivalents

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates. The fair value of cash and cash equivalents approximates the carrying value. An amount of USD103.6 million (2016: USD43.1 million) of cash at bank is restricted including restrictions that require the funds to be used for a specified purpose and restrictions that limit the purpose for which the funds can be used unless fixed asset construction invoices are presented to the banks.

	2017		2016	
	USD'M	USD'M	USD'M	USD'M
Cash at bank and in hand	4,753.2		2,786.4	
Short-term deposits	235.5		355.5	
Total	4,988.7		3,141.9	

As at 30 September 2017, the Group had USD8.7 billion (2016: USD8.5 billion) of committed unsecured syndicated loans of which USD2.2 billion (2016: USD3.2 billion) remained unutilised. The Group had USD2.8 billion (2016: USD2.0 billion) of immediately (same day) available cash in liquidity funds. The Group had immediate access to available liquidity balances from liquidity funds and corporate facilities in excess of USD5.0 billion (2016: USD5.2 billion). Short-term deposits made for periods longer than three months are separately shown in the statement of financial position and earn interest at the respective short-term deposit rates.

21. Capital and reserves

a. Share capital

As at 30 September 2017 the company has 25,000,000 ordinary shares outstanding and a capital of USD1,504 million. During 2017, no changes took place in the outstanding share capital.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

b. Capital securities

As part of the financing of the Company and its subsidiaries, the Company has three capital securities instruments at the carrying value of USD1,247.3 million with a par value of SGD200 million, USD500 million and USD600 million.

The USD600 million capital security is originally issued on 14 March 2017. The distribution on the capital security is 6.875% per annum and the securities are listed on the Singapore Stock Exchange. The capital security may be redeemed at the Company's option in whole, but not in part, in the period starting 90 calendar days before, and ending of, the distribution payment date in March 2022 or any distribution date thereafter on not less than 30 and not more than 60 days' notice to the holders.

The SGD200 million capital security was originally issued in February 2014. The distribution on the security is 7.5% and is listed on the Singapore Stock Exchange. The capital security may be redeemed at the Company's option in whole, but not in part, on the distribution payment date in February 2019 or any distribution date thereafter, on not less than 30 and not more than 60 days' notice to the holders.

The USD500 million capital security was originally issued on 19 April 2013. The distribution on the capital security is 7.625% per annum and it is listed on the Singapore Stock Exchange. The capital security may be redeemed at the Company's option in whole, but not in part, on the distribution payment date in April 2018 or any distribution date thereafter on not less than 30 and not more than 60 days' notice to the holders.

The securities are perpetual in respect of which there is no fixed redemption date. The distribution on the capital securities is per annum, payable semi-annually in arrears every six-month from the date of issue. The company may elect to defer (in whole but not in part) any distribution in respect of these capital securities.

In the event of a winding-up, the rights and claims of the holders in respect of the capital securities shall rank ahead of claims in respect of the Company's shareholders, but shall be subordinated in right of payment to the claims of all present and future unsubordinated obligations, except for obligations of the Company that are expressed to rank pari passu with, or junior to, its obligations under the capital securities.

According to the trust deed obligations of the Securities and the Coupons shall be unconditionally and irrevocably guaranteed by Trafigura Beheer B.V.

c. Currency translation reserve

The currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as from the translation of liabilities that hedge the Company's net investment in a foreign operation.

d. Cash flow hedge reserve

Included in the cash flow hedge reserve is a loss of USD47.7 million (2016: USD14.1 million gain) which related to the effective portion of the changes in fair value of cash flow hedges, net of tax. These cash flow hedges relate to hedging of interest and currency exposure on corporate loans and hedging of price exposure on future sales of zinc production from Mining group companies.

e. Revaluation reserve

The revaluation reserve comprises the fair value measurements movements of the equity investments which are accounted for at fair value through other comprehensive income. On realisation of these gains or losses, for example the sale of an equity instrument, the cumulative amounts of this reserve are transferred to retained earnings. Included in the revaluation reserve is a loss of USD32.6 million (2016: USD23.0 million) related to the mark-to-market valuation of equity investments.

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f. Retained earnings

Retained earnings comprise the share-based payment reserves and revaluation reserves.

g. Dividends

The value of the dividends declared on the ordinary shares amounts to USD933.9 million (2016: USD719.1 million) representing USD37.4 per share (2016: USD28.8) of which USD365 million has been settled in the receivable with Trafigura Beheer B.V..

22. Material partly owned subsidiaries

Financial information of subsidiaries that have material non-controlling interest is provided below. The information is based on amounts before intercompany eliminations.

The Company has control over DTS Holdings Pte. Ltd. with a 50% equity interest (2016: 50%). DTS Holdings Pte. Ltd. is a business venture between Trafigura and Cochran Singapore Pte. Ltd. and is the main holding company of the DT Group. The DT Group's activities span trading, shipping, infrastructure, asset management and logistics. Summarised statement of income:

	2017	2016
	USD'M	USD'M
Revenue	1,188.4	1,617.7
Cost of sales	(1,116.4)	(1,533.4)
General and administrative expenses	(12.1)	(18.2)
Other income/expense	(5.2)	263.4
Net financing income	24.2	8.9
Profit before tax	78.9	338.4
Income tax expense	(2.7)	2.1
Profit for the period	76.2	336.3
Attributable to non-controlling interest	38.3	226.4

The 2016 profit attributable to non-controlling interest includes the 70% non controlling interest in the reversal of the AEMR impairment within DTS Holdings Pte. Ltd. as mentioned in note 6.

During 2017, DTS Holdings Pte. Ltd. paid no dividend (2016: nil).

Summarised statement of financial position as at 30 September:

	2017	2016
	USD'M	USD'M
Total non-current assets	336.4	428.7
Total current assets	1,276.8	1,659.6
Total non-current liabilities	(1.8)	(5.5)
Total current liabilities	(950.0)	(1,494.5)
Total equity	661.4	588.3
Attributable to		
Non-controlling interests	330.6	292.3
Owners of the Company	330.8	296.0

23. Loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate, foreign currency and liquidity risk, see note 27.

	2017	2016
Carrying value of loans and borrowings	USD'M	USD'M
Non-current		
Revolving credit facilities	3,905.0	3,960.0
Private placements	207.0	331.0
Eurobond	1,368.3	1,231.7
Other loans	1,907.4	1,685.0
Finance leases	13.4	26.5
Total non-current	7,401.1	7,234.2
Current		
Revolving credit facilities	1,915.0	685.0
Private placements	124.0	-
Other loans	637.1	364.6
Finance leases	7.2	12.3
Short-term bank borrowings	21,170.2	16,971.1
Total current	23,853.5	18,033.0
Total	31,254.6	25,267.2

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F. Notes to consolidated financial statements

a. Terms and debt repayment schedule

Terms and conditions of outstanding loans were as follows:

	Principal	Interest rate	Maturity	Floating/ fixed rate debt	< 1 year USD'M	1-5 years USD'M	> 5 years USD'M	Total USD'M
Revolving credit facilities								
USD	2,960.0	Libor + 0.85%	2020 – March	Floating	–	2,637.4	–	2,637.4
USD	2,270.0	Libor + 0.65%	2018 – March	Floating	730.0	–	–	730.0
USD	290.0	Libor + 0.85%	2019 – March	Floating	–	262.6	–	262.6
USD	1,185.0	Libor + 0.65%	2017 – October	Floating	750.0	–	–	750.0
USD	435.0	Libor + 1.30%	2017 – October	Floating	435.0	–	–	435.0
USD	625.0	Libor + 1.10%	2018 – October	Floating	–	625.0	–	625.0
USD	290.0	Libor + 1.10%	2019 – October	Floating	–	290.0	–	290.0
USD	90.0	Libor + 2.35%	2018 – October	Floating	–	90.0	–	90.0
					1,915.0	3,905.0	–	5,820.0
Private placement								
USD	88.0	6.50%	2018 – April	Fixed	88.0	–	–	88.0
USD	98.0	7.11%	2021 – April	Fixed	–	98.0	–	98.0
USD	36.0	4.38%	2018 – March	Fixed	36.0	–	–	36.0
USD	51.5	4.89%	2020 – March	Fixed	–	51.5	–	51.5
USD	57.5	5.53%	2023 – March	Fixed	–	–	57.5	57.5
					–	124.0	57.5	331.0
Eurobonds								
EUR	606.7	5.25%	2018 – November	Fixed	–	718.5	–	718.5
EUR	550.0	5.00%	2020 – April	Fixed	–	649.8	–	649.8
					–	1,368.3	–	1,368.3
Other loans								
USD	279.0	Libor + 0.95%	2017 – October	Floating	279.0	–	–	279.0
USD	21.0	Libor + 2.25%	2017 – October	Floating	21.0	–	–	21.0
USD	235.0	Libor + 0.85%	2020 – June	Floating	–	235.0	–	235.0
USD	230.0	2.49%	2020 – June	Fixed	–	230.0	–	230.0
USD	35.0	Libor + 1.70%	2020 – June	Floating	–	35.0	–	35.0
USD	129.4	Libor + 2.65%	2020 – September	Floating	33.0	74.9	–	107.9
USD	172.5	Libor + 3.15%	2022 – March	Floating	25.7	134.5	–	160.2
USD	96.5	Libor + 4.25%	2020 – March	Floating	–	95.8	–	95.8
JPY	58,860.0	Libor + 1.0%	2019 – March	Floating	–	523.2	–	523.2
USD	200.0	6.33%	2036 – July	Fixed	5.6	26.1	163.1	194.8
EUR	128.6	Euribor + 1.0%	2018 – July	Floating	151.6	–	–	151.6
EUR	200.0	5.50%	2020 – July	Fixed	–	236.3	–	236.3
USD	30.0	Libor + 3.25%	2018 – Mar	Floating	30.0	–	–	30.0
USD	30.0	Libor + 0.65%	2018 – September	Floating	30.0	–	–	30.0
USD	120.0	Libor + 4.00%	2021 – August	Floating	20.0	65.0	–	85.0
MXN	415.7	Libor + 5.70%	2023 – June	Floating	3.2	11.5	5.4	20.1
USD	30.0	Libor + 2.43%	2022 – March	Floating	3.0	27.0	–	30.0
USD	39.6	Libor + 2.95%	2019 – October	Floating	3.5	17.8	–	21.3
Various loans with balances outstanding < USD'M15					31.5	25.7	1.2	58.4
					637.1	1,737.7	169.7	2,544.5
Finance leases					7.2	13.4	–	20.6
Total					2,683.3	7,173.9	227.2	10,084.4

For long-term assets pledged under loans and borrowings agreements, refer to note 11 (Property, plant and equipment).

Finance lease commitments are principally for machinery and equipment. Original terms range from two years to five years, some containing renewal options.

At the time of entering into finance lease agreements, the commitments are recorded at their present value using the interest rate then applicable for long-term funding. At 30 September 2017, existing finance lease commitments are recorded at the remaining present value using the interest rate applied at commencement of the lease.

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24. Provisions

The carrying amount of provisions made is as follows:

	2017	2016
	USD'M	USD'M
Opening balance 1 October	69.3	83.9
Additions	20.0	7.1
Amounts charged against provisions	(0.6)	(10.5)
Unwind of discount	0.3	0.4
Remeasurements and other movements	5.8	(11.6)
Divestments of subsidiaries	(3.9)	–
Closing balance 30 September	90.9	69.3
Non-current portion	21.1	13.3
Current portion	69.8	56.0
Closing balance 30 September	90.9	69.3

Provisions consist of Decommissioning, rehabilitation and restoration USD13.2 million (2016: USD10.9 million), Litigation, disputes USD44.9 million (2016: USD45.5 million), Onerous contracts USD0.9 million (2016: USD5 million), Pensions USD16.9 million (2016: nil) and others USD14.9 million (2016: USD7.9 million).

Provisions for decommissioning, rehabilitation and restoration costs are recognised due to the environmental commitment the Group has made with local authorities and for its obligations to undertake site reclamation and remediation in connection with its mining activities. Provisions for litigation and disputes at 30 September 2017, relate to two situations connected with the Company's trading and storage activities in China. Further information is presented in note 26. Under the Onerous contracts the wind up of some long-term lease contracts are accounted for as well as onerous capital expenditure commitments. The expected outflow of resources is mainly expected to happen within one year.

25. Trade and other payables

	2017	2016
	USD'M	USD'M
Trade creditors	2,463.7	2,100.3
Accrued costs of sales and expenses	7,233.1	6,825.4
Broker balances	15.6	18.3
Related parties	66.0	8.5
Total	9,778.4	8,952.5

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 27.

26. Contingencies and commitments

The following contingent liabilities exist in respect of trade financing:

	2017	2016
	USD'M	USD'M
Letters of credit	6,504.3	4,702.3
Letters of indemnity	–	–
Guarantees	202.7	312.7
Total	6,707.0	5,015.0

The Company and its subsidiaries are parties to a number of legal claims and proceedings arising out of their business operations. The Company believes that the ultimate resolution of these claims and proceedings will not, in the aggregate, have a material adverse effect on The Company's financial position, consolidated income or cash flows. Such legal claims and proceedings, however, are subject to inherent uncertainties and the outcome of individual matters is unpredictable. It is possible that the Company could be required to make expenditures, in excess of established provisions, in amounts that cannot reasonably be estimated.

As reported in the press, at certain warehouses in China, notably for the Company at Qingdao, Pinglai and Yingkou, there have been rumours that fraudulent warehouse certificates are in circulation. The Company's subsidiary Impala has issued warehouse certificates, and also has a limited number of collateral management agreements in place, regarding metal stored at these locations. The position remains that it has not been possible to independently verify the quantity and ownership of the metal stored at these locations and consequently legal proceedings have been commenced in England and China relating to ownership of the metal and potential liabilities regarding the storage arrangements. In view of the uncertainties surrounding (a) the volume of material in the warehouses; (b) its correct ownership; and (c) the approach the majority of the customers will ultimately take, it remains premature to speculate on Impala's likely net total exposure in relation to this matter. Looking at hypothetical yet realistic scenarios, it is considered unlikely that a potential liability for Impala would be material for the Group.

The Company has a potential financial exposure resulting from certain oil trading and risk management activities of its counterparty's representative. These activities are the subject of ongoing actions, claims and disputes against the Company. The underlying circumstances regarding these actions, claims and disputes are complex and opaque and consequently how these disputes and actions will be resolved is uncertain.

Guarantees include guarantees to trading partners in the normal course of the business. In addition the Company has given a financial guarantee on the full recourse tranches of the syndicated bank facility held by Trafigura Investment Sarl. This company holds a USD0.5 billion prepayment facility in favour of Rosneft which was syndicated with a pool of international banks. The shares of Trafigura Investment Sarl are held by an independent Foundation incorporated in the Netherlands in which Trafigura has no control and thus has been deconsolidated since 30 September 2014. The maximum exposure under this guarantee as of 30 September 2017 amounted to USD142 million (2016: USD285 million). The expiry of this guarantee is September 2018.

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F. Notes to consolidated financial statements

The Company had outstanding commitments at the end of 30 September 2017, and 30 September 2016 as follows:

	2017	2016
	USD'M	USD'M
Storage rental	2,572.2	2,731.5
Time charters	2,735.9	1,133.3
Office rent	111.8	122.8
	5,419.9	3,987.6
Assets under construction	41.0	378.4
Total	5,460.9	4,366.0

In 2017 Trafigura entered into a lease transaction with an Asian financial counterparty for up to 30 new build crude oil and product tankers. As at 30 September 2017 30 leases have been entered into. The leases with a total lease consideration over the non-cancellable lease period of 10 years amounts to USD1.5 billion. Vessels will be delivered from the end of 2018 through 2019 calendar year, with the majority of vessels being delivered in the first quarter of calendar year 2019.

Non-cancellable operating lease rentals are payable as follows:

	2017	2016
	USD'M	USD'M
Less than one year	1,199.4	1,222.3
Later than one year and less than five years	2,880.2	2,340.6
Later than five years	1,340.3	424.7
Total	5,419.9	3,987.6

Amount under Assets under construction includes an amount of USDnil (2016: USD236.5 million) as commitments for vessels under construction.

27. Financial instruments

a. Financial risk management

The Group is exposed to a number of different financial risks arising from normal business exposures as well as its use of financial instruments including: market risks relating to commodity prices, foreign currency exchange rates and interest rates; credit risk; and liquidity risk.

Prudently managing these risks is an integral element of Trafigura's business and has been institutionalised since the Group's foundation. Risk management guidelines are established at senior management level. The various risks the Group is exposed to are managed through a combination of internal procedures, such as strict control mechanisms and policies, as well as external third parties such as the derivative, insurance and bank markets. As a rule, Trafigura actively manages and lays off where possible a large majority of the risks inherent to its activity. Trafigura's conservative risk management process is designed to:

- Provide a full and accurate awareness of risks throughout the Group.
- Professionally evaluate and monitor these risks through a range of risk metrics.
- Limit risks via a dynamic limit setting framework.
- Manage risks using a wide range of hedging instruments and strategies.
- Ensure a constant dialogue between trading desks, risk managers and senior management.

The three main, reinforcing, components of Trafigura's risk management process are the Chief Risk Officer (CRO), the Derivatives Trading Committee, and the trading teams.

The Chief Risk Officer is independent of the revenue-producing units and reports to the Chief Operating Officer and the Management Board. The CRO has primary responsibility for assessing and monitoring Trafigura's market risks. The CRO's team liaise directly with the trading teams to analyse new opportunities and ensure that risk assessments adapt to changing market conditions. The CRO's team also ensures Trafigura's risk management capabilities incorporate ongoing advances in technology and risk management modelling capabilities.

The Derivatives Trading Committee, which is comprised of members of the Management Board and the Chief Risk Officer is responsible for applying Trafigura's risk management capabilities towards improving the overall performance of the Group. In 2017, the Derivatives Trading Committee met weekly to discuss and set risk and concentration limits, review changing market conditions, and analyse new market risks and opportunities.

Trafigura's trading teams provide deep expertise in hedging and risk management in the specific markets each team operates in. While the trading teams have front-line responsibility for managing the risks arising from their activities, our process ensures a strong culture of escalation and accountability, with well-defined limits, automatic notifications of limit overages and regular dialogue with the CRO and Derivatives Trading Committee.

b. Market risk

Market risk is the risk of loss in the value of Trafigura's positions due to changes in market prices. Trafigura holds positions primarily to ensure our ability to meet physical supply commitments to our customers, to hedge exposures arising from these commitments, and to support our investment activities. Our positions change due to changing customer requirements and investment opportunities. The value of our positions is accounted for at fair value and therefore fluctuates on a daily basis due to changes in market prices. Categories of market risk we are exposed to include:

- Commodity price risk results from exposures to changes in spot prices, forward prices and volatilities of commodities, such as crude oil, petroleum products, natural gas, base metals, coal and iron ore.
- Currency rate risk results from exposures to changes in spot prices, forward prices and volatilities of currency rates.
- Interest rate risk results from exposures to changes in the level, slope and curvature of yield curves, the volatilities of interest rates, and credit spreads.
- Equity price risk results from exposures to changes in prices and volatilities of individual equities and equity indices.

Trafigura hedges a large majority of price risks arising from its activities. When there is a difference in the characteristics of available hedging instruments and the corresponding commodity price exposures, Trafigura remains exposed to a residual price risk referred to as basis risk. Dynamically managing the basis risk that arises from Trafigura's activities requires specialist skills and is a core focus of our trading and risk management teams.

Value at Risk

Value at Risk (VaR) is a statistical estimate of the potential loss in value of our positions and unsold in-transit material due to adverse market movements. Trafigura calculates VaR over a one-day time horizon with a 95% confidence level. We use an integrated VaR model which captures risks including commodity prices, interest rates, equity prices and currency rates. Trafigura's integrated VaR model facilitates comparison of VaR across portfolios comprised of a range of different risk exposures.

As of 30 September 2017, Trafigura's one-day market risk VaR was USD6.1 million (2016: USD4.5 million). Average market risk VaR (1 day 95%) during the fiscal year was USD6.8 million compared to USD6.3 million in the previous fiscal year. Trafigura's Management Board has set a target of maintaining VaR (1 day 95%) below 1% of Group equity.

Trafigura is aware of the inherent limitations to VaR and therefore uses a variety of risk measures and risk management techniques to create a robust risk management process. Limitations of VaR include:

- VaR does not estimate potential losses over longer time horizons where the aggregate moves may be extreme.
- VaR does not take account of the liquidity of different risk positions and therefore does not estimate the losses that might arise if Trafigura liquidated large positions over a short period of time.
- VaR is based on statistical analysis of historical market data. If this historical data is not reflective of futures market prices movements, VaR may not provide accurate predictions of future possible losses.

Trafigura's VaR calculation covers its trading businesses in the crude oil, refined oil products, petrochemical, natural gas, metals, concentrates, coal, iron ore and freight markets, and assesses the open-priced positions which are those subject to price risk, including inventories of these commodities. Trafigura's VaR model is based on historical simulations, with full valuation of more than 5,000 market risk factors.

VaR is calculated based on simultaneously shocking these risk factors. More recent historical price data is more heavily weighted in these simulations, which enables the VaR model to adapt to more recent market conditions and improves the accuracy of our estimates of potential losses.

Trafigura's VaR model utilises advanced statistical techniques that incorporate the non-normal price dynamics that are an important feature of commodity markets. Our VaR model is continuously and automatically calibrated and back-tested to ensure that its out-of-sample performance adheres to well defined targets. In addition, our VaR model is regularly updated to ensure it reflects the current observed dynamics of the markets Trafigura is active in.

Trafigura has made a significant, ongoing investment in risk management systems, including a reporting system which automatically distributes customised risk reports throughout the Group on a daily basis. These reports provide up-to-date information on each team's risk using industry standard measures such as 95% and 99% Value at Risk and performance indicators such as Sharpe ratios.

All trading books have well defined VaR risk limits and management and the trading teams are automatically notified whenever a book nears its risk limit, as well as whenever a VaR overage occurs. In addition, Trafigura's deals desk management team is automatically notified whenever statistically anomalous changes occur in the profit and loss of any deal.

For senior management, the daily reports provide a comprehensive view of Trafigura's risk, classified according to various risk factors. These reports emphasise the risk diversification created by the Group's varied activities and highlight any excessive risk concentrations.

c. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument or physical contract fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

The Company has a formalised credit process with credit officers in the key locations around the world. Strict credit limits are set up for each counterparty on the basis of detailed financial and business analysis. These limits are constantly monitored and revised in light of counterparty or market developments and the amount of exposure relative to the size of the Group's balance sheet. The Company makes extensive use of the banking and insurance markets to cover any counterparty or country risks that are in excess of its credit limits.

The risk management monitoring and decision-making functions are centralised and make extensive use of the Company's integrated bespoke IT system. The Company conducts transactions with the following major types of counterparties:

- Physical commodity counterparties spread across the vertical chains for both oil and bulk, eg producers, refiners/smelters and end-users. Sales to investment grade and non-investment grade counterparties are made on open terms up to internally approved credit limits. Exposures above such limits are subject to payment guarantees.
- Payment guarantee counterparties, ie prime financial institutions from which the Company obtains payment guarantees.
- Hedge counterparties comprising a number of prime financial institutions and physical participants in the relevant markets. There is no significant concentration of risk with any single counterparty or group of counterparties. Collateral is obtained from counterparties when the Company's exposure to them exceeds approved credit limits. It is the Company's policy to have ISDA Master Agreements or ISDA-based Long-Form Confirmation Agreements in place with all hedging counterparties.

The Company trades in all major geographic regions. Where appropriate, guarantees, insurance and letters of credit are used to reduce payment or performance risk. The Company has gross credit exposure in locations across the world with a concentration in emerging markets. Most of this exposure is laid off with third parties while the Company retains between 10% to 20% on average of the individual exposures.

F. Notes to consolidated financial statements

The Company's maximum exposure to credit risk, without considering netting agreements or without taking into account of any collateral held or other credit enhancements, is equal to the carrying amount of Trafigura's financial assets as indicated in the balance sheet plus the guarantees to third parties and associates. The Company's objective is to seek continued revenue growth while minimising losses incurred due to increased credit risk exposure.

The Group has amounts and guarantees outstanding related to countries that are impacted by sanctions currently imposed by the US and EU. The Group analysed the sanctions and exposures and concluded that these do not materially impact the Group's positions.

(i) Concentration of credit risk

Concentrations of credit risk exist when changes in economic, industry or geographical factors similarly affect the Company's counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. The carrying amount of financial assets represents the maximum credit exposure. The Company determines concentrations of credit risk by monitoring the country profile of its third-party trade receivables on an ongoing basis.

Trafigura has a diverse customer base, with no customer representing more than 4.6% (2016: 5.3%) of its revenues over the year ended 30 September 2017.

Refer to note 18 for the aging of trade and other receivables at the reporting date that were not impaired.

(ii) Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Company. Cash and cash equivalents and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default. The credit quality of trade and other receivables is assessed based on a strict credit policy. The Group has monitored customer credit risk, by grouping trade and other receivables based on their characteristics.

Based on the Group's monitoring of customer credit risk, the Group believes that, except as indicated above, no impairment allowance is necessary in respect of trade receivables not past due.

(iii) Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in note 18 (Trade and other receivables).

(iv) Guarantees

The Group's policy is to provide financial guarantees only to wholly owned subsidiaries and trading partners in the normal course of business. As part of the Group's ordinary physical commodity trading activities, Trafigura Group Pte. Ltd. may act as guarantor by way of issuing guarantees accepting responsibility for subsidiaries' contractual obligations.

d. Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its payment obligations when due, or that it is unable, on an ongoing basis, to borrow funds in the market on an unsecured or secured basis at an acceptable price to fund actual or proposed commitments.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash and cash equivalents and ready sources of committed funding available to meet anticipated and unanticipated funding needs. Sound financial management with a focus on liquidity has been instrumental to the Group's success. The Company has demonstrated the ability to raise the appropriate types of financing to match the needs of the business and to tap various investor bases (eg syndicated loan markets, trade finance markets, bond markets, USPP, securitisation etc.), maturities and geographies.

The Company manages its treasury and liquidity risks maintaining a strong liquidity position through the following:

- Targeting immediately available cash on hand of minimum USD500 million under normal conditions (higher in the case of extreme volatility);
- Maintaining bilateral lines which allow the Group to mark-to-market financings to the value of the underlying physical assets. Mark to market financing is performed weekly (or intra-weekly in the case of extreme volatility) and provides an additional source of liquidity which is not available to competitors which are financed purely from revolving credit facilities;
- Committed unsecured credit facilities;
- Maintaining headroom under bilateral trade finance lines and committed revolving credit facilities; and
- Limited distribution of profit (significant retained earnings) and subordination of repurchased equity.

The Group provided a financial guarantee for an amount of USD142 million as of 30 September 2017 (2016: USD285 million) that will expire in 2018. The amount of corporate guarantees in favour of associates and joint ventures as at 30 September 2017 was USD101 million (2016: nil). The maturity analysis of the Group's financial liabilities based on the contractual terms is as follows:

	Total	0-1 years	1-5 years	> 5 years
	USD'M	USD'M	USD'M	USD'M
30 September 2017				
Financial liabilities				
Current and non-current loans and borrowings	31,254.6	23,853.5	7,173.9	227.2
Trade and other payables	9,778.4	9,778.4	-	-
Expected future interest payments	683.2	224.4	279.2	179.6
Derivative financial liabilities	702.6	434.9	266.8	0.9
Total financial liabilities	42,418.8	34,291.2	7,719.9	407.7
	Total	0-1 years	1-5 years	> 5 years
	USD'M	USD'M	USD'M	USD'M
30 September 2016				
Financial liabilities				
Current and non-current loans and borrowings	25,267.2	18,033.0	6,985.3	248.9
Trade and other payables	8,952.5	8,952.5	-	-
Expected future interest payments	835.7	214.5	420.6	200.6
Derivative financial liabilities	658.9	421.2	230.7	7.0
Total financial liabilities	35,714.3	27,621.2	7,636.6	456.5

e. Interest rate risk

Trafigura is not exposed to significant interest rate risk due to hedging. Interest rate risk of the Group is mainly applicable on the long-term funding of the Group, although a majority of debt, whether long-term or short-term, is floating rate.

At 30 September 2017, assuming the amount of floating rate liabilities (excluding working capital financing) were outstanding for the whole year, interest rates were 50 basis points higher/lower and all other variables held constant, the Group's profit, other comprehensive income and group equity for the year ended 30 September 2017 would decrease/increase by USD24.2 million (2016: USD24.2 million).

From time to time the Group enters into interest rate derivatives transactions to lock-in current interest rate levels, for instance, interest rate swaps provide a method of reducing the Group's exposure to floating interest rates arising from its corporate funding programmes. To realise the desired matching of derivative results with the hedged interest rate payments, cash flow hedge accounting is applied and the derivatives are designated as hedging instruments. The derivatives are carried on balance and their effectiveness is tested on a quarterly basis.

f. Currency risk

Trafigura has few exposures to foreign currency risk on its trading activities and those that do exist are hedged out. The Group does not use financial instruments to hedge the translation risk related to equity and earnings of foreign subsidiaries and non-consolidated companies.

The Group uses cross-currency swaps to hedge currency risk on the principal and related payments of foreign currency denominated loans and bonds for which cash-flow hedge accounting is applied. The hedge relationship is expected to be highly effective due to the matching of critical terms between the underlying hedged item and the associated hedging instrument.

The periods when the cash flows are expected to occur are similar to the periods when the cash flows on the foreign currency denominated loans and bonds occur as indicated in note 23 and 27d. Ineffectiveness may arise if the underlying interest reference rate is divergent to the underlying reference rate in Company's debt agreements, to the extent that the hedging instrument is already in the money or out of the money at the point of designation (compared to the hypothetical derivative that must be created on market), when the timing of the hedging instrument goes beyond the hedged item and it is not considered highly probable that the hedged item will be refinanced beyond its current maturity date or if the hedging instrument is for an amount greater than the hedged item.

g. Price risk

During the year, the Group elected to apply cash flow hedge accounting to hedge certain non-financial hedged items. These are the future sales of Zinc production from Mining group companies and equity accounted investees with which the Trafigura Group has entered into contracts to sell 100% of the offtake from. The Group has entered into Zinc fixed-floating swaps to hedge the price risk of these future sales.

The designated hedge derivatives are accounted for at fair value, with the fair value movements being deferred through other comprehensive income where they are deemed to be entered in an effective hedge relationship with cash flows from future sales that are yet to be reflected in the statement of income. Any fair value movements that are not considered to be an effective hedge are recognised directly through the statement of income.

Ineffectiveness will occur due to differences in maturity of the hedged item and the hedging instrument as well as due to the non-price elements of the cash flows arising from the hedged item. Future sales of zinc concentrate. The effectiveness of the economic relationship between the hedging instruments and the hedged item has been assessed at the inception of the hedge accounting designation and is reassessed prospectively and retrospectively at least quarterly. The hedge ratio is determined by the ratio which provides a strong relationship between movements in the fair value of the hedged item and hedging instruments at the inception of the hedge accounting relationship. Given that the hedged items are future sales of Zinc concentrate this is typically close to the expected ratio of metal content payable after deductions per tonne of concentrate for non-price elements of the non-financial hedged items. The overview of the cash flow hedges is:

	Maturity	Equivalent	2017	2016	2017	2016
			Notionals	Fair values	Notionals	Fair values
Cross-currency swap		USD	1,670.2	1,670.2	(21.6)	(115.7)
Cross-currency interest rate swap		USD	581.3	506.2	(60.7)	(11.5)
future sales Zinc production	< 1 year	DMT	128.7	-	23.5	-
future sales Zinc production	1-2-years	DMT	60.6	-	9.8	-
Total			2,176.4	(49.0)	(127.2)	

	Ineffectiveness recognised through profit & loss	Hedge loss deferred through other comprehensive income
Cross-currency swap	(2.2)	14.4
Cross-currency interest rate swap	1.7	(0.1)
Future sales zinc production	(0.8)	(31.1)

Other comprehensive movements in the equity movement schedule includes USD 45 million movement of cash flow hedge reserves from equity accounted investees.

F. Notes to consolidated financial statements

h. Fair value hedge accounting

In some instances, The Group elects to apply fair value hedge accounting to hedge certain risk components of non-financial hedged items. These non-financial hedged items are the tolling agreements which Trafigura has entered into for the processing of crude oil into petroleum by-products. Ultimately, the derivative hedging instruments (splitter hedges consisting of futures and swaps) are aimed to hedge the spread between purchasing crude oil and selling refined product. When applicable, The Group designates derivative hedging instruments as fair value hedges in relationship to the hedged item. The maturity profile of the hedging instruments varies from one to five years. The hedged item may be individual risk components which are separately identifiable and reliably measurable. The designated hedge derivatives are accounted for at fair value through profit and loss and reflected on the balance sheet as either a recognised asset or liability or an unrecognised firm commitment. Each of the identified risk components of the hedged item will be revalued at each period with its corresponding benchmark accounted for at fair value and recognised through profit and loss and reflected on the balance sheet as either a recognised asset or liability or an unrecognised firm commitment. Ineffectiveness will occur as a result of basis differences between the valuation of designated hedge instruments used and valuation of the designated risk component benchmarks considered to best represent the risk component. The following table summarises the movements in the related derivatives and hedge item, and hedge ineffectiveness recognised in the statement of income.

Management seeks to maintain hedge ratio targets of 80% prior to physical production. The Group's overall hedge position has moved from a derivative asset to a derivative liability position as previously entered into 'in the money' derivative hedges have realised and more recent derivative hedge transactions entered into have moved 'out of the money'. Overall hedge positions will fluctuate relative to the time period the hedges were entered into, coupled with the movement of physical crack spreads, which represent the risk component of the underlying hedged item.

	2017	2016
Fair value hedge accounting	USD'M	USD'M
Opening balance of the derivatives marked as hedges for splitter business	127.1	153.9
FV movement included in the hedge relationship	(226.3)	78.3
Hedges for which hedge relationship matured	(99.4)	(101.1)
Hedges not designated in hedge relationship	19.2	(4.0)
Closing balance of the derivatives marked as hedges for splitter business	(179.4)	127.1
Opening balance of the hedged item	(151.8)	(168.3)
FV movement included in the hedge relationship	218.1	(75.4)
Adjustment reversed as hedge relationship matured	96.3	91.5
Closing balance of the hedged item	162.6	(151.8)
LTD net gain/(loss)	(16.9)	(24.7)
YTD net gain/(loss)	7.9	(10.4)
YTD hedge ineffectiveness	(8.3)	2.8

i. Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Company's immediate parent, Trafigura Beheer B.V., is exclusively owned by its employees. This shareholding arrangement leads to an alignment of the long-term interests of the Company and its management team. By virtue of having its own capital at risk, senior management is incentivised to take a long-term view of the Company's overall performance and to protect its capital.

The Company's capital management aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

The Company monitors capital using an adjusted debt to equity ratio, which is adjusted total debt divided by the Company's equity. For this purpose, the adjusted debt metric represents the Company's total long- and short-term debt less cash, deposits, readily marketable inventories, debt related to the Company's securitisation programme and the non-recourse portion of loans to third parties.

The Company's long-term average target adjusted debt to equity ratio is 1.0x. The Company's adjusted net debt to equity ratio at the end of the reporting period was as follows:

	2017	2016
	USD'M	USD'M
Non-Current loans and borrowings	7,401.1	7,234.2
Current Loans and borrowings	23,853.5	18,033.0
Total debt	31,254.6	25,267.2
Adjustments		
Cash and cash equivalents	4,988.7	3,141.9
Deposits	338.3	7.9
Stock	13,926.7	11,537.7
Securitisation debt	2,517.4	1,516.0
Non-recourse debt	840.3	434.8
Adjusted total debt	8,643.2	8,628.9
Group equity	6,384.8	5,847.1
Adjusted debt to Group equity ratio at 30 September	1.35	1.48

As at 30 September 2017, the ratio of adjusted net debt to Group equity stood at 1.35x. The decrease of the ratio at year-end compared to 30 September 2016 is mainly due to the increase in Group equity.

The nature of the ratio means it fluctuates between quarters, but Trafigura's long-term commitment is to maintain a disciplined approach to leverage with the aim of ensuring it does not remain significantly above its target of 1.0x on a long-term basis. We expect this ratio to revert to our stated target in the medium term.



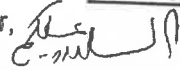
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"SAY NO TO CORRUPTION" 343

OGRA-6(1)-NG/2018

April 27, 2018

Mr. Elias Chibani,
Chief Executive Officer,
Trafigura Pakistan (Private) Limited,
Behria Complex 3,
8th Floor M.T Khan Road,
KARACHI

Subject: APPLICATION UNDER OGRA ORDINANCE, 2002 READ WITH NGRA LICENCING RULES, 2002 FOR GRANT OF LICENCE FOR SALE OF LNG/RLNG

Dear Sir, 

Please refer to your letter No. nil dated March 07, 2018 on the subject noted above.

2. It is to inform that the information/data provided vide subject application has been thoroughly examined by the concerned depts. of OGRA under statutory requirements of relevant Rules. It is, therefore advised to file a fresh covering letter of the application for grant of Licence for Sale of Natural Gas / RLNG.

3. Furthermore, the titled application has been examined under the statutory requirement of Rule 4(3) & (5) of NGRA (Licencing) Rules, 2002 (pertaining to Sale Licence) wherein the following deficiencies have been found therefore, the applicant is required to furnish the following deficient information / documents in order to proceed further, please:

a) Agreements between Trafigura Pakistan Ltd [the applicant] and

- i) SSGCL & SNGPL,
- ii) LNG Suppliers,
- iii) Licenced Terminal Operator,
- iii) Prospective Consumers alongwith details stipulated under Rule 16 of Natural Gas (Licencing) Rules, 2002.

b) Information with respect to Financial prospects,

- i) Estimated cost and feasibility report,
- ii) Audited financial statements of the applicant (Trafigura Pakistan Ltd),
- iii) Bank Statement of the applicant (Trafigura Pakistan Ltd),
- iv) Details of financial expertise and resources,
- v) Details of the resources and expertise available to handle emergency situations arising out of natural calamities, accidental or criminal acts or omission, specifying which such resources are available and which are to be procured.

4. As mentioned in your application w.r.t strategic partnership with PGPC (which is a licensee of OGRA to carry out regulated activity in LNG Supply Chain / Terminal Operation), it is advised to elaborate Trafigura and PGPC role in 2nd LNG Terminal for which the license has been issued to PGPC keeping in view the scheme of Trafigura (the applicant).

Best Regards,

C.C

Mr. Iqbal Z Ahmed,
Chairman,
PGP Consortium Limited,
Associated House,
Seven Egerton Road, **LAHORE**




(Abdul Basit Qureshi)
Registrar



Clarification is required w.r.t to
Para-4 of the instant letter, please

54-B, Fazal-e-Haq Road, Blue Area, Islamabad, Pakistan.

Tel: +92-51-9244090-98, Fax: +92-51-9244206

Website: www.ogra.org.pk

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TO
The Registrar *in leave*
Oil & Gas Regulatory Authority – OGRA
54-B, Fazal-e-Haq Road, Blue Area,
Islamabad, Pakistan
Tel: +92-51-9244090-98

Dated: May 17, 2018



Subject: APPLICATION UNDER OGRA ORDINANCE, 2002 READ WITH NGRA LICENSING RULES, 2002 FOR GRANT OF LICENSE FOR SALE OF LNG / RLNG

Dear Sir,

This is with reference to your letter no. OGRA-6(1)-NG/2018 dated April 27, 2018 regarding the subject.

Our para wise comments are as under:

2. As advised, revised covering letter mentioning the grant of license for Natural Gas / RLNG is attached as an Annexure – A.
3. a) Agreement between Trafigura Pakistan Pvt Ltd (the Applicant) and

S. No	The Counterparty	The Applicant
i.	SSGCL & SNGPL	<p>The Applicant has been approached by various customers from different parts of the country for the supply of RLNG and negotiations are still in progress. Nevertheless, there are potential customers, who already have arrangements with SSGC & SNGPL for Transmission & Distribution (T&D) of Gas.</p> <p>Besides this, we also believe that the TPA RULES, 2018 and proposed TARIFF REGIME for natural gas sector in Pakistan are at the final stages and accordingly, we will pursue SUIs for the T&D services.</p> <p>Meanwhile, we have also initiated the process to discuss with the SUIs regarding the provision of T&D services.</p> <p>In view of the above, it is submitted that we request the Authority to issue license for the</p>



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		sale and marketing of RLNG. However, the effectiveness of the same may be considered subject to the provision of final arrangements with the SUIs.
ii.	LNG Suppliers	The executed Heads of Agreement for the supply of LNG is attached as an Annexure - B
iii.	Licensed Terminal Operator	Trafigura's role, contribution and access to terminal capacities are reflected in the attached letters as an Annexure C. Further details can also be obtained from the following web link of AG group. http://www.ag.com.pk/pakistan-gasport/
iv.	Consumer	The executed Heads of Agreement for sale of RLNG is attached as an Annexure - D

b) Information with respect to financial prospects:

S. No	The Counterparty	The Applicant
i.	Estimated Cost and Feasibility Report	Details are given in Annexure -E
ii.	Audit financial statement of the applicant	As the Applicant is newly-incorporated company, audited financial statements are not available and not due until later as per statutory requirements. However, the Applicant has already appointed the auditor and will furnish audited financial statements once it is due under the statutory requirements. In view of the above, it is submitted to the Authority to consider the details of the parent company (as provided earlier) and issue license based on this.
iii.	Bank Statement of the applicant	Bank Statement is attached as an Annexure F
iv.	Detailed of financial expertise and resources	Trafigura draws on best-in class internal and external experience to develop, construct and operate its worldwide gas business. A high level organogram is given in Annexure - G. Certain leading human resources with necessary financial and technical expertise in the worldwide group has already been taken




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		<p>on board while others will be taken on shortly.</p> <p>Besides above, Trafigura Pakistan has acquired a number of professional services by executing a Service Agreement with Trafigura Pte Ltd and the copy of the same is attached in Annexure H. These resources are working on the operational readiness of Trafigura Pakistan. We believe Trafigura Pakistan will be the first company to implement world leading gas account system in Pakistan.</p>
v.	<p>Details of resources and expertise available to handle emergency situations arising out of natural calamities, accidental or criminal acts or omission, specifying which resources are available and which are to be procured.</p>	<p>See above.</p>

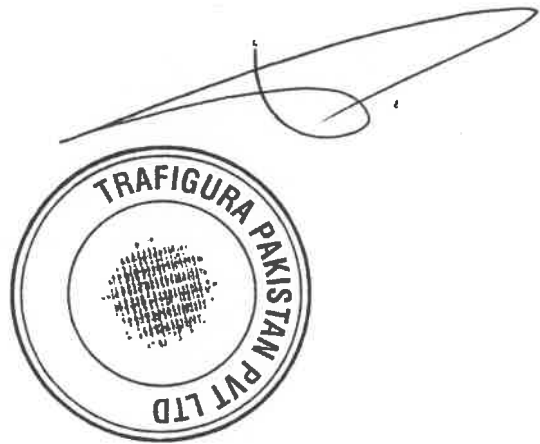
4. As regards the role of Trafigura in the second terminal, please refer to the detailed mentioned in an Annexure – C

Kindly let us know in case clarification is required on above.

In view of above, and in the spirit of enabling Trafigura to serve Pakistan as soon as possible, it is requested that the grant of license to carry out sale and marketing of RLNG be issued on a priority basis.

For and on behalf of
Trafigura Pakistan (Pvt) Ltd

Fadi Mitri
Chief Executive Officer





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To
The Registrar
Oil & Gas Regulator Authority
54-B, Fazal-e-Haq Road,
Blue Area, Islamabad
PABX – 051-9244090-98

Dated: 16th May, 2018

Subject: Application to the Oil and Gas Regulatory Authority (OGRA) under the Oil and Gas Regulatory Authority Ordinance, 2002 (“Ordinance”) read with the Natural Gas Regulatory Authority (Licensing) Rule 2002 (“Rules”) for grant of license to carry out Sale of RLNG.

Dear Sir,

Trafigura Pakistan (Pvt) Ltd is a private sector entity incorporated under the Pakistan Companies Ordinance 2017, with the objective to carry on the business of import, export, transport, market, and distribute LNG, LNG, LPG and NGL in Pakistan. In this capacity, Trafigura Pakistan will procure LNG from International market and enter into onward arrangement for the supply of gas to the end user, thereby managing the whole supply chain of LNG from procurement to end consumer gas sale agreements.

Further to the above, we also would like to apprise you that Trafigura being a shareholder of the PGPL consortium has played a pivotal role in developing the project of the Pakistan’s Second FSRU – based facility and is in the process of moving ahead with a third terminal for LNG Imports, as we strongly believe in the potential of the Pakistani Economy and have full faith in the government’s policies aiming at improving power access to the people of Pakistan.

As a part of investment in the PGPL terminal, we have exclusive access to the available capacity of the terminal and which will be between 90 – 120 mmscfd. In this regard, we have been continuously approached by various customers specifically from Karachi region.

To further strengthen our presence in Pakistan, we have already established local branch of Trafigura named Trafigura Pakistan (Private) Limited and now requests for a grant of license to carry out sale of RLNG. I have attached herewith schedule – I and schedule – II along with all the necessary documents for your review and considerations.

A rapid grant of licenses to carry out sale RLNG would be highly appreciated, and would be beneficial to Trafigura Pakistan’s gas customers.

Fadi Mitri
Chief Executive Officer



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Heads of Agreement for a LNG Sales Agreement

This is a binding Heads of Agreement ("HOA") for the fully termed Sale Purchase Agreement ("SPA") between the Seller and the Buyer.

Item	Provisions
Seller	Trafigura Pte Ltd. ("Pte") or any of its Affiliates.
Buyer	Trafigura Pakistan Pvt Ltd ("PAK").
Term	<p>The term of the sale and purchase of LNG hereunder shall be for a period of fifteen (15) Contract Years from 2018 until 2032 ("Term"), with an option to extend the Term for an additional period of five (5) years subject to mutually agreement between the Parties.</p> <p>Buyer shall notify Seller of its request for an extension of the Term at least two (2) years prior to expiry of the original Term, and following such notice, Seller and Buyer shall discuss in good faith to an extension of the original Term.</p>
Contract Year	<p>Each Contract Year shall commence on 1st January and end on 31st December.</p> <p>The commencement date of this Agreement (signifying the delivery date of the first LNG Cargo under this Agreement) shall be discussed between Buyer and Seller.</p>
Term of Delivery	Delivered Ex-Ship (DES).
LNG Ship	The LNG Ship size shall be between 130,000 – 160,000 m ³ in accordance with standard industry practices and will be subject to ship shore compatibility.
Source of Supply	<p>The source of supply shall be from PTE global LNG supply portfolio, including but not limited to its 15 years supply agreements with producers in Australia, the USA and the Middle East plus its short term trading portfolio (8,1 mtpa of LNG delivered in 2017) which will allow Trafigura to access the LNG market at any time to supply PAK's LNG import requirements.</p> <p>Seller shall be entitled to include new sources of supply in the list of PTE global LNG supply portfolio, subject to the LNG supplied from such source would meet the required specifications.</p>
Receiving Terminal	<p>The Receiving Terminal shall be the FRSU-based LNG receiving terminals located in Port Qasim, Karachi, Islamic Republic of Pakistan.</p> <p>Alternative Receiving Facilities in Pakistan shall be included in the SPA, subject to compatibility with LNG Vessels and Seller's consent.</p>
Port Charges	Port charges payable at Receiving Terminal shall be paid by the Seller

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<p>Seller's Facilities, LNG Vessels</p>	<p>Seller shall be responsible for transporting LNG from the Loading Port for delivery of such LNG to Buyer at the Delivery Point. The SPA shall specify a pre-agreed list of LNG Vessels compatible with the Receiving Terminal. The SPA shall also set out the applicable specification for additional LNG vessels, which shall include a gross tank capacity of between one hundred thirty thousand (130,000) and one hundred sixty thousand (160,000) cubic metres of LNG.</p>
<p>Annual Contract Quantity ("ACQ")</p>	<p>The "ACQ" shall be approximately 0.5 million metric tons of LNG per Contract Year (or a pro-rata proportion thereof in respect of the first Contract Year) The buyer shall have option to increase ACP to approximately 0.5 million metric tons of LNG for each Contract Year from the commencement of 2020 until the end of the Supply Period; subject to the COD of new Terminal sponsored by any of Group Company . In each Contract Year the adjusted ACQ ("AACQ") shall be scheduled and delivered on a reasonably rateable basis in cargoes falling within the range of one hundred and thirty thousand (130,000) cubic metres to one hundred and sixty thousand (160,000) cubic metres per cargo (with each such cargo having a quantity tolerance of up to five (5) percent).</p>
<p>Seller Summer LNG</p>	<p>With respect to any Contract Year, at the time when the relevant ADP is developed, Seller shall have the right to increase the ACQ by up to 0.5 million metric tons of LNG (being the equivalent of one (1) cargo per month), to be scheduled for delivery during the summer months on a reasonably rateable basis.</p>
<p>Buyer's Obligation to Take or Pay</p>	<p>In each Contract Year, Seller shall sell and deliver in accordance with the SPA, and Buyer shall purchase, receive and pay for, or pay for if not taken, the AACQ. If Buyer fails to take all or part of a Cargo as required under the SPA, Buyer shall pay Seller the Contract Price applicable to the Cargo (or any portion thereof) not taken. Seller shall then use reasonable endeavours to sell the Cargo to another buyer and upon doing so shall reimburse to Buyer the proceeds of that sale, less incremental shipping and other associated costs incurred by Seller, up to a maximum amount, being equal to the Contract Price multiplied by the applicable quantity, expressed in MMBtu.</p>
<p>Seller's Obligation to Deliver or Pay</p>	<p>The SPA shall provide for the mechanism whereby Seller reimburses Buyer for actual, incremental, direct and documented cover gas/LNG/downstream losses as a result of non-delivery, up to the thermal quantity of Seller's Shortfall, but in any case subject to a cap of 20% of the Contract Price of the applicable cargo.</p>
<p>Contract Price, Price Review</p>	<p>The LNG Price in USD/MMBtu for LNG sold and delivered as ACQ under the LNG SPA, as applicable, shall be determined according to the following formula: $P_n = X.XXXX\% \times Brent_m$ where: X.XXXX% will be discounted to current OGRA Price. P_n is the Contract Price applicable to the relevant LNG cargo, rounded to 4 decimal places; Brent_m for a given month is the arithmetic mean of the 3 values of BRICE (US\$/bbl) for the 3 months immediately preceding (and not including) the month in which the commencement of unloading of the LNG cargo falls. Brent_m shall be</p>

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	<p>rounded to 4 decimal places (with 0.0005 and above bring rounded up);</p> <p>BRICE for a given month is the un-weighted arithmetic average of all the settlement price (in\$US/bbl) for each quoted day of the month as published by the Intercontinental Exchange of the first line ICE Brent future's contract. The first line settlement price will be used except to the expiration date of each maturity. On such date, the applicable pricing quotation will be rolled to the second nearby maturity. BRICE shall be rounded to 4 decimal places (with 0.005 and above bring rounded up).</p> <p>Commencement of the discharge shall be deemed to occur at the point at which the relevant LNG ship is shown to be all fast in the port log at the Receiving Terminal as defined in the SPA.</p>																																								
Price Review	<p>The Contract Price shall be reviewed and revised with a new Contract Price (if any) being effective on and from:</p> <ol style="list-style-type: none"> i. For the first time, the fifth (5th) Contract Year ii. For the second time, the tenth (10th) Contract Year <p>The Price Review shall constitute the Contract Price structure, which includes slope percentage but shall exclude any deletion or replacement of the Brent reference index.</p>																																								
LNG Specification	<p>The LNG delivered into the Receiving Terminal shall, when regasified and measured at Reference Conditions, conform to the further specification set out in the table below:</p> <table border="1" style="width: 100%; border-collapse: collapse; margin: 10px 0;"> <thead> <tr> <th>Reference</th> <th>Characteristic</th> <th>Unit of Measure</th> <th>Limit</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Higher Heating Value</td> <td>Btu/scf</td> <td>min 940 max 1140</td> </tr> <tr> <td>2</td> <td>Wobbe Index</td> <td>Btu/scf</td> <td>min 1222 max 1534</td> </tr> <tr> <td>3</td> <td>Inert Gases, Total</td> <td>% (v/v)</td> <td>4 max</td> </tr> <tr> <td>4</td> <td>Hydrocarbon Dew Point</td> <td>°C</td> <td>-4 max at 5,500 Kpa abs</td> </tr> <tr> <td>5</td> <td>Carbon Dioxide (CO₂)</td> <td>% (v/v)</td> <td>2.0 max</td> </tr> <tr> <td>6</td> <td>Oxygen (O₂)</td> <td>% (v/v)</td> <td>0.2 max</td> </tr> <tr> <td>7</td> <td>Hydrogen Sulphide (H₂S)</td> <td>mg/m³</td> <td>5.49 max</td> </tr> <tr> <td>8</td> <td>Total Sulphur</td> <td>mg/m³</td> <td>35 max</td> </tr> <tr> <td>9</td> <td>Total Mercury</td> <td>ng/ m³</td> <td>50 max</td> </tr> </tbody> </table> <p>For the purposes of this Schedule A, "Reference Conditions" shall mean a temperature of 15°C and an absolute pressure of 1.01325 bar.</p>	Reference	Characteristic	Unit of Measure	Limit	1	Higher Heating Value	Btu/scf	min 940 max 1140	2	Wobbe Index	Btu/scf	min 1222 max 1534	3	Inert Gases, Total	% (v/v)	4 max	4	Hydrocarbon Dew Point	°C	-4 max at 5,500 Kpa abs	5	Carbon Dioxide (CO ₂)	% (v/v)	2.0 max	6	Oxygen (O ₂)	% (v/v)	0.2 max	7	Hydrogen Sulphide (H ₂ S)	mg/m ³	5.49 max	8	Total Sulphur	mg/m ³	35 max	9	Total Mercury	ng/ m ³	50 max
Reference	Characteristic	Unit of Measure	Limit																																						
1	Higher Heating Value	Btu/scf	min 940 max 1140																																						
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8	Total Sulphur	mg/m ³	35 max																																						
9	Total Mercury	ng/ m ³	50 max																																						
LNG Outside Specification	<p>Provisions for Off-spec LNG shall be included in the SPA:</p> <ul style="list-style-type: none"> • Known receipt of Off-spec LNG – Seller covers Buyer's actual reasonable, documented, direct, incremental costs, subject to cap of 20% of the applicable 																																								

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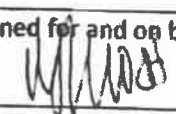


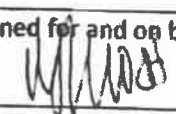


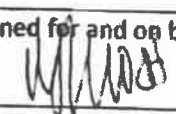

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	<p>cargo value; and</p> <ul style="list-style-type: none"> Unknown receipt of Off-spec LNG – Seller covers Buyer’s actual reasonable, documented, direct, incremental costs, subject to cap of 100% of the applicable cargo value. 		
Payment Terms	Invoices shall be payable in full in USD in fifteen (15) Banking Days from unloading of Cargo or receipt of final invoice whichever is later. Interest shall be payable on any unpaid amounts.		
Credit Support	Buyer shall provide Seller with a Standby Letter of Credit from an international first-class bank (or confirmed by such bank), valid for not less than one (1) year, as may be renewed annually at least thirty (30) days prior to each Contract Year. Buyer’s Letter of Credit shall at all times cover not less than one hundred and five percent (105%) of the value of the MMBtu equivalent of two (2) cargoes.		
Force Majeure	The SPA shall contain standard Force Majeure provisions to be developed by the Parties.		
Suspension, Termination	Standard default and termination provisions shall be developed by the Parties and included in the SPA. Events of default shall include material breach of contract which prevents that party from effectively performing, failure to pay amounts due, insolvency and credit related events. In the event of non-payment by Buyer, Seller shall be entitled to suspend its delivery obligations until full payment is made.		
Governing Law	The SPA shall be governed by and construed in accordance with the English		
Title and Risk	Title to LNG and Natural Gas aboard a LNG Ship shall pass from Seller to Buyer in international waters at the Title Transfer Point, being the point that is two (2) nautical miles outside of Pakistan’s territorial waters. Risk of LNG and Natural Gas on the LNG Ship shall pass from Seller to Buyer at the flange of receiving Terminal.		
Other Terms	The SPA shall contain such other provisions as are usually included in the sale and purchase agreements in the LNG industry, including but not limited to Title and Risk, Transportation and Unloading, Insurance, Safety, Taxes, ADP and NDS, Representations and Warranties, Assignment, Audit Rights, Measurement and Testing, Notices, Confidentiality, Compliance with Law, Anti-bribery and Corruption and Dispute Resolution.		
<table border="1"> <tr> <td> <p>Signed for and on behalf of Trafigura Pakistan Pvt Ltd</p>  <p>Name Fadi Khatami</p> </td> <td> <p>Signed for and on behalf of Trafigura Pte</p>  <p>Name Wendy Moss Title Authorised Signatory</p>  <p>Name Sebastian Galle Title Authorised Signatory</p> </td> </tr> </table>		<p>Signed for and on behalf of Trafigura Pakistan Pvt Ltd</p>  <p>Name Fadi Khatami</p>	<p>Signed for and on behalf of Trafigura Pte</p>  <p>Name Wendy Moss Title Authorised Signatory</p>  <p>Name Sebastian Galle Title Authorised Signatory</p>
<p>Signed for and on behalf of Trafigura Pakistan Pvt Ltd</p>  <p>Name Fadi Khatami</p>	<p>Signed for and on behalf of Trafigura Pte</p>  <p>Name Wendy Moss Title Authorised Signatory</p>  <p>Name Sebastian Galle Title Authorised Signatory</p>		

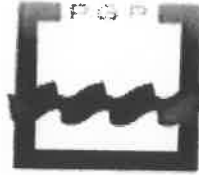
TRAFIGURA PTE LTD, SINGAPORE, BRANCH OFFICE GENEVA

REGISTERED OFFICE: 5 RUE JARONNIANT, 1207 GENEVA, SWITZERLAND

WWW.TRAFIGURA.COM

REGISTERED NUMBER: CH-660-1529011-7

HEAD OFFICE: TRAFIGURA PTE LTD, SINGAPORE - REG NO: 199601595D



Pakistan GasPort Limited
Associated House, Seven Egerton Road, Lahore 54000
T: +92 42 3636.8844 / F: +92 42 3636.8742 / hr@ag.com.pk

Aug. 31, 2017

To Whom It May Concern

Dear Sir/Madam,

Pakistan GasPort Limited ("PGPL"), an Associated Group ("AG") company, is the developer and owner of the country's second LNG import terminal. This FSRU-based facility is located at Port Qasim, Karachi. AG is in advanced stages of implementing its second LNG import terminal, also with a regas capacity of 750mmscfd, which will operate entirely in the private sector.

PGPL is partnered with Trafigura Pte. Ltd. ("Trafigura") on both terminals. Trafigura is providing vital commercial, operational and technical perspectives to the projects. Trafigura has consistently delivered above expectations and has all the required capabilities and experience to operate small- and large-scale terminals.

We are pleased to inform you that in our dealings with them, Trafigura has been a solid partner having a wealth of knowledge, capabilities, and in-depth experience of the global LNG sector, among others. We are proud of our association with Trafigura and their dynamic team.

We remain available to provide any additional information that you may require.

Thanking you,
Sincerely yours,

Iqbal Z. Ahmed,
Chairman



TRAFIGURA PAKISTAN (PVT.) LTD.
8TH FLOOR, BAHRIA COMPLEX - III, M.T. KHAN ROAD KARACHI

Dated on May 2018

Heads of Agreement for a Gas Sales Agreement

This is a non-binding Heads of Agreement ("HOA") for the fully termed Gas Sales Agreement ("GSA") between the Seller and the Buyer (defined in Clause 1 below).

The Seller is desirous to sell RLNG and has extended its support to the Buyer.

Clause	Term
1.	<p>Parties</p> <p>1. TRAFIGURA PAKISTAN (PRIVATE) LIMITED (or any of its group company), a company duly incorporated and existing under the laws of Pakistan under company number 010562, having its registered office at 8th Floor, Bahria Complex - III, M.T Khan Road, Karachi, Pakistan, represented herein by two duly-authorized directors (referred to as "Seller" which expression shall, unless repugnant to the context or meaning hereof, include its successors and permitted assigns and/or its subsidiary(ies)); and</p> <p>2. PUMA ENERGY PAKISTAN (PRIVATE) LIMITED, a company incorporated under the Companies Ordinance 1984 having its registered / head Office at 9th Floor, Bahria Complex III, M.T. Khan Road, Karachi (referred to as "Buyer" which expression shall, unless repugnant to the context or meaning hereof, include its successors and permitted assigns).</p> <p>The Buyer and the Seller, each is hereinafter referred to as a "Party" and together as the "Parties".</p> <p>The Buyer intends to enter into gas sales agreements with compressed natural gas stations operated under the brand name of Puma Energy Pakistan with other gas users across Pakistan, ("Buyer's Customers' Facility").</p> <p>The Seller has already applied to obtain License for sale and distribution of Gas from OGRA.</p> <p>The Seller (or its affiliate) has acquired a minority equity stake in Pakistan Gas Port (PGPC) which gives Seller exclusive access to the extra regasification capacity, this is being 90 MMSCFD, available for 175 days per year.</p>

TRAFIGURA PTE. LTD.

REGISTERED OFFICE: 1 MARINA BOULEVARD, #28-00, ONE MARINA BOLA AVARD, SINGAPORE (018989)
WWW.TRAFIGURA.COM
REGISTERED NUMBER: 199601595D


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		<p>The Seller is willing to provide to the Buyer LNG supply along with Regasification Services from Pakistan Gas Port Consortium (PGPC) for delivery of Regasified LNG through national gas pipeline grid at the delivery point of the buyers' designated CNG Stations.</p> <p>AND WHEREAS, the parties have now come on board to form their alliance and/or business combination specific to LNG services and intend to lay out the principal terms and conditions of their alliance;</p> <p>NOW, THEREFORE, in consideration of the mutual benefits and covenants contained herein, the parties hereby agree as follows (always subject to applicable laws and regulations):</p> <ol style="list-style-type: none"> 1) The Seller will make RLNG available to Buyer, Subject to final price discussion and agreement of suitable terms. 2) The Seller will use its own exclusive access to the regasification capacity at the PGPC FSRU terminal to provide regasification services for the LNG it will provide to The Buyer. 3) Consequently, the Seller has agreed to allocate RLNG supplies upto 340 MMSCF in a month to the Buyer on intermittent supply chain to be consumed on a monthly basis , with a potential ramp up to 600 MMSCF per month in the future subject to the Market dynamics and circumstances. 4) The deliveries of RLNG will have to be on delivered basis at the facilities of the Buyer, unless mutually agreed between parties.
2.	Start Date	<ol style="list-style-type: none"> 1) The start date of Gas sales ("Start Date") shall be the date when Seller shall deliver the first quantities of Gas and the Buyer shall take delivery and pay for the Gas so delivered. 2) The Parties expect the Start Date to fall after the Seller acquiring necessary approvals and licenses from the government and regulating authorities. 3) The Parties shall agree a windowing mechanism and conditions precedent in the GSA. Upon the fulfilment or waiver of all the conditions precedent therein, the Seller will provide notices to the Buyer within set time windows providing an estimate of the periods when the Seller expects the Start Date to occur as provided by the following: <ol style="list-style-type: none"> a) a written notice to be provided by [mm/yy] by the Seller for a 3 month period falling within the above 6 month period; b) a written notice to be provided by [mm/yy] by the Seller for a 1 month period falling within the above 3 month period; and c) finally, a written notice to be provided by [mm/yy] by

		the Seller for the actual Start Date falling within the above one month period, which will allow the Parties to progressively narrow down the Start Date.
3.	Term	The term of the GSA is currently envisaged to be 1 year from the Start Date ("Term") and the Parties, by mutual agreement in writing, may agree extend the Term by an additional 1 year. The process by which mutual agreement can be reached between the Parties will be outlined in the GSA.
4.	General Undertakings	<ol style="list-style-type: none"> 1. The Buyer shall inform the Seller immediately upon becoming aware of any event or circumstance, which has or is reasonably likely to have a material adverse effect on the Buyer's ability to perform its obligations under the GSA. 2. The Buyer shall not contravene any laws or legal requirements which could reasonably be expected to have material adverse effect on its ability to perform its obligations under the GSA and or cause it to be in breach, in any material respect(s), of its obligations under the GSA. 3. The Seller shall inform the Buyer immediately upon becoming aware of any event or circumstance which has or is reasonably likely to have a material adverse effect on the Seller's ability to perform its obligations under the GSA. 4. The Seller shall not enter into any agreement and not contravene any laws or legal requirements which could reasonably be expected to have material adverse effect on its ability to perform its obligations under the GSA or cause it to be in breach, in any material respect(s), of its obligations under the GSA.
5.	Quantity of Gas	The total annual contract quantity ("ACQ") of Gas to be sold by the Seller and to be purchased, taken and paid for by the Buyer at the Delivery Point in a Contract Fiscal Year shall be approximately 6000 MMSCF per annum.
6.	Quality specifications of Gas	The terms and conditions in relation to quality specifications of Gas shall be set out in the GSA.
7.	Principles of Pricing of Gas	<p>In the GSA, the following principles will apply for determining the price at which an Affiliate of the Seller will sell and the Buyer will buy Gas respectively ("Contract Price"):</p> <ol style="list-style-type: none"> 1. The Contract Price for Gas delivered or tendered for delivery by the Seller to the Buyer shall be expressed in US Dollars per MMBtu (US\$/MMBtu); 2. The final price will have to be converted from USD into PKR 3. For avoidance of doubt, the price will be Brent-related and not a fixed price for the full term of the contract. 4. All references to MMBtu shall mean MMBtu on Gross

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		Heating Value basis;
8.	Delivery obligations of the Seller	If, during a certain period, the Seller fails to deliver or tender for delivery certain quantities of Gas (the duration of such period and such quantities to be specified in the GSA) to the Buyer (except for reasons to be specified in the GSA), the Seller shall pay the Buyer an amount to be negotiated and specified in the GSA.
9.	Measurement	<ol style="list-style-type: none"> 1. The unit of measurement to quantify amounts of Gas in the GSA or in any document produced in accordance with the terms of the GSA. 2. The Parties shall agree provisions in the GSA for the location, standards and verification of measurement equipment, ownership of measurement equipment, the dispute resolution mechanism in case of variations in measurement and alternate provisions in case of a metering failure.
11.	Transportation of Gas	It is agreed that seller will have to make the RLNG/ Natural Gas available to the buyer at the entry point of the buyers' designated CNG stations. The seller will use his allocation of pipeline access and his GTAs with SSGC & SNGPL to transport the RLNG into the buyer's designated CNG stations.
12.	Title to Gas	Title to Gas delivered pursuant to the GSA shall pass from the Seller to the Buyer at the Delivery Point of respective designated CNG stations.
13.	Price	The final price of the LNG will be advised by Trafigura at the time of contract negotiation but will include, also, terminal Re-gasification, transportation charges as well as all other applicable local taxes. Price will be expressed and paid in PKR. For the avoidance of doubt, the final price will be subject to the agreement of the Buyer.
14.	Compliance with Laws	The Buyer and the Seller shall comply with all applicable laws, rules and regulations.
15.	Invoicing and Payments	<ol style="list-style-type: none"> 1. The Buyer shall pay for the Gas delivered or tendered for delivery at the Delivery Point in the manner set out in the GSA. 2. Terms and conditions in relation to invoicing and payment, including billing cycles shall be set out in the GSA.
16.	Taxes and Charges	<ol style="list-style-type: none"> 1. The Buyer shall pay, or cause to be paid, all applicable Taxes related to the sale of Gas and other sums in respect of Gas delivered or tendered for delivery under the GSA at the Delivery Point. 2. Each Party shall bear Taxes on its own income.
17.	Force Majeure	The GSA shall contain industry standard provisions for force majeure (including a definition of force majeure which shall include severe weather conditions) which would suspend obligations of the


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		<p>respective Party impacted by the force majeure, notice and reporting requirements, mitigation responsibility, consequences, termination and notice of cessation.</p>
18.	Conditions Precedent	<p>The sale and purchase of Gas under the GSA shall be subject to certain conditions precedent, which shall include amongst others the following:</p> <ol style="list-style-type: none"> 1. The Seller and its Affiliates satisfactorily assuring themselves of clearance and acceptability of the Facilities as well as the use of Port Qasim for the delivery of LNG; 2. The Seller obtaining all relevant Consents to sell Gas in Pakistan; 3. The seller executing third party gas pipeline access and transportation agreements with SSGC & SNGPL, including necessary provisions covering balancing of Gas volumes with the Transporter using the Transporter's Facilities and provisions addressing unaccounted for gas (also known as UFG); 4. The Buyer obtaining all relevant Consents to buy Gas in Pakistan. <p>Detailed terms and conditions including relevant deadlines in relation to the conditions precedent shall be set out in the GSA subject to the agreement of the parties.</p>
19.	Miscellaneous provisions	<p>Subject to agreement on all terms of the GSA by the Parties, the Parties agree to reflect in the GSA in greater detail the key commercial terms and principles recorded in this HOA. For the avoidance of doubt, (a) nothing contained in this HOA is intended to give rise to any binding contractual relationship nor shall this HOA give rise to any right, obligation or liability on the part of either the Buyer or the Seller to enter into the GSA;</p> <p>(b) any such legally binding rights and obligations and consequent liabilities would arise only in the event of, and as a result of, the execution of a mutually acceptable GSA; and</p> <p>(c) Each party shall bear its own costs in connection with this HOA, the GSA and all matters contemplated by this HOA.</p>
20.	Confidentiality	<p>1) Each Party acknowledges that the Confidential Information is confidential and undertakes:</p> <ol style="list-style-type: none"> a) to use the Confidential Information solely for the purpose set out in this HOA; b) to keep the Confidential Information in strict confidence; c) not, without the prior written consent of the other Party, to disclose any Confidential Information furnished to it to any third party other than its Representatives or to its Affiliates who have a legitimate need to know such Confidential Information; d) before disclosing Confidential Information to any Affiliate or

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to its Representatives, to ensure that such person is aware of the discloser's obligations in this HOA, ensure compliance by such person and be liable for any breach of such obligations by such person; and

- e) as far as possible to keep separate all Confidential Information from all documents and other records of a Party.
- 2) The undertakings in Clause 25.1 shall not apply to any Confidential Information which:
- a) at the time of disclosure to the recipient Party or thereafter has become part of public knowledge or literature without breach of any of the said undertakings by such Party;
 - b) the recipient Party can show was in its possession at the time of disclosure hereunder and was not acquired by such Party under an obligation of confidence; or
 - c) the recipient Party can show was received by it after the time of disclosure hereunder from a third party (other than one disclosing on behalf of the other Party or its Affiliates) who could lawfully do so and who did not derive the Confidential Information from the other Party or any of its Affiliates.

The foregoing exceptions shall not, however, apply to:

- (i) specific information merely because it is embraced by or included with other information which falls within any one or more of such exceptions; or
 - (ii) any combination of information merely because specific information (but not the combination itself) falls within any one or more of such exceptions.
- 3) In the event that the recipient Party, its Affiliates, Representatives or other permitted recipients is required by an order of any government, state government agency or requested by any court or legislative or administrative body including any recognised stock exchange to disclose any Confidential Information, such Party shall, to the extent it is lawful to do so, promptly and prior to disclosure notify the disclosing Party so that an appropriate protective order and/or other action can be sought and/or other action can be taken if possible (and if it is not lawful to inform the disclosing party prior to disclosure, the recipient Party shall inform the disclosing Party as soon as it becomes lawful to do so). In the event that such protective order is not, or cannot be, obtained, then:
- a) the Party subject to the disclosure requirement or request may disclose to the appropriate body that portion of the Confidential Information which such Party is legally required to disclose and shall use reasonable efforts to obtain assurances that confidential treatment will be accorded to such Confidential Information; and
 - b) the Party subject to the disclosure requirement or request shall not be liable for such disclosure unless such disclosure was caused by or resulted from a previous disclosure by such Party or its Affiliates or any of their Representatives that was

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		<p>not permitted under this HOA.</p> <p>4) The Parties agree that, upon request by one Party, the other Party shall promptly:</p> <p>a) return or, at the option of the requesting Party, destroy all Confidential Information that is in tangible form (including, without limitation, Confidential Information contained on computer disks or other electronic media) furnished to the other Party, together with any copies or extracts thereof; and</p> <p>b) destroy all analyses, compilations, studies or other documents which have been prepared by the other Party or permitted recipients and which reflect or are based upon any Confidential Information, except to the extent that the recipient Party is required to retain any Confidential Information by any applicable law, rule or regulation or by any judicial, governmental, supervisory or regulatory body or to the extent that such Confidential Information is incorporated into organisational records which such Party is required to retain by law or in accordance with internal policies regarding the keeping of records generally, in which case such Party will take appropriate measures to preserve its continuing confidentiality.</p>
21.	Governing Law and Dispute Resolution	This HOA shall be governed by and construed in accordance with Pakistani Law. Any dispute arising out of or in connection with this HOA, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration
22.	Duration of HOA	This HOA shall terminate either upon (a) the execution of the GSA by the Buyer and the Seller; or (b) the Parties discontinuing the discussions on the terms of the GSA, whichever comes earlier. (c) either party serving one Month Notice for terminating this Heads of Agreement.
23.	Conduct of Business	Both Parties will strictly adhere to the Codes, Practices and Conducts of Business Ethics (which shall be more specifically referenced in the GSA) including, but not limited to Anti-Bribery and Corruption and Sanctions policies.
24.	Notices	<p>1) All notices and other communications to be sent by either Party to the other shall be delivered by hand or sent by personal delivery or facsimile to the relevant Party's address or facsimile number noted below (or to such other address or facsimile number as a Party may substitute by notice to the other in accordance with this provision after the date of this HOA):</p> <p>To Buyer: Puma Energy Pakistan Address: 8th Floor, Bahria Complex – III, M.T. Khan Road Attention: [insert] Fax number: Email: [insert]</p> <p>To Seller: Trafigura Pakistan (Pvt) Ltd</p>

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		<p>Address: 8th Floor, Bahria Complex – III, M.T. Khan Road Attention: Fadi Mitri Fax number:</p> <p>2) All notices or other communications under this HOA shall be deemed to be duly given or made on the next business day in the jurisdiction of receipt following the date of delivery or (in the case of personal delivery) or receipt by the sender of a valid transmission confirmation (in the case of facsimile).</p>
25.	Counterparts	<p>This HOA may be executed in any number of counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument.</p>

The Parties hereto have executed this Heads of Agreement on the day and year first above written:

For and on behalf of

Trafigura Pakistani (Pvt) Ltd,

Signature:

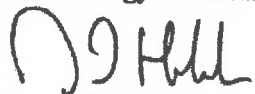
Name:
Title:

Mr. Fadi Mitri
CEO

Witnesses:

1. Signature:
Name:
Title:
2. Signature:
Name:
Title:

Puma Energy Pakistan (Pvt.) Ltd



 CEO

Witnesses:

1. Signature:

Name: *Amrath Al*

Title: *Gm for LUG*

2. Signature:

Name:

Title:

M. Iman
PUMA ENERGY.

Annexure - E

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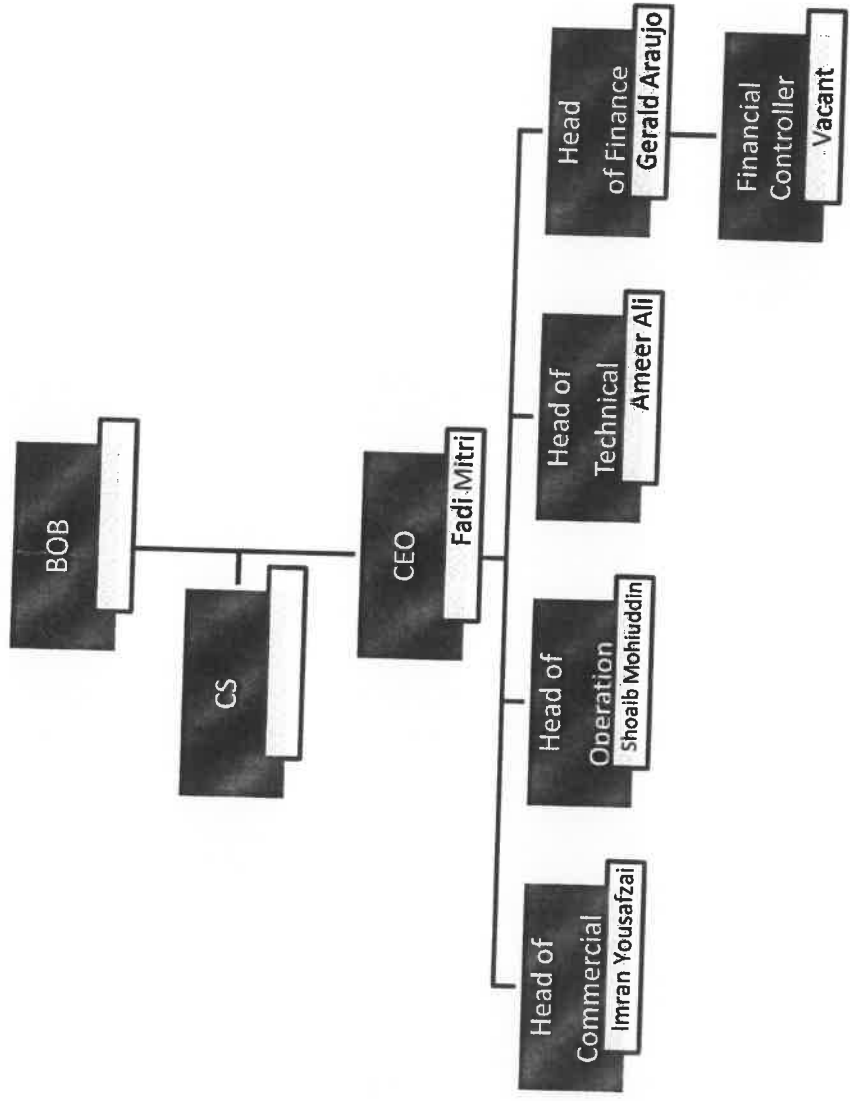
Trafigura Pakistan Limited
Feasibility Study - Cash flows and NPV

Year	Sales MTBA	MIMBTU	DES price	Margin	Capex	W.C	Contingencies	Opex	Tax	Net cash flows	NPV
2018-19	0.06	2,925,000	\$ 17,550,000	\$ 351,000	\$ (86,207)	\$ (9,885,558)	\$ (1,755)	\$ (862,069)	\$ 26	\$ (60)	\$ (60)
2019-20	0.68	35,100,000	\$ 210,600,000	\$ 4,212,000			\$ (21,060)	\$ (948,276)	\$ 153,847	\$ (10,254,535)	\$ (9,678,336)
2020-21	2.93	152,100,000	\$ 912,600,000	\$ 18,252,000			\$ (91,260)	\$ (1,043,103)	\$ (972,799)	\$ 2,269,865	\$ 2,021,946
2021-22	5.18	269,100,000	\$ 1,614,600,000	\$ 32,292,000		\$ (85,497,619)	\$ (161,460)	\$ (1,147,414)	\$ (5,135,291)	\$ (73,515,274)	\$ (61,806,169)
2022-23	5.18	269,100,000	\$ 1,614,600,000	\$ 32,292,000			\$ (161,460)	\$ (1,262,155)	\$ (9,294,938)	\$ 21,688,188	\$ 17,209,263
2023-24	5.18	269,100,000	\$ 1,614,600,000	\$ 32,292,000	\$ (138,837)		\$ (161,460)	\$ (1,388,371)	\$ (9,181,000)	\$ 21,607,869	\$ 16,182,130
2024-25	5.18	269,100,000	\$ 1,614,600,000	\$ 32,292,000			\$ (161,460)	\$ (1,527,208)	\$ (9,181,000)	\$ 21,422,333	\$ 15,141,722
2025-26	5.18	269,100,000	\$ 1,614,600,000	\$ 32,292,000			\$ (161,460)	\$ (1,679,929)	\$ (9,135,183)	\$ 21,315,428	\$ 14,290,914
2026-27	5.18	269,100,000	\$ 1,614,600,000	\$ 32,292,000			\$ (161,460)	\$ (1,847,921)	\$ (9,084,766)	\$ 21,197,833	\$ 13,420,604
2027-28	5.18	269,100,000	\$ 1,614,600,000	\$ 32,292,000			\$ (161,460)	\$ (2,032,714)	\$ (8,968,367)	\$ 21,068,479	\$ 12,596,625
2028-29	5.18	269,100,000	\$ 1,614,600,000	\$ 32,292,000			\$ (161,460)	\$ (2,235,985)	\$ (8,834,207)	\$ 20,926,189	\$ 11,816,277
2029-30	5.18	269,100,000	\$ 1,614,600,000	\$ 32,292,000	\$ (223,598)		\$ (161,460)	\$ (2,459,583)	\$ (8,657,050)	\$ 20,813,151	\$ 11,077,006
2030-31	5.18	269,100,000	\$ 1,614,600,000	\$ 32,292,000			\$ (161,460)	\$ (2,705,542)	\$ (8,466,333)	\$ 20,597,499	\$ 10,288,201
2031-32	5.18	269,100,000	\$ 1,614,600,000	\$ 32,292,000			\$ (161,460)	\$ (2,976,096)	\$ (8,274,999)	\$ 20,408,111	\$ 9,712,169
2032-33	5.18	269,100,000	\$ 1,614,600,000	\$ 32,292,000		\$ 95,393,177	\$ (161,460)	\$ (3,273,705)	\$ (8,657,050)	\$ 115,592,961	\$ 48,551,498
			\$ 20,515,950,000	\$ 410,319,000	\$ (448,642)	\$ -	\$ (2,051,595)	\$ (27,390,070)	\$ (114,128,608)	\$ 266,300,084	\$ 119,855,667

PKR \$ 13,903,257,409



Organogram- Senior Management



Annexure - F

Deutsche Bank

Account Number 0524744-00-0
Statement dated 14 FEBRUARY 2018
Statement No. 01
Currency of Account PKR

Day/Tax/Voucher/Equivalent in Reference Currency 970887
Our Ref./Sender's Ref. Value Date
15RI02140005 14.02
FT18045ZJ4JT

Statement of Account

Customers should carefully note that they are obliged within seven working days of receipt of this statement to examine or cause to be examined each and every one of the entries in this statement of account and in writing specifically to point out to the Bank any errors therein and it is understood that from and after the expiration of the said period of seven working days except as to improper charges or errors or omissions previously pointed out in writing to the Bank it shall be conclusively settled and presumed as between the Bank and the customer that all the debit entries entered in this statement of account are properly chargeable to and charged against you (the customer) and that you were not entitled to be credited with any sum not credited in this statement of account and this statement shall not be questioned by you (the customer) thereafter any time except as to the charges or errors or omissions previously pointed out to the Bank specifically in writing as aforesaid.

Old Balance 0.00 CR
Turnover/Debit=DR or Credit=CR
5,000,000.00 CR

TO BE CONTINUED

Currency New Balance
Total Debit Turnover
Total Credit Turnover
Specification

* For complaints which remain unresolved beyond 45 days, you may write to Barilong Mochasib Paissan, Shaheen Center, M.R. Kiyani Road, Karachi or visit www.barilongmochasib.gov.pk

مخبریں دن سے (اگر غیر توفیق شدہ)
مخبریں کے لئے بریلونگ موچاسب
مخبر پاکستان، شاہین کیمپ،
ایم آر کیانی روڈ، کراچی سے
رہنما کریں یا دیکھ سائٹ
www.barilongmochasib.gov.pk

Deutsche Bank



Account Number 0524744-00-0 Statement dated 2018, FEBRUARY 02 Statement No. 02 Currency of Account PKR Old Balance CONTINUED

Our Ref./Sender's Ref. Value Date Turnover/Debit=DR or Credit=CR
Balances are protected as eligible deposits in accordance with the German Deposit Protection Act. For more information see the "depositor information sheet".

Statement of Account

Customers should carefully note that they are obliged within seven working days of receipt of this statement to examine or cause to be examined each and every one of the entries in this statement of account and in writing specifically to point out to the Bank any errors therein and it is understood that from and after the expiration of the said period of seven working days except as to improper charges or errors or omissions previously pointed out in writing to the Bank it shall be conclusively settled and presumed as between the Bank and the customer that all the debit entries entered in this statement of account are properly chargeable to and charged against you (the customer) and that you were not entitled to be credited with any sum not credited in this statement of account and this statement shall not be questioned by you (the customer) thereafter any time except as to the charges or errors or omissions previously pointed out to the Bank specifically in writing as aforesaid.

* For complaints which remain unresolved beyond 45 days, you may write to Banking Mohtasab Pakistan, Shaheen Complex, MR, Kiyani Road, Karachi or visit www.banidrigmohtasab.gov.pk

مختصا اس دن سے لاکر قریب شدہ شکایات کے لئے ممبران بینکنگ عتبہ پاکستان، شاہین کمپلس، ایم آر کیانی روڈ، کراچی سے رجوع کریں یا ویب سائٹ www.banidrigmohtasab.gov.pk

Table with columns: Currency, New Balance, Total Debit Turnover, Total Credit Turnover, Specifics. Values include 5,000,000.00 CR and 0.00 DR.

TRAFIGURA PAKISTAN PRIVATE LIMITED 13TH FL, AG SILVER TOWER CLUSTER I JUMEIRAH LAKES

TOWERS, DUBAI

UNITED ARAB EMIRATES



Deutsche Bank AG
Karachi Branch
242 & 243 Avari Plaza
Fatima Jinnah Road
Karachi 75530
Pakistan
P.O. Box 4925

PABX 92 21 3520 5072
UAN 92 21 111 555 777
Fax 92 21 3565 8320

Date: February 22, 2018

Trafigura Pakistan Private Limited
13th Floor, AG Silver Tower,
Cluster I, Jumeirah Lakes Tower,
Dubai - UAE

Dear Sir/Madam,

Account Maintenance Certificate

We hereby confirm that *M/s Trafigura Pakistan Private Limited* has opened a *PKR Current* account (No.0524744-00-0) with us and has maintained such account with us since *December 15, 2017* respectively.

This letter has been issued exclusively to you in response to your letter without any risk, responsibility or liability on the part of Deutsche Bank AG or its affiliates, or any of their respective officers, employees or representatives. This letter does not constitute or otherwise imply any obligation or commitment on the part of Deutsche Bank AG or its affiliates, or any of their respective officers, employees or representatives.

Yours faithfully,

Shah Zeeshan Rafiq
Deutsche Bank AG
Karachi Branch

Fawad Qasim
Deutsche Bank AG
Karachi Branch

SERVICES AGREEMENT

between

TRAFIGURA PTE LTD

as the Supplier

and

TRAFIGURA PAKISTAN (PRIVATE) LIMITED

as the Customer

SERVICES AGREEMENT

This Services Agreement (the "Agreement") is made on 1st day of October 2017

By and between:

- (1) **TRAFIGURA PTE LTD**, a company incorporated and registered in Singapore under registration number 199601595D and having its registered office at 10 Collyer Quay, #29-00 Ocean Financial Centre Singapore 049315, Singapore, represented herein by two duly-authorized directors and hereinafter referred to as "Supplier"; and
- (2) **TRAFIGURA PAKISTAN (PRIVATE) LIMITED** a company duly incorporated and existing under the laws of Pakistan under company number 010562, having its registered office at 4th Floor, State Life Building 1C, I.I. Chundrigar Road, Karachi, Pakistan, represented herein by two duly-authorized directors and hereinafter referred to as "Customer",

(each herein also referred to as a "Party" and jointly as the "Parties"),

The Parties agree as follows:

1. Services Provided

1.1 Supplier will provide to Customer:

1.1.1 one or more of the services that form part of the category of services in respect of which the box has been ticked on Annex A hereto (the "Services") which Services will be provided with reasonable care, skill and diligence; and

1.1.2 10 employees, who shall spend 100% of their contracted time with Supplier providing the Services to Customer.

1.2 Either Party may subcontract provision or receipt of any of the Services only in accordance with clause 6 of this agreement.

2. Consideration

Supplier will charge Customer for the Services on the basis of the cost to Supplier of providing these Services (including time spent, expenses incurred, and financial and depreciation costs) plus a profit margin of 10% (the "Consideration").

3. Settlement

The charges will be agreed between the Parties on an equitable basis, relative to the extent of the Services provided and in light of the costs and expenses incurred by Supplier in doing so. These charges shall be payable quarterly upon presentation of an invoice to Customer.

4. Duration and Termination

This Agreement takes effect on 1 October 2017 (the "Effective Date").

This Agreement shall remain in force until it is terminated by either Party with three (3) months' prior written notice at any time.

5. Taxes

The Consideration is net of any withholding or value-added taxes.

6. Subcontracting and Nominee Appointment

6.1 Supplier may, at its own discretion, subcontract provision of any of the Services to other entities, and Supplier will include such costs in the amount it charges Customer, provided that Supplier shall remain liable to Customer for proper performance of the Services.

6.2 Customer may, at its own discretion, appoint one or more of its affiliated companies as nominee recipients of any of the Services, provided that Customer shall remain liable to Supplier for prompt payment of the Consideration when due and payable.

7. Limitation of Liability

7.1 Nothing in this Agreement limits or excludes either Party's liability for:

- (a) death or personal injury caused by its negligence;
- (b) its fraud or fraudulent misrepresentation; or
- (c) any liability which cannot be limited or excluded by applicable law.

7.2 Subject to clause 7.1, neither Party shall be liable to the other Party, whether in contract, tort (including negligence), for breach of statutory duty or otherwise, arising under or in connection with this Agreement for:

7.2.1 loss of profits;

7.2.2 loss of sales or business;

7.2.3 loss of agreements or contracts;

7.2.4 loss of anticipated savings;

7.2.5 loss of or damage to goodwill;

7.2.6 loss of use or corruption of software, data or information; or

7.2.7 any indirect or consequential loss.

7.3 Subject to clause 7.1 and clause 7.2, the total liability of either Party to the other Party, whether in contract, tort (including negligence), for breach of statutory duty or otherwise, arising under or in connection with this Agreement shall be limited in respect of all claims (connected or unconnected) in any consecutive 12 (twelve)

month period, to the equivalent of the total charges due under this Agreement in respect of that 12 month period.

8. Force Majeure

Should a Party be prevented from carrying out its obligations arising out of this Agreement as a result of Force Majeure (as defined herein), such Party shall, upon giving prompt written notice to the other Party, be excused from the performance of its obligations during the pendency of such Force Majeure. The affected Party that is excused from performance by Force Majeure shall take all reasonable measures to resume performance or mitigate the effect of the Force Majeure at the earliest possible time.

“Force Majeure” shall mean any event beyond a Party’s reasonable control which, despite that Party’s exercise of reasonable efforts, it cannot overcome, including but not limited to, acts of God, public enemy, insurrections, riots, labor disputes, strikes, labor or material shortage, fire, explosions, floods, storms, embargoes, breakdown or damage to equipment or facilities (provided such equipment or facilities have been properly maintained), or acts of military or civil authority. The failure to settle any labor disputes or strike shall not be considered within the reasonable control of the Party suffering the dispute or strike.

9. Waiver

No failure or delay by either Party in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise of any right, power or privilege hereunder, unless the waiving Party makes or confirms the waiver in writing.

10. Independent Entities

The Parties hereto are independent entities and nothing contained in this Agreement shall be deemed or construed as creating a relationship of partnership, association, principal and agent or joint venture by or between the Parties. The Parties shall have no right or authority to assume or create any obligation or responsibility on behalf of the other Party or to bind the other Party in any manner whatsoever even if such actions are taken for the benefit of the other Party.

11. Entire Agreement

This Agreement sets forth all understandings between the Parties in respect of the subject matter hereof, and any prior contracts, understandings and representations, whether oral or written, relating to such arrangements are merged into and superseded by this Agreement.

12. Amendments

No amendments, changes or modifications to this Agreement shall be valid unless made in writing and signed by a duly authorized representative of each of the Parties hereto.

13. Severability

All clauses, subclauses and provisions of this Agreement shall be severable. If any one or more of such subsections or provisions is void or voidable, it shall be struck out and all other provisions shall remain, to the extent possible, unaffected and in full force and effect.

14. Headings

The headings contained in this Agreement are for convenience only and shall not affect the construction hereof.

15. Confidentiality

Each Party agrees to maintain in confidence, both during the term of this Agreement and thereafter, all confidential information relating to the business of the other Party, which it may become aware of in connection with Supplier providing Services under this Agreement. Each Party agrees not to use at any time, except for purposes of performing its obligations under this Agreement, any such confidential information and to return all same to the appropriate Party upon expiration or any termination of this Agreement.

16. Applicable Law

This Agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.

17. Jurisdiction

Any dispute arising out of or in connection with this Agreement, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration under the LCIA Rules, which Rules are deemed to be incorporated by reference into this clause.

The number of arbitrators shall be one. The seat, or legal place, of arbitration shall be London.

18. Authority

Each Party represents and warrants that the respective individual signing below for and on behalf of such Party has the necessary approval and authority to bind such Party to this Agreement.

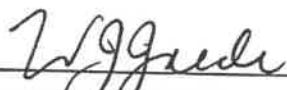
19. Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. It is the express intent of the Parties hereto to be bound by the exchange of signatures on this Agreement via facsimile or electronic mail via the portable document format (PDF).

(Signature page follows)

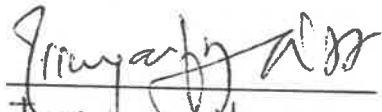
IN WITNESS whereof this Agreement is signed by the respective duly authorized representatives of the Parties.

TRAFIGURA PTE LTD

By: 
Name: William John Jaede
Title: Director

By: 
Name: Nicolas Marsac
Title: Director

TRAFIGURA PAKISTAN (PRIVATE) LIMITED

By: 
Name: Imran Hossain
Title: DIRECTOR

By: 
Name: AMEER ALI
Title: DIRECTOR

ANNEX A
(Description of services in Services Agreement)

Tick box as appropriate	Category	Detailed description (whereby the category of services may include any one or more of the below detailed services)
<input checked="" type="checkbox"/>	"Support & Administration"	<ul style="list-style-type: none"> • Treasury support <ul style="list-style-type: none"> ○ Assisting in raising payments through data entry and validation of key inputs such as name, account number, amount to be paid etc. ○ Bank data reconciliations including that of bank entry charges and interest received from banks • Metal trading business support <ul style="list-style-type: none"> ○ Entering data in specified formats and templates in documents that will later be developed and presented to banks by the main sellers as Letter of Credit presentations • Oil trading business support <ul style="list-style-type: none"> ○ Reconciliation of bank charges and main business costs with regards to financing of trades • Assistance on payments to labs <ul style="list-style-type: none"> ○ Entering data such as lab name, date of execution, value etc. based on transactions made by the main office / front office with labs ○ Generating a booking number which is then approved by the front office based on which the India team generates payment orders • Fulfillment / operations support <ul style="list-style-type: none"> ○ Entering details of counterparties including name, transaction type and value, in the invoices, based on data received from onshore operators ○ Validating the details in the invoices ○ Generating payment orders to pay counterparties for their services

- Accounts support
 - Setting up of new counterparties in the internal system
 - Bank reconciliation activities
 - Internal Trafigura company transactions' reconciliation activities
 - Other Accounts Payable support activities

- "Information Technology"
 - Design and implementation of IT infrastructure and package software
 - Maintenance of IT infrastructure and package software
 - Design, creation, testing, implementation and maintenance of bespoke software

- "Legal"
 - Drafting contracts and advising on contract negotiations
 - Advising on disputes
 - Advising on regulatory matters
 - Maintenance of corporate legal books and records
 - Drafting minutes, resolutions, declarations, agreements and other corporate documents

- "Compliance"
 - Compliance related back-office support
 - Screening new counterparty set-up requests
 - Requests screened based on multiple compliance parameters including financial, ethical and business reputation of the counterparties and findings presented
 - Ongoing screening of existing counterparties to check for validation of their updated details with the main business' compliance requirements
 - Insurance support
 - Creating insurance records on the third party website based on storage and voyage transactions of the main business
 - Modifying the records in the website based on any changes done to transactions

- Validation of bills received from third party insurance vendor with internal records
 - Generating payment orders basis validated bills
- Risk management support
 - Data entry in excel files
 - Data validation using existing records matches
 - Rectifying system inaccuracies
 - Formatting the excel files
- "Banking and other Financial Services"**
 - Cash and financing management
 - Arranging banking matters for:
 - Obtaining letters of credit
 - Negotiating loans
 - Support in making hedging decisions and implementation of hedging decisions
 - Arrangement of insurance
- "Credit"**
 - Review of potential counterparties
 - Setting of credit limits
 - Monitoring of credit exposures against limits
- "Logistics & Infrastructure"**
 - Arranging transportation facilities to transport commodities around the world
 - Provision of office facilities
 - Design, implementation and maintenance of communications technologies
- "Trade Support"**
 - Advice in the performing of marketing techniques such as market surveys, market analysis and evaluation, marketing communications, identification of new markets and trends, collecting and dissemination of marketing information;
 - Support and advice in the field of product information and public relations;
 - Support and advice in selecting suppliers, distributors, and customers.
- "Engineering"**
 - Providing engineering and architectural studies and services for new or expanded physical plant layouts

- Training of staff in production, quality control, regulatory affairs, research and development, and management techniques
 - Installation and start-up of new production facilities
 - Location of new vendors/buyers for materials, equipment and services where not available locally.

- "Human Resources"**
 - Recruitment and evaluation of staff etc
 - Training
 - Staff Development
 - Payroll administration

- "Planning"**
 - Prepare strategic plans



OGRA-6(1)-NG/2018

July 04, 2018

Mr. Elias Chibani,
Chief Executive Officer,
Trafigura Pakistan (Private) Limited,
Behria Complex 3,
8th Floor M.T Khan Road,
KARACHI

Subject: APPLICATION FOR GRANT OF LICENCE FOR SALE OF NATURAL GAS / RLNG

Dear Sir,

(Handwritten signature)

Please refer to your letter No Nil dated 17-05-2018 on the above subject.

1. In this regard following observations has been made in your application:
 - i) There is no date of signing of the agreements between applicant and (a) Trafigura Pte Singapore and (b) Puma Energy Pakistan Ltd.
 - ii) OGRA has granted license to PGPCL for terminal operation therefore terminal capacity allocation of PGPCL is required.
 - iii) As per documents attached M/s Puma Energy Pakistan Ltd appears to be aggregator rather than end consumer having no valid license for sale of natural gas to CNG Stations, therefore the subject agreement is not acceptable.
2. In view of above you are requested to furnish proper agreements /MoUs between applicant Company and (i), SNGPL and SSGC for GTA (ii) LNG suppliers (iii) PGPCL being Licensed Terminal Operator for regasification services (iv) Prospective Consumers for further processing of your request.

Best Regards,



(Handwritten signature)
(Abdul Basit Qureshi)
Registrar
(For & on behalf of the Authority)

C.C

Mr. Iqbal Z Ahmed,
Chairman,
PGP Consortium Limited,
Associated House,
Seven Egerton Road, **LAHORE**

(Handwritten initials)



TRAFIGURA

TRAFIGURA PAKISTAN (PRIVATE) LIMITED

Dated: July 12, 2017

TO
The Registrar
Oil & Gas Regulatory Authority – OGRA
54-B, Fazal-e-Haq Road, Blue Area,
Islamabad, Pakistan
Tel: +92-51-9244090-98



Subject: APPLICATION FOR GRANT OF LICENSE FOR SALE OF NATURAL GAS / RLNG

Dear Sir,

*ED (LNG)
JED (R-1)*

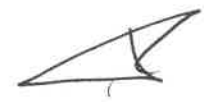
*Ahalya
12/7/18*

I am responding to your letter no. OGRA-6(1)-NG/2018 dated July 04, 2018 regarding the application for grant of license for sale of natural gas / RLNG. You have asked us for complementary information on Agreement / MOUs between Trafigura Pakistan Pvt Ltd (the Applicant) and SSGCL, SNGPL, LNG Suppliers, Licensed Terminal Operators, and Consumers. The table below provides you with an overview of our detailed answers.

S. No	The Counterparty	The Applicant
i.	SSGCL & SNGPL	<p>As advised by the authority, SSGC & SNGPL were approached to enter into Gas Transportation Agreement. But then, SNGPL has reverted with letter # GMS:938(LNG) dated June 29, 2018 (attached as an Annexure- A) that they may only be approached, once the TPA rules along with Network Code come into force.</p> <p>In view of the above, it is submitted to the Authority to kindly issue license for the sale and marketing of RLNG. However, the effectiveness of the same may be considered subject to the provision of final arrangements with the SUIs.</p> <p>Kind considerations will also enable us to serve those customers who already have such arrangements with SUIs companies.</p> <p>Further to the above, we are still approaching SUIs to initiate discussions on Gas Transportation Agreements as soon as possible and will keep authority updated on any further progress on it.</p>

TRAFIGURA PAKISTAN (PRIVATE) LIMITED

WWW.TRAFIGURA.COM
UNIVERSAL ID NUMBER: 0110562





TRAFIGURA

TRAFIGURA PAKISTAN (PRIVATE) LIMITED

ii.	LNG Suppliers	The executed Heads of Agreement for the supply of LNG is attached as an Annexure – B
iii.	Licensed Terminal Operator	PGPCL's letter is attached as an Annexure – C
iv.	Consumer	<p>The executed Heads of Agreement for sale of RLNG with following customer are attached as an Annexure – D.</p> <ol style="list-style-type: none"> 1) M/s. Puma Energy Pakistan 2) M/s. Noor Petroleum Services 3) M/s. Hyderabad F/s 4) M/s. Jeewa F/s 5) M/s. Labbaik CNG F/s 6) M/s. Bara Dari CNG 7) M/s. Al Naseer Petroleum & CNG 8) M/s. Bismillah CNG 9) M/s. Raja Petroleum & CNG Services 10) M/s. Warraich Petroleum Services <p>Further to the above, the Applicant has been approached by various customers from different parts of the country for the supply of RLNG and negotiations are still in progress.</p>

Kindly let us know in case clarification is required on above.

In view of above, and in the spirit of enabling Trafigura to serve Pakistan as soon as possible, it is requested that the grant of license to carry out sale and marketing of RLNG be issued on a priority basis.

For and on behalf of
Trafigura Pakistan (Pvt) Ltd

Fadi Mitri
Chief Executive Officer



SUI NORTHERN GAS PIPELINES LIMITED

Ref: GMS: 938 (LNG)

June 29, 2018

Mr. Ameer Ali,
Trafigura Pakistan (Pvt) Ltd
8th Floor, Bahria Complex – III,
M.T Khan Road,
KARACHI

ALLOCATION OF PIPELINE CAPACITY

Dear Sir,

Reference your email dated 23.05.2018, regarding entering into Gas Transportation Agreement in order to avail transportation capacities on SNGPL's network.

We would like to bring to your kind notice that OGRA Gas (Third Party Access Rules) 2012 is repealed now and new TPA Rules, 2018 has been notified. Further, Network Code which is a common set of standard conditions governing access arrangement between transporter and shipper is under preparation by both Sui Companies. Network Code being an integral part of the TPA Rules, 2018 is also required to be approved by the Authority before implementation.

In view of the above, SNGPL shall be in a position to engage in the negotiation regarding pipeline allocation or Gas Transportation Agreement, once the Network Code is duly approved by the Authority.

Moreover, Government of Pakistan has already allocated pipeline capacities to different entities; whereas clarification has been sought from the Competent Authority regarding the fate of these allocations.

It is therefore, requested that SNGPL may be approached once the TPA Rules along with Network Code come into force and clarifications sought from the Competent Authority are received.

Meanwhile, we assure you of our best corporation at all times.

Regards,

Yours faithfully,
SUI NORTHERN GAS PIPELINES LIMITED

Shahid Maqsood
29/6
SHAHID MAQSUD
General Manager (Sales)
for MANAGING DIRECTOR

Copy to:

- SPS to Secretary – MoE (Petroleum Division), Islamabad:
- Additional Secretary, MoE (Petroleum Division), Islamabad
- Director General (Gas) – MoE (Petroleum Division), Islamabad
- Director General (LGs) – MoE (Petroleum Division), Islamabad



TRAFIGURA PTE LTD, SINGAPORE, BRANCH OFFICE GENEVA

Heads of Agreement for a LNG Sales Agreement

DAIED 11th JUNE, 2018

This is a binding Heads of Agreement ("HOA") for the fully termed Sale Purchase Agreement ("SPA") between the Seller and the Buyer.

Item	Provisions
Seller	Trafigura Pte Ltd. ("Pte") or any of its Affiliates.
Buyer	Trafigura Pakistan Pvt Ltd ("PAK").
Term	<p>The term of the sale and purchase of LNG hereunder shall be for a period of fifteen (15) Contract Years from 2018 until 2032 ("Term"), with an option to extend the Term for an additional period of five (5) years subject to mutually agreement between the Parties.</p> <p>Buyer shall notify Seller of its request for an extension of the Term at least two (2) years prior to expiry of the original Term, and following such notice, Seller and Buyer shall discuss in good faith to an extension of the original Term.</p>
Contract Year	<p>Each Contract Year shall commence on 1st January and end on 31st December.</p> <p>The commencement date of this Agreement (signifying the delivery date of the first LNG Cargo under this Agreement) shall be discussed between Buyer and Seller.</p>
Term of Delivery	Delivered Ex-Ship (DES).
LNG Ship	The LNG Ship size shall be between 130,000 – 160,000 m ³ in accordance with standard industry practices and will be subject to ship shore compatibility.
Source of Supply	<p>The source of supply shall be from PTE global LNG supply portfolio, including but not limited to its 15 years supply agreements with producers in Australia, the USA and the Middle East plus its short term trading portfolio (8,1 mtpa of LNG delivered in 2017) which will allow Trafigura to access the LNG market at any time to supply PAK's LNG import requirements.</p> <p>Seller shall be entitled to include new sources of supply in the list of PTE global LNG supply portfolio, subject to the LNG supplied from such source would meet the required specifications.</p>
Receiving Terminal	<p>The Receiving Terminal shall be the FRSU-based LNG receiving terminals located in Port Qasim, Karachi, Islamic Republic of Pakistan.</p> <p>Alternative Receiving Facilities in Pakistan shall be included in the SPA, subject to compatibility with LNG Vessels and Seller's consent.</p>
Port Charges	Port charges payable at Receiving Terminal shall be paid by the Seller

TRAFIGURA PTE LTD, SINGAPORE, BRANCH OFFICE GENEVA

<p>Seller's Facilities, LNG Vessels</p>	<p>Seller shall be responsible for transporting LNG from the Loading Port for delivery of such LNG to Buyer at the Delivery Point. The SPA shall specify a pre-agreed list of LNG Vessels compatible with the Receiving Terminal. The SPA shall also set out the applicable specification for additional LNG vessels, which shall include a gross tank capacity of between one hundred thirty thousand (130,000) and one hundred sixty thousand (160,000) cubic metres of LNG.</p>
<p>Annual Contract Quantity ("ACQ")</p>	<p>The "ACQ" shall be approximately 0.5 million metric tons of LNG per Contract Year (or a pro-rata proportion thereof in respect of the first Contract Year) The buyer shall have option to increase ACP to approximately 05 million metric tons of LNG for each Contract Year from the commencement of 2020 until the end of the Supply Period; subject to the COD of new Terminal sponsored by any of Group Company . In each Contract Year the adjusted ACQ ("AACQ") shall be scheduled and delivered on a reasonably rateable basis in cargoes falling within the range of one hundred and thirty thousand (130,000) cubic metres to one hundred and sixty thousand (160,000) cubic metres per cargo (with each such cargo having a quantity tolerance of up to five (5) percent).</p>
<p>Seller Summer LNG</p>	<p>With respect to any Contract Year, at the time when the relevant ADP is developed, Seller shall have the right to increase the ACQ by up to 0.5 million metric tons of LNG (being the equivalent of one (1) cargo per month), to be scheduled for delivery during the summer months on a reasonably rateable basis.</p>
<p>Buyer's Obligation to Take or Pay</p>	<p>In each Contract Year, Seller shall sell and deliver in accordance with the SPA, and Buyer shall purchase, receive and pay for, or pay for if not taken, the AACQ. If Buyer fails to take all or part of a Cargo as required under the SPA, Buyer shall pay Seller the Contract Price applicable to the Cargo (or any portion thereof) not taken. Seller shall then use reasonable endeavours to sell the Cargo to another buyer and upon doing so shall reimburse to Buyer the proceeds of that sale, less incremental shipping and other associated costs incurred by Seller, up to a maximum amount, being equal to the Contract Price multiplied by the applicable quantity, expressed in MMBtu.</p>
<p>Seller's Obligation to Deliver or Pay</p>	<p>The SPA shall provide for the mechanism whereby Seller reimburses Buyer for actual, incremental, direct and documented cover gas/LNG/downstream losses as a result of non-delivery, up to the thermal quantity of Seller's Shortfall, but in any case subject to a cap of 20% of the Contract Price of the applicable cargo.</p>
<p>Contract Price, Price Review</p>	<p>The LNG Price in USD/MMBtu for LNG sold and delivered as ACQ under the LNG SPA, as applicable, shall be determined according to the following formula: $P_n = X.XXXX\% \times Brent_m$ where: X.XXXX% will be discounted to current OGRA Price. P_n is the Contract Price applicable to the relevant LNG cargo, rounded to 4 decimal places; Brent_m for a given month is the arithmetic mean of the 3 values of BRICE (US\$/bbl) for the 3 months immediately preceding (and not including) the month in which the commencement of unloading of the LNG cargo falls. Brent_m shall be</p>

TRAFIGURA PTE LTD, SINGAPORE, BRANCH OFFICE GENEVA

REGISTERED OFFICE: 5 RUE JARONNIANT, 1207 GENEVA, SWITZERLAND

WWW.TRAFIGURA.COM

REGISTERED NUMBER: CH-440-1529011-7

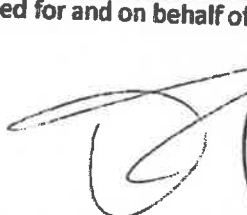
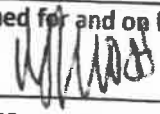
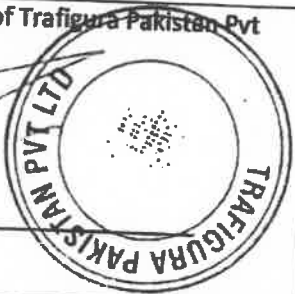

HEAD OFFICE: TRAFIGURA PTE LTD, SINGAPORE - REG NO 199601595D

TRAFIGURA PTE LTD, SINGAPORE, BRANCH OFFICE GENEVA

	<p>rounded to 4 decimal places (with 0.0005 and above bring rounded up);</p> <p>BRICE for a given month is the un-weighted arithmetic average of all the settlement price (in\$US/bbl) for each quoted day of the month as published by the Intercontinental Exchange of the first line ICE Brent future's contract. The first line settlement price will be used except to the expiration date of each maturity. On such date, the applicable pricing quotation will be rolled to the second nearby maturity. BRICE shall be rounded to 4 decimal places (with 0.005 and above bring rounded up).</p> <p>Commencement of the discharge shall be deemed to occur at the point at which the relevant LNG ship is shown to be all fast in the port log at the Receiving Terminal as defined in the SPA.</p>																																								
<p>Price Review</p>	<p>The Contract Price shall be reviewed and revised with a new Contract Price (if any) being effective on and from:</p> <ol style="list-style-type: none"> i. For the first time, the fifth (5th) Contract Year ii. For the second time, the tenth (10th) Contract Year <p>The Price Review shall constitute the Contract Price structure, which includes slope percentage but shall exclude any deletion or replacement of the Brent reference index.</p>																																								
<p>LNG Specification</p>	<p>The LNG delivered into the Receiving Terminal shall, when regasified and measured at Reference Conditions, conform to the further specification set out in the table below:</p> <table border="1" data-bbox="406 1019 1364 1691"> <thead> <tr> <th>Reference</th> <th>Characteristic</th> <th>Unit of Measure</th> <th>Limit</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Higher Heating Value</td> <td>Btu/scf</td> <td>min 940 max 1140</td> </tr> <tr> <td>2</td> <td>Wobbe Index</td> <td>Btu/scf</td> <td>min 1222 max 1534</td> </tr> <tr> <td>3</td> <td>Inert Gases, Total</td> <td>% (v/v)</td> <td>4 max</td> </tr> <tr> <td>4</td> <td>Hydrocarbon Dew Point</td> <td>°C</td> <td>-4 max at 5,500 Kpa abs</td> </tr> <tr> <td>5</td> <td>Carbon Dioxide (CO₂)</td> <td>% (v/v)</td> <td>2.0 max</td> </tr> <tr> <td>6</td> <td>Oxygen (O₂)</td> <td>% (v/v)</td> <td>0.2 max</td> </tr> <tr> <td>7</td> <td>Hydrogen Sulphide (H₂S)</td> <td>mg/m³</td> <td>5.49 max</td> </tr> <tr> <td>8</td> <td>Total Sulphur</td> <td>mg/m³</td> <td>35 max</td> </tr> <tr> <td>9</td> <td>Total Mercury</td> <td>ng/ m³</td> <td>50 max</td> </tr> </tbody> </table> <p>For the purposes of this Schedule A, "Reference Conditions" shall mean a temperature of 15°C and an absolute pressure of 1.01325 bar.</p>	Reference	Characteristic	Unit of Measure	Limit	1	Higher Heating Value	Btu/scf	min 940 max 1140	2	Wobbe Index	Btu/scf	min 1222 max 1534	3	Inert Gases, Total	% (v/v)	4 max	4	Hydrocarbon Dew Point	°C	-4 max at 5,500 Kpa abs	5	Carbon Dioxide (CO ₂)	% (v/v)	2.0 max	6	Oxygen (O ₂)	% (v/v)	0.2 max	7	Hydrogen Sulphide (H ₂ S)	mg/m ³	5.49 max	8	Total Sulphur	mg/m ³	35 max	9	Total Mercury	ng/ m ³	50 max
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<p>LNG Outside Specification</p>	<p>Provisions for Off-spec LNG shall be included in the SPA:</p> <ul style="list-style-type: none"> • Known receipt of Off-spec LNG – Seller covers Buyer's actual reasonable, documented, direct, incremental costs, subject to cap of 20% of the applicable 																																								

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TRAFIGURA PTE LTD, SINGAPORE, BRANCH OFFICE GENEVA

	<p>cargo value; and</p> <ul style="list-style-type: none"> Unknown receipt of Off-spec LNG – Seller covers Buyer’s actual reasonable, documented, direct, incremental costs, subject to cap of 100% of the applicable cargo value.
Payment Terms	Invoices shall be payable in full in USD in fifteen (15) Banking Days from unloading of Cargo or receipt of final invoice whichever is later. Interest shall be payable on any unpaid amounts.
Credit Support	Buyer shall provide Seller with a Standby Letter of Credit from an international first-class bank (or confirmed by such bank), valid for not less than one (1) year, as may be renewed annually at least thirty (30) days prior to each Contract Year. Buyer’s Letter of Credit shall at all times cover not less than one hundred and five percent (105%) of the value of the MMBtu equivalent of two (2) cargoes.
Force Majeure	The SPA shall contain standard Force Majeure provisions to be developed by the Parties.
Suspension, Termination	Standard default and termination provisions shall be developed by the Parties and included in the SPA. Events of default shall include material breach of contract which prevents that party from effectively performing, failure to pay amounts due, insolvency and credit related events. In the event of non-payment by Buyer, Seller shall be entitled to suspend its delivery obligations until full payment is made.
Governing Law	The SPA shall be governed by and construed in accordance with the English
Title and Risk	Title to LNG and Natural Gas aboard a LNG Ship shall pass from Seller to Buyer in international waters at the Title Transfer Point, being the point that is two (2) nautical miles outside of Pakistan’s territorial waters. Risk of LNG and Natural Gas on the LNG Ship shall pass from Seller to Buyer at the flange of receiving Terminal.
Other Terms	The SPA shall contain such other provisions as are usually included in the sale and purchase agreements in the LNG industry, including but not limited to Title and Risk, Transportation and Unloading, Insurance, Safety, Taxes, ADP and NDS, Representations and Warranties, Assignment, Audit Rights, Measurement and Testing, Notices, Confidentiality, Compliance with Law, Anti-bribery and Corruption and Dispute Resolution.
Signed for and on behalf of Trafigura Pakistan Pvt Ltd	Signed for and on behalf of Trafigura Pte
	
	
Name FPA. H. U. C. I. Title	Name Wendy Moss Title Authorised Signatory
	Name Sebastian Gallie Title Authorised Signatory

ANNEXURE - C
38



PGP Consortium Limited
Associated House, Seven Egerton Road, Lahore 54000

Dated: June 22, 2018

To
The Registrar
Oil & Gas Regulatory Authority – OGRA
54-B, Fazal-e-Haq Road, Blue Area,
Islamabad, Pakistan
Tel: +92-51-9244090-98

Subject: Confirmation – Trafigura's Capacity in PGPC Terminal

Dear Sir,

We hereby confirm that Trafigura Pakistan (Pvt.) limited (Or any of its affiliates) holds all the spare capacity in Pakistan Gasport Consortium Limited (PGPCL) Terminal for import of LNG and sale of RLNG from our Terminal.

Yours Sincerely ,

For PGPCL



CC:

- CEO – Trafigura Pakistan (Pvt.) Ltd



TRAFIGURA PAKISTAN (PVT.) LTD.
8TH FLOOR, BAHRIA COMPLEX - III, M.T. KHAN ROAD KARACHI

12th JUNE
Dated on ~~May~~ 2018

Heads of Agreement for a Gas Sales Agreement

This is a non-binding Heads of Agreement ("HOA") for the fully termed Gas Sales Agreement ("GSA") between the Seller and the Buyer (defined in Clause 1 below).

The Seller is desirous to sell RLNG and has extended its support to the Buyer.

Clause	Term
1. Parties	<p>1. TRAFIGURA PAKISTAN (PRIVATE) LIMITED (or any of its group company), a company duly incorporated and existing under the laws of Pakistan under company number 010562, having its registered office at 8th Floor, Bahria Complex - III, M.T Khan Road, Karachi, Pakistan, represented herein by two duly-authorized directors (referred to as "Seller" which expression shall, unless repugnant to the context or meaning hereof, include its successors and permitted assigns and/or its subsidiary(ies)); and</p> <p>2. PUMA ENERGY PAKISTAN (PRIVATE) LIMITED, a company incorporated under the Companies Ordinance 1984 having its registered / head Office at 9th Floor, Bahria Complex III, M.T. Khan Road, Karachi (referred to as "Buyer" which expression shall, unless repugnant to the context or meaning hereof, include its successors and permitted assigns).</p> <p>The Buyer and the Seller, each is hereinafter referred to as a "Party" and together as the "Parties".</p> <p>The Buyer intends to enter into gas sales agreements with compressed natural gas stations operated under the brand name of Puma Energy Pakistan with other gas users across Pakistan, ("Buyer's Customers' Facility").</p> <p>The Seller has already applied to obtain License for sale and distribution of Gas from OGRA.</p> <p>The Seller (or its affiliate) has acquired a minority equity stake in Pakistan Gas Port (PGPC) which gives Seller exclusive access to the extra regasification capacity, this is being 90 MMSCFD, available for 175 days per year.</p>

[Handwritten signature] *[Handwritten initials]*

		<p>The Seller is willing to provide to the Buyer LNG supply along with Regasification Services from Pakistan Gas Port Consortium (PGPC) for delivery of Regasified LNG through national gas pipeline grid at the delivery point of the buyers' designated CNG Stations.</p> <p>AND WHEREAS, the parties have now come on board to form their alliance and/or business combination specific to LNG services and intend to lay out the principal terms and conditions of their alliance;</p> <p>NOW, THEREFORE, in consideration of the mutual benefits and covenants contained herein, the parties hereby agree as follows (always subject to applicable laws and regulations):</p> <ol style="list-style-type: none"> 1) The Seller will make RLNG available to Buyer, Subject to final price discussion and agreement of suitable terms. 2) The Seller will use its own exclusive access to the regasification capacity at the PGPC FSRU terminal to provide regasification services for the LNG it will provide to The Buyer. 3) Consequently, the Seller has agreed to allocate RLNG supplies upto 340 MMSCF in a month to the Buyer on intermittent supply chain to be consumed on a monthly basis , with a potential ramp up to 600 MMSCF per month in the future subject to the Market dynamics and circumstances. 4) The deliveries of RLNG will have to be on delivered basis at the facilities of the Buyer, unless mutually agreed between parties.
2.	Start Date	<ol style="list-style-type: none"> 1) The start date of Gas sales ("Start Date") shall be the date when Seller shall deliver the first quantities of Gas and the Buyer shall take delivery and pay for the Gas so delivered. 2) The Parties expect the Start Date to fall after the Seller acquiring necessary approvals and licenses from the government and regulating authorities. 3) The Parties shall agree a windowing mechanism and conditions precedent in the GSA. Upon the fulfilment or waiver of all the conditions precedent therein, the Seller will provide notices to the Buyer within set time windows providing an estimate of the periods when the Seller expects the Start Date to occur as provided by the following: <ol style="list-style-type: none"> a) a written notice to be provided by [mm/yy] by the Seller for a 3 month period falling within the above 6 month period; b) a written notice to be provided by [mm/yy] by the Seller for a 1 month period falling within the above 3 month period; and c) finally, a written notice to be provided by [mm/yy] by

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		the Seller for the actual Start Date falling within the above one month period, which will allow the Parties to progressively narrow down the Start Date.
3.	Term	The term of the GSA is currently envisaged to be 1 year from the Start Date ("Term") and the Parties, by mutual agreement in writing, may agree extend the Term by an additional 1 year. The process by which mutual agreement can be reached between the Parties will be outlined in the GSA.
4.	General Undertakings	<ol style="list-style-type: none"> 1. The Buyer shall inform the Seller immediately upon becoming aware of any event or circumstance, which has or is reasonably likely to have a material adverse effect on the Buyer's ability to perform its obligations under the GSA. 2. The Buyer shall not contravene any laws or legal requirements which could reasonably be expected to have material adverse effect on its ability to perform its obligations under the GSA and or cause it to be in breach, in any material respect(s), of its obligations under the GSA. 3. The Seller shall inform the Buyer immediately upon becoming aware of any event or circumstance which has or is reasonably likely to have a material adverse effect on the Seller's ability to perform its obligations under the GSA. 4. The Seller shall not enter into any agreement and not contravene any laws or legal requirements which could reasonably be expected to have material adverse effect on its ability to perform its obligations under the GSA or cause it to be in breach, in any material respect(s), of its obligations under the GSA.
5.	Quantity of Gas	The total annual contract quantity ("ACQ") of Gas to be sold by the Seller and to be purchased, taken and paid for by the Buyer at the Delivery Point in a Contract Fiscal Year shall be approximately 6000 MMSCF per annum.
6.	Quality specifications of Gas	The terms and conditions in relation to quality specifications of Gas shall be set out in the GSA.
7.	Principles of Pricing of Gas	<p>In the GSA, the following principles will apply for determining the price at which an Affiliate of the Seller will sell and the Buyer will buy Gas respectively ("Contract Price"):</p> <ol style="list-style-type: none"> 1. The Contract Price for Gas delivered or tendered for delivery by the Seller to the Buyer shall be expressed in US Dollars per MMBtu (US\$/MMBtu); 2. The final price will have to be converted from USD into PKR 3. For avoidance of doubt, the price will be Brent-related and not a fixed price for the full term of the contract. 4. All references to MMBtu shall mean MMBtu on Gross

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		Heating Value basis;
8.	Delivery obligations of the Seller	If, during a certain period, the Seller fails to deliver or tender for delivery certain quantities of Gas (the duration of such period and such quantities to be specified in the GSA) to the Buyer (except for reasons to be specified in the GSA), the Seller shall pay the Buyer an amount to be negotiated and specified in the GSA.
9.	Measurement	<ol style="list-style-type: none"> 1. The unit of measurement to quantify amounts of Gas in the GSA or in any document produced in accordance with the terms of the GSA. 2. The Parties shall agree provisions in the GSA for the location, standards and verification of measurement equipment, ownership of measurement equipment, the dispute resolution mechanism in case of variations in measurement and alternate provisions in case of a metering failure.
11.	Transportation of Gas	It is agreed that seller will have to make the RLNG/ Natural Gas available to the buyer at the entry point of the buyers' designated CNG stations. The seller will use his allocation of pipeline access and his GTAs with SSGC & SNGPL to transport the RLNG into the buyer's designated CNG stations.
12.	Title to Gas	Title to Gas delivered pursuant to the GSA shall pass from the Seller to the Buyer at the Delivery Point of respective designated CNG stations.
13.	Price	The final price of the LNG will be advised by Trafigura at the time of contract negotiation but will include, also, terminal Re-gasification, transportation charges as well as all other applicable local taxes. Price will be expressed and paid in PKR. For the avoidance of doubt, the final price will be subject to the agreement of the Buyer.
14.	Compliance with Laws	The Buyer and the Seller shall comply with all applicable laws, rules and regulations.
15.	Invoicing and Payments	<ol style="list-style-type: none"> 1. The Buyer shall pay for the Gas delivered or tendered for delivery at the Delivery Point in the manner set out in the GSA. 2. Terms and conditions in relation to invoicing and payment, including billing cycles shall be set out in the GSA.
16.	Taxes and Charges	<ol style="list-style-type: none"> 1. The Buyer shall pay, or cause to be paid, all applicable Taxes related to the sale of Gas and other sums in respect of Gas delivered or tendered for delivery under the GSA at the Delivery Point. 2. Each Party shall bear Taxes on its own income.
17.	Force Majeure	The GSA shall contain industry standard provisions for force majeure (including a definition of force majeure which shall include severe weather conditions) which would suspend obligations of the

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		respective Party impacted by the force majeure, notice and reporting requirements, mitigation responsibility, consequences, termination and notice of cessation.
18.	Conditions Precedent	<p>The sale and purchase of Gas under the GSA shall be subject to certain conditions precedent, which shall include amongst others the following:</p> <ol style="list-style-type: none"> 1. The Seller and its Affiliates satisfactorily assuring themselves of clearance and acceptability of the Facilities as well as the use of Port Qasim for the delivery of LNG; 2. The Seller obtaining all relevant Consents to sell Gas in Pakistan; 3. The seller executing third party gas pipeline access and transportation agreements with SSGC & SNGPL, including necessary provisions covering balancing of Gas volumes with the Transporter using the Transporter's Facilities and provisions addressing unaccounted for gas (also known as UFG); 4. The Buyer obtaining all relevant Consents to buy Gas in Pakistan. <p>Detailed terms and conditions including relevant deadlines in relation to the conditions precedent shall be set out in the GSA subject to the agreement of the parties.</p>
19.	Miscellaneous provisions	<p>Subject to agreement on all terms of the GSA by the Parties, the Parties agree to reflect in the GSA in greater detail the key commercial terms and principles recorded in this HOA. For the avoidance of doubt, (a) nothing contained in this HOA is intended to give rise to any binding contractual relationship nor shall this HOA give rise to any right, obligation or liability on the part of either the Buyer or the Seller to enter into the GSA;</p> <p>(b) any such legally binding rights and obligations and consequent liabilities would arise only in the event of, and as a result of, the execution of a mutually acceptable GSA; and</p> <p>(c) Each party shall bear its own costs in connection with this HOA, the GSA and all matters contemplated by this HOA.</p>
20.	Confidentiality	<ol style="list-style-type: none"> 1) Each Party acknowledges that the Confidential Information is confidential and undertakes: <ol style="list-style-type: none"> a) to use the Confidential Information solely for the purpose set out in this HOA; b) to keep the Confidential Information in strict confidence; c) not, without the prior written consent of the other Party, to disclose any Confidential Information furnished to it to any third party other than its Representatives or to its Affiliates who have a legitimate need to know such Confidential Information; d) before disclosing Confidential Information to any Affiliate or

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		<p>to its Representatives, to ensure that such person is aware of the discloser's obligations in this HOA, ensure compliance by such person and be liable for any breach of such obligations by such person; and</p> <p>e) as far as possible to keep separate all Confidential Information from all documents and other records of a Party.</p> <p>2) The undertakings in Clause 25.1 shall not apply to any Confidential Information which:</p> <p>a) at the time of disclosure to the recipient Party or thereafter has become part of public knowledge or literature without breach of any of the said undertakings by such Party;</p> <p>b) the recipient Party can show was in its possession at the time of disclosure hereunder and was not acquired by such Party under an obligation of confidence; or</p> <p>c) the recipient Party can show was received by it after the time of disclosure hereunder from a third party (other than one disclosing on behalf of the other Party or its Affiliates) who could lawfully do so and who did not derive the Confidential Information from the other Party or any of its Affiliates.</p> <p>The foregoing exceptions shall not, however, apply to:</p> <p>(i) specific information merely because it is embraced by or included with other information which falls within any one or more of such exceptions; or</p> <p>(ii) any combination of information merely because specific information (but not the combination itself) falls within any one or more of such exceptions.</p> <p>3) In the event that the recipient Party, its Affiliates, Representatives or other permitted recipients is required by an order of any government, state government agency or requested by any court or legislative or administrative body including any recognised stock exchange to disclose any Confidential Information, such Party shall, to the extent it is lawful to do so, promptly and prior to disclosure notify the disclosing Party so that an appropriate protective order and/or other action can be sought and/or other action can be taken if possible (and if it is not lawful to inform the disclosing party prior to disclosure, the recipient Party shall inform the disclosing Party as soon as it becomes lawful to do so). In the event that such protective order is not, or cannot be, obtained, then:</p> <p>a) the Party subject to the disclosure requirement or request may disclose to the appropriate body that portion of the Confidential Information which such Party is legally required to disclose and shall use reasonable efforts to obtain assurances that confidential treatment will be accorded to such Confidential Information; and</p> <p>b) the Party subject to the disclosure requirement or request shall not be liable for such disclosure unless such disclosure was caused by or resulted from a previous disclosure by such Party or its Affiliates or any of their Representatives that was</p>
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		<p>not permitted under this HOA.</p> <p>4) The Parties agree that, upon request by one Party, the other Party shall promptly:</p> <p>a) return or, at the option of the requesting Party, destroy all Confidential Information that is in tangible form (including, without limitation, Confidential Information contained on computer disks or other electronic media) furnished to the other Party, together with any copies or extracts thereof; and</p> <p>b) destroy all analyses, compilations, studies or other documents which have been prepared by the other Party or permitted recipients and which reflect or are based upon any Confidential Information, except to the extent that the recipient Party is required to retain any Confidential Information by any applicable law, rule or regulation or by any judicial, governmental, supervisory or regulatory body or to the extent that such Confidential Information is incorporated into organisational records which such Party is required to retain by law or in accordance with internal policies regarding the keeping of records generally, in which case such Party will take appropriate measures to preserve its continuing confidentiality.</p>
21.	Governing Law and Dispute Resolution	This HOA shall be governed by and construed in accordance with Pakistani Law. Any dispute arising out of or in connection with this HOA, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration
22.	Duration of HOA	This HOA shall terminate either upon (a) the execution of the GSA by the Buyer and the Seller; or (b) the Parties discontinuing the discussions on the terms of the GSA, whichever comes earlier. (c) either party serving one Month Notice for terminating this Heads of Agreement.
23.	Conduct of Business	Both Parties will strictly adhere to the Codes, Practices and Conducts of Business Ethics (which shall be more specifically referenced in the GSA) including, but not limited to Anti-Bribery and Corruption and Sanctions policies.
24.	Notices	<p>1) All notices and other communications to be sent by either Party to the other shall be delivered by hand or sent by personal delivery or facsimile to the relevant Party's address or facsimile number noted below (or to such other address or facsimile number as a Party may substitute by notice to the other in accordance with this provision after the date of this HOA):</p> <p>To Buyer: Puma Energy Pakistan Address: 8th Floor, Bahria Complex – III, M.T. Khan Road Attention: [insert] Fax number: Email: [insert]</p> <p>To Seller: Trafigura Pakistan (Pvt) Ltd</p>

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		<p>Address: 8th Floor, Bahria Complex – III, M.T. Khan Road Attention: Fadi Mitri Fax number:</p> <p>2) All notices or other communications under this HOA shall be deemed to be duly given or made on the next business day in the jurisdiction of receipt following the date of delivery or (in the case of personal delivery) or receipt by the sender of a valid transmission confirmation (in the case of facsimile).</p>
25.	Counterparts	This HOA may be executed in any number of counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument.

The Parties hereto have executed this Heads of Agreement on the day and year first above written:

For and on behalf of

Trafigura Pakistani (Pvt) Ltd,

Signature:

Name:
Title:

Mr. Fadi Mitri
CEO



Witnesses:

1. Signature:

Name: *Porran Yousofzai*
Title: *Head of Commercial*

2. Signature:

Name: *Amir Ahr*
Title: *Head of technical*

Puma Energy Pakistan (Pvt.) Ltd

CEO



Witnesses:

1. Signature: N. Clear
Name: NISAR AHMED KHAN
Title: Head of Security
2. Signature: Moh. A.
Name: MOHSIN ALI
Title: ABM-SOUTH



TRAFIGURA PAKISTAN (PVT.) LTD.
 8TH FLOOR, BAHRIA COMPLEX – III, M.T. KHAN ROAD KARACHI

Dated on June ^{30th} ~~2017~~ 2018

Heads of Agreement for a Gas Sales Agreement

This is a non-binding Heads of Agreement (“HOA”) for the fully termed Gas Sales Agreement (“GSA”) between the Seller and the Buyer (defined in Clause 1 below).

The Seller is desirous to sell RLNG and has extended its support to the Buyer.

Clause	Term
1. Parties	<p>1. TRAFIGURA PAKISTAN (PRIVATE) LIMITED (or any of its group company), a company duly incorporated and existing under the laws of Pakistan under company number 010562, having its registered office at 8th Floor, Bahria Complex - III, M.T Khan Road, Karachi, Pakistan, represented herein by two duly-authorized directors (referred to as "Seller" which expression shall, unless repugnant to the context or meaning hereof, include its successors and permitted assigns and/or its subsidiary(ies)); and</p> <p>2. <u>M/S NOOR PETROLEUM SERVICE</u> (referred to as "Buyer" which expression shall, unless repugnant to the context or meaning hereof, include its successors and permitted assigns).</p> <p>The Buyer and the Seller, each is hereinafter referred to as a “Party” and together as the “Parties”.</p> <p>The Seller intends to enter into gas sales agreements with the licensee of compressed natural gas station operated under the brand name of Puma Energy Pakistan and with other gas users across Pakistan, (“Buyer’s Customers’ Facility”).</p> <p>The Seller has already applied to obtain License for sale and distribution of Gas from OGRA.</p> <p>The Seller (or its affiliate) has acquired a minority equity stake in Pakistan Gas Port (PGPC) which gives Seller exclusive access to the extra regasification capacity, this is being 90 MMSCFD, available for 175 days per year.</p> <p>The Seller is willing to provide to the Buyer RLNG supply along</p>

TRAFIGURA PTE. LTD.

REGISTERED OFFICE: 1 MARINA BOULEVARD, #28-00, ONE MARINA BOULEVARD, SINGAPORE (018989)
 WWW.TRAFIGURA.COM
 REGISTERED NUMBER: 199601595D

		<p>with Regasification Services from Pakistan Gas Port Consortium (PGPC) for delivery of Regasified LNG through national gas pipeline grid at the delivery point of the buyers' CNG Station.</p> <p>AND WHEREAS, the parties have now come on board to form their alliance and/or business combination specific to LNG services and intend to lay out the principal terms and conditions of their cooperation;</p> <p>NOW, THEREFORE, in consideration of the mutual benefits and covenants contained herein, the parties hereby agree as follows (always subject to applicable laws and regulations):</p> <ol style="list-style-type: none"> 1) The Seller will make RLNG available to Buyer, Subject to final price discussion and agreement of suitable terms. 2) The Seller will use its own exclusive access to the regasification capacity at the PGPC FSRU terminal to provide regasification services for the LNG it will provide to The Buyer. 3) Consequently, the Seller has agreed to allocate RLNG supplies upto 5 MMSCF in a month to the Buyer on intermittent supply chain to be consumed on a monthly basis , with a potential ramp up to 8 MMSCF per month in the future subject to the Market dynamics and circumstances. 4) The deliveries of RLNG will have to be on delivered basis at the facilities of the Buyer, unless mutually agreed between parties.
2.	Start Date	<ol style="list-style-type: none"> 1) The start date of Gas sales ("Start Date") shall be the date when Seller shall deliver the first quantities of Gas and the Buyer shall take delivery and pay for the Gas so delivered. 2) The Parties expect the Start Date to fall after the Seller acquiring necessary approvals and licenses from the government and regulating authorities. 3) The Parties shall agree a windowing mechanism and conditions precedent in the GSA. Upon the fulfilment or waiver of all the conditions precedent therein, the Seller will provide notices to the Buyer within set time windows providing an estimate of the periods when the Seller expects the Start Date to occur as provided by the following: <ol style="list-style-type: none"> a) a written notice to be provided by [mm/yy] by the Seller for a 3 month period falling within the above 6 month period; b) a written notice to be provided by [mm/yy] by the Seller for a 1 month period falling within the above 3 month period; and c) finally, a written notice to be provided by [mm/yy] by the Seller for the actual Start Date falling within the

		above one month period, which will allow the Parties to progressively narrow down the Start Date.
3.	Term	The term of the HOA is currently envisaged to be 1 year from the Start Date (" Term ") and the Parties, by mutual agreement in writing, may agree extend the Term by an additional 1 year. The process by which mutual agreement can be reached between the Parties will be outlined in the GSA.
4.	General Undertakings	<ol style="list-style-type: none"> 1. The Buyer shall inform the Seller immediately upon becoming aware of any event or circumstance, which has or is reasonably likely to have a material adverse effect on the Buyer's ability to perform its obligations under the GSA. 2. The Buyer shall not contravene any laws or legal requirements which could reasonably be expected to have material adverse effect on its ability to perform its obligations under the GSA and or cause it to be in breach, in any material respect(s), of its obligations under the GSA. 3. The Seller shall inform the Buyer immediately upon becoming aware of any event or circumstance which has or is reasonably likely to have a material adverse effect on the Seller's ability to perform its obligations under the GSA. 4. The Seller shall not enter into any agreement and not contravene any laws or legal requirements which could reasonably be expected to have material adverse effect on its ability to perform its obligations under the GSA or cause it to be in breach, in any material respect(s), of its obligations under the GSA.
5.	Quantity of Gas	The total annual contract quantity (" ACQ ") of Gas to be sold by the Seller and to be purchased, taken and paid for by the Buyer at the Delivery Point in a Contract Fiscal Year shall be approximately 160 MMSCF per annum.
6.	Quality specifications of Gas	The terms and conditions in relation to quality specifications of Gas shall be set out in the GSA.
7.	Principles of Pricing of Gas	<p>In the GSA, the following principles will apply for determining the price at which an Affiliate of the Seller will sell and the Buyer will buy Gas respectively ("Contract Price"):</p> <ol style="list-style-type: none"> 1. The Contract Price for Gas delivered or tendered for delivery by the Seller to the Buyer shall be expressed in US Dollars per MMBtu (US\$/MMBtu); 2. The final price will have to be converted from USD into PKR 3. For avoidance of doubt, the price will be Brent-related and not a fixed price for the full term of the contract. 4. All references to MMBtu shall mean MMBtu on Gross Heating Value basis;

8.	Delivery obligations of the Seller	If, during a certain period, the Seller fails to deliver or tender for delivery certain quantities of Gas (the duration of such period and such quantities to be specified in the GSA) to the Buyer (except for reasons to be specified in the GSA), the Seller shall pay the Buyer an amount to be negotiated and specified in the GSA.
9.	Measurement	<ol style="list-style-type: none"> 1. The unit of measurement to quantify amounts of Gas in the GSA or in any document produced in accordance with the terms of the GSA. 2. The Parties shall agree provisions in the GSA for the location, standards and verification of measurement equipment, ownership of measurement equipment, the dispute resolution mechanism in case of variations in measurement and alternate provisions in case of a metering failure.
11.	Transportation of Gas	It is agreed that seller will have to make the RLNG/ Natural Gas available to the buyer at the entry point of the buyers' CNG station. The seller will use his allocation of pipeline access and his GTAs with SSGC & SNGPL to transport the RLNG into the buyer's CNG station.
12.	Title to Gas	Title to Gas delivered pursuant to the GSA shall pass from the Seller to the Buyer at the Delivery Point of CNG station.
13.	Price	The final price of the RLNG will be advised by Trafigura at the time of contract negotiation but will include, also, terminal Re-gasification, transportation charges as well as all other applicable local taxes. Price will be expressed and paid in PKR. For the avoidance of doubt, the final price will be subject to the agreement of the Buyer.
14.	Compliance with Laws	The Buyer and the Seller shall comply with all applicable laws, rules and regulations.
15.	Invoicing and Payments	<ol style="list-style-type: none"> 1. The Buyer shall pay for the Gas delivered or tendered for delivery at the Delivery Point in the manner set out in the GSA. 2. Terms and conditions in relation to invoicing and payment, including billing cycles shall be set out in the GSA.
16.	Taxes and Charges	<ol style="list-style-type: none"> 1. The Buyer shall pay, or cause to be paid, all applicable Taxes related to the sale of Gas and other sums in respect of Gas delivered or tendered for delivery under the GSA at the Delivery Point. 2. Each Party shall bear Taxes on its own income.
17.	Force Majeure	The GSA shall contain industry standard provisions for force majeure (including a definition of force majeure which shall include severe weather conditions) which would suspend obligations of the respective Party impacted by the force majeure, notice and reporting requirements, mitigation responsibility, consequences, termination and notice of cessation.

18.	Conditions Precedent	<p>The sale and purchase of Gas under the GSA shall be subject to certain conditions precedent, which shall include amongst others the following:</p> <ol style="list-style-type: none"> 1. The Seller and its Affiliates satisfactorily assuring themselves of clearance and acceptability of the Facilities as well as the use of Port Qasim for the delivery of LNG; 2. The Seller obtaining all relevant Consents to sell Gas in Pakistan; 3. The seller executing third party gas pipeline access and transportation agreements with SSGC & SNGPL, including necessary provisions covering balancing of Gas volumes with the Transporter using the Transporter's Facilities and provisions addressing unaccounted for gas (also known as UFG); 4. The Buyer obtaining all relevant Consents to buy Gas in Pakistan. <p>Detailed terms and conditions including relevant deadlines in relation to the conditions precedent shall be set out in the GSA subject to the agreement of the parties.</p>
19.	Miscellaneous provisions	<p>Subject to agreement on all terms of the GSA by the Parties, the Parties agree to reflect in the GSA in greater detail the key commercial terms and principles recorded in this HOA. For the avoidance of doubt, (a) nothing contained in this HOA is intended to give rise to any binding contractual relationship nor shall this HOA give rise to any right, obligation or liability on the part of either the Buyer or the Seller to enter into the GSA;</p> <p>(b) any such legally binding rights and obligations and consequent liabilities would arise only in the event of, and as a result of, the execution of a mutually acceptable GSA; and</p> <p>(c) Each party shall bear its own costs in connection with this HOA, the GSA and all matters contemplated by this HOA.</p>
20.	Confidentiality	<ol style="list-style-type: none"> 1) Each Party acknowledges that the Confidential Information is confidential and undertakes: <ol style="list-style-type: none"> a) to use the Confidential Information solely for the purpose set out in this HOA; b) to keep the Confidential Information in strict confidence; c) not, without the prior written consent of the other Party, to disclose any Confidential Information furnished to it to any third party other than its Representatives or to its Affiliates who have a legitimate need to know such Confidential Information; d) before disclosing Confidential Information to any Affiliate or to its Representatives, to ensure that such person is aware of the discloser's obligations in this HOA, ensure compliance by such person and be liable for any breach of such obligations

by such person; and

e) as far as possible to keep separate all Confidential Information from all documents and other records of a Party.

2) The undertakings in Clause 25.1 shall not apply to any Confidential Information which:

a) at the time of disclosure to the recipient Party or thereafter has become part of public knowledge or literature without breach of any of the said undertakings by such Party;

b) the recipient Party can show was in its possession at the time of disclosure hereunder and was not acquired by such Party under an obligation of confidence; or

c) the recipient Party can show was received by it after the time of disclosure hereunder from a third party (other than one disclosing on behalf of the other Party or its Affiliates) who could lawfully do so and who did not derive the Confidential Information from the other Party or any of its Affiliates.

The foregoing exceptions shall not, however, apply to:

(i) specific information merely because it is embraced by or included with other information which falls within any one or more of such exceptions; or

(ii) any combination of information merely because specific information (but not the combination itself) falls within any one or more of such exceptions.

3) In the event that the recipient Party, its Affiliates, Representatives or other permitted recipients is required by an order of any government, state government agency or requested by any court or legislative or administrative body including any recognised stock exchange to disclose any Confidential Information, such Party shall, to the extent it is lawful to do so, promptly and prior to disclosure notify the disclosing Party so that an appropriate protective order and/or other action can be sought and/or other action can be taken if possible (and if it is not lawful to inform the disclosing party prior to disclosure, the recipient Party shall inform the disclosing Party as soon as it becomes lawful to do so). In the event that such protective order is not, or cannot be, obtained, then:

a) the Party subject to the disclosure requirement or request may disclose to the appropriate body that portion of the Confidential Information which such Party is legally required to disclose and shall use reasonable efforts to obtain assurances that confidential treatment will be accorded to such Confidential Information; and

b) the Party subject to the disclosure requirement or request shall not be liable for such disclosure unless such disclosure was caused by or resulted from a previous disclosure by such Party or its Affiliates or any of their Representatives that was not permitted under this HOA.

4) The Parties agree that, upon request by one Party, the other Party shall promptly:

		<p>a) return or, at the option of the requesting Party, destroy all Confidential Information that is in tangible form (including, without limitation, Confidential Information contained on computer disks or other electronic media) furnished to the other Party, together with any copies or extracts thereof; and</p> <p>b) destroy all analyses, compilations, studies or other documents which have been prepared by the other Party or permitted recipients and which reflect or are based upon any Confidential Information, except to the extent that the recipient Party is required to retain any Confidential Information by any applicable law, rule or regulation or by any judicial, governmental, supervisory or regulatory body or to the extent that such Confidential Information is incorporated into organisational records which such Party is required to retain by law or in accordance with internal policies regarding the keeping of records generally, in which case such Party will take appropriate measures to preserve its continuing confidentiality.</p>
21.	Governing Law and Dispute Resolution	This HOA shall be governed by and construed in accordance with Pakistani Law. Any dispute arising out of or in connection with this HOA, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration
22.	Duration of HOA	This HOA shall terminate either upon (a) the execution of the GSA by the Buyer and the Seller; or (b) the Parties discontinuing the discussions on the terms of the GSA, whichever comes earlier. (c) either party serving one Month Notice for terminating this Heads of Agreement.
23.	Conduct of Business	Both Parties will strictly adhere to the Codes, Practices and Conducts of Business Ethics (which shall be more specifically referenced in the GSA) including, but not limited to Anti-Bribery and Corruption and Sanctions policies.
24.	Notices	<p>1) All notices and other communications to be sent by either Party to the other shall be delivered by hand or sent by personal delivery or facsimile to the relevant Party's address or facsimile number noted below (or to such other address or facsimile number as a Party may substitute by notice to the other in accordance with this provision after the date of this HOA):</p> <p style="text-align: center;"><i>Huzairav Sealw ab:</i></p> <p>To Buyer: PUMA ENERGY PAKISTAN (PVT) LTD. Address: <i>Main National Highway Near Qwaid-e-Azam</i> <i>Colony, Park Karachi</i> Huzairav Attention: [insert] Fax number: Email: [insert] 0300:9223248</p> <p>To Seller: Trafigura Pakistan (Pvt) Ltd Address: 8th Floor, Bahria Complex - III, M.T. Khan Road Attention: Fadi Mitri Fax number:</p>

		2) All notices or other communications under this HOA shall be deemed to be duly given or made on the next business day in the jurisdiction of receipt following the date of delivery or (in the case of personal delivery) or receipt by the sender of a valid transmission confirmation (in the case of facsimile).
25.	Counterparts	This HOA may be executed in any number of counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument.

The Parties hereto have executed this Heads of Agreement on the day and year first above written:

For and on behalf of

Trafigura Pakistani (Pvt) Ltd,

~~ABC~~

Signature:



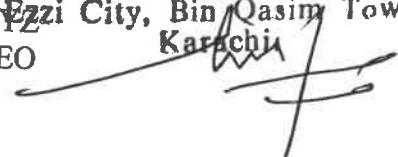
~~NOOR PETROLEUM SERVICE~~

Name:
Title:


Mr. Fadi Mit
CEO



~~Noor Petroleum Service~~
XYZ City, Bin Qasim Town,
Karachi
CEO



Witnesses:

1. Signature: 
Name: MOHSEN ALI
Title: ABM - SOUTH

2. Signature: 
Name: Ameer Ali
Title:



TRAFIGURA

TRAFIGURA PAKISTAN (PVT.) LTD.
 8TH FLOOR, BAHRIA COMPLEX - III, M.T. KHAN ROAD KARACHI

Dated on June ^{29th} ~~30th~~ 2018

Heads of Agreement for a Gas Sales Agreement

This is a non-binding Heads of Agreement ("HOA") for the fully termed Gas Sales Agreement ("GSA") between the Seller and the Buyer (defined in Clause 1 below).

The Seller is desirous to sell RLNG and has extended its support to the Buyer.

Clause	Term
<p>1. Parties</p>	<p>1. TRAFIGURA PAKISTAN (PRIVATE) LIMITED (or any of its group company), a company duly incorporated and existing under the laws of Pakistan under company number 010562, having its registered office at 8th Floor, Bahria Complex - III, M.T Khan Road, Karachi, Pakistan, represented herein by two duly-authorized directors (referred to as "Seller" which expression shall, unless repugnant to the context or meaning hereof, include its successors and permitted assigns and/or its subsidiary(ies)); and</p> <p>2. <i>M/S Hyderabad 7/s</i> (referred to as "Buyer" which expression shall, unless repugnant to the context or meaning hereof, include its successors and permitted assigns).</p> <p>The Buyer and the Seller, each is hereinafter referred to as a "Party" and together as the "Parties".</p> <p>The Seller intends to enter into gas sales agreements with the licensee of compressed natural gas station operated under the brand name of Puma Energy Pakistan and with other gas users across Pakistan, ("Buyer's Customers' Facility").</p> <p>The Seller has already applied to obtain License for sale and distribution of Gas from OGRA.</p> <p>The Seller (or its affiliate) has acquired a minority equity stake in Pakistan Gas Port (PGPC) which gives Seller exclusive access to the extra regasification capacity, this is being 90 MMSCFD, available for 175 days per year.</p> <p>The Seller is willing to provide to the Buyer RLNG supply along</p>

		<p>with Regasification Services from Pakistan Gas Port Consortium (PGPC) for delivery of Regasified LNG through national gas pipeline grid at the delivery point of the buyers' CNG Station.</p> <p>AND WHEREAS, the parties have now come on board to form their alliance and/or business combination specific to LNG services and intend to lay out the principal terms and conditions of their cooperation;</p> <p>NOW, THEREFORE, in consideration of the mutual benefits and covenants contained herein, the parties hereby agree as follows (always subject to applicable laws and regulations):</p> <ol style="list-style-type: none"> 1) The Seller will make RLNG available to Buyer, Subject to final price discussion and agreement of suitable terms. 2) The Seller will use its own exclusive access to the regasification capacity at the PGPC FSRU terminal to provide regasification services for the LNG it will provide to The Buyer. 3) Consequently, the Seller has agreed to allocate RLNG supplies upto 5 MMSCF in a month to the Buyer on intermittent supply chain to be consumed on a monthly basis , with a potential ramp up to 8 MMSCF per month in the future subject to the Market dynamics and circumstances. 4) The deliveries of RLNG will have to be on delivered basis at the facilities of the Buyer, unless mutually agreed between parties.
<p>2.</p>	<p>Start Date</p>	<ol style="list-style-type: none"> 1) The start date of Gas sales ("Start Date") shall be the date when Seller shall deliver the first quantities of Gas and the Buyer shall take delivery and pay for the Gas so delivered. 2) The Parties expect the Start Date to fall after the Seller acquiring necessary approvals and licenses from the government and regulating authorities. 3) The Parties shall agree a windowing mechanism and conditions precedent in the GSA. Upon the fulfilment or waiver of all the conditions precedent therein, the Seller will provide notices to the Buyer within set time windows providing an estimate of the periods when the Seller expects the Start Date to occur as provided by the following: <ol style="list-style-type: none"> a) a written notice to be provided by [mm/yy] by the Seller for a 3 month period falling within the above 6 month period; b) a written notice to be provided by [mm/yy] by the Seller for a 1 month period falling within the above 3 month period; and c) finally, a written notice to be provided by [mm/yy] by the Seller for the actual Start Date falling within the

		above one month period, which will allow the Parties to progressively narrow down the Start Date.
3.	Term	The term of the HOA is currently envisaged to be 1 year from the Start Date (" Term ") and the Parties, by mutual agreement in writing, may agree extend the Term by an additional 1 year. The process by which mutual agreement can be reached between the Parties will be outlined in the GSA.
4.	General Undertakings	<ol style="list-style-type: none"> 1. The Buyer shall inform the Seller immediately upon becoming aware of any event or circumstance, which has or is reasonably likely to have a material adverse effect on the Buyer's ability to perform its obligations under the GSA. 2. The Buyer shall not contravene any laws or legal requirements which could reasonably be expected to have material adverse effect on its ability to perform its obligations under the GSA and or cause it to be in breach, in any material respect(s), of its obligations under the GSA. 3. The Seller shall inform the Buyer immediately upon becoming aware of any event or circumstance which has or is reasonably likely to have a material adverse effect on the Seller's ability to perform its obligations under the GSA. 4. The Seller shall not enter into any agreement and not contravene any laws or legal requirements which could reasonably be expected to have material adverse effect on its ability to perform its obligations under the GSA or cause it to be in breach, in any material respect(s), of its obligations under the GSA.
5.	Quantity of Gas	The total annual contract quantity (" ACQ ") of Gas to be sold by the Seller and to be purchased, taken and paid for by the Buyer at the Delivery Point in a Contract Fiscal Year shall be approximately 160 MMSCF per annum.
6.	Quality specifications of Gas	The terms and conditions in relation to quality specifications of Gas shall be set out in the GSA.
7.	Principles of Pricing of Gas	<p>In the GSA, the following principles will apply for determining the price at which an Affiliate of the Seller will sell and the Buyer will buy Gas respectively ("Contract Price"):</p> <ol style="list-style-type: none"> 1. The Contract Price for Gas delivered or tendered for delivery by the Seller to the Buyer shall be expressed in US Dollars per MMBtu (US\$/MMBtu); 2. The final price will have to be converted from USD into PKR 3. For avoidance of doubt, the price will be Brent-related and not a fixed price for the full term of the contract. 4. All references to MMBtu shall mean MMBtu on Gross Heating Value basis;

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8.	Delivery obligations of the Seller	If, during a certain period, the Seller fails to deliver or tender for delivery certain quantities of Gas (the duration of such period and such quantities to be specified in the GSA) to the Buyer (except for reasons to be specified in the GSA), the Seller shall pay the Buyer an amount to be negotiated and specified in the GSA.
9.	Measurement	<ol style="list-style-type: none"> 1. The unit of measurement to quantify amounts of Gas in the GSA or in any document produced in accordance with the terms of the GSA. 2. The Parties shall agree provisions in the GSA for the location, standards and verification of measurement equipment, ownership of measurement equipment, the dispute resolution mechanism in case of variations in measurement and alternate provisions in case of a metering failure.
11.	Transportation of Gas	It is agreed that seller will have to make the RLNG/ Natural Gas available to the buyer at the entry point of the buyers' CNG station. The seller will use his allocation of pipeline access and his GTAs with SSGC & SNGPL to transport the RLNG into the buyer's CNG station.
12.	Title to Gas	Title to Gas delivered pursuant to the GSA shall pass from the Seller to the Buyer at the Delivery Point of CNG station.
13.	Price	The final price of the RLNG will be advised by Trafigura at the time of contract negotiation but will include, also, terminal Re-gasification, transportation charges as well as all other applicable local taxes. Price will be expressed and paid in PKR. For the avoidance of doubt, the final price will be subject to the agreement of the Buyer.
14.	Compliance with Laws	The Buyer and the Seller shall comply with all applicable laws, rules and regulations.
15.	Invoicing and Payments	<ol style="list-style-type: none"> 1. The Buyer shall pay for the Gas delivered or tendered for delivery at the Delivery Point in the manner set out in the GSA. 2. Terms and conditions in relation to invoicing and payment, including billing cycles shall be set out in the GSA.
16.	Taxes and Charges	<ol style="list-style-type: none"> 1. The Buyer shall pay, or cause to be paid, all applicable Taxes related to the sale of Gas and other sums in respect of Gas delivered or tendered for delivery under the GSA at the Delivery Point. 2. Each Party shall bear Taxes on its own income.
17.	Force Majeure	The GSA shall contain industry standard provisions for force majeure (including a definition of force majeure which shall include severe weather conditions) which would suspend obligations of the respective Party impacted by the force majeure, notice and reporting requirements, mitigation responsibility, consequences, termination and notice of cessation.

18.	Conditions Precedent	<p>The sale and purchase of Gas under the GSA shall be subject to certain conditions precedent, which shall include amongst others the following:</p> <ol style="list-style-type: none"> 1. The Seller and its Affiliates satisfactorily assuring themselves of clearance and acceptability of the Facilities as well as the use of Port Qasim for the delivery of LNG; 2. The Seller obtaining all relevant Consents to sell Gas in Pakistan; 3. The seller executing third party gas pipeline access and transportation agreements with SSGC & SNGPL, including necessary provisions covering balancing of Gas volumes with the Transporter using the Transporter's Facilities and provisions addressing unaccounted for gas (also known as UFG); 4. The Buyer obtaining all relevant Consents to buy Gas in Pakistan. <p>Detailed terms and conditions including relevant deadlines in relation to the conditions precedent shall be set out in the GSA subject to the agreement of the parties.</p>
19.	Miscellaneous provisions	<p>Subject to agreement on all terms of the GSA by the Parties, the Parties agree to reflect in the GSA in greater detail the key commercial terms and principles recorded in this HOA. For the avoidance of doubt, (a) nothing contained in this HOA is intended to give rise to any binding contractual relationship nor shall this HOA give rise to any right, obligation or liability on the part of either the Buyer or the Seller to enter into the GSA;</p> <p>(b) any such legally binding rights and obligations and consequent liabilities would arise only in the event of, and as a result of, the execution of a mutually acceptable GSA; and</p> <p>(c) Each party shall bear its own costs in connection with this HOA, the GSA and all matters contemplated by this HOA.</p>
20.	Confidentiality	<ol style="list-style-type: none"> 1) Each Party acknowledges that the Confidential Information is confidential and undertakes: <ol style="list-style-type: none"> a) to use the Confidential Information solely for the purpose set out in this HOA; b) to keep the Confidential Information in strict confidence; c) not, without the prior written consent of the other Party, to disclose any Confidential Information furnished to it to any third party other than its Representatives or to its Affiliates who have a legitimate need to know such Confidential Information; d) before disclosing Confidential Information to any Affiliate or to its Representatives, to ensure that such person is aware of the discloser's obligations in this HOA, ensure compliance by such person and be liable for any breach of such obligations

- e) as far as possible to keep separate all Confidential Information from all documents and other records of a Party.
- 2) The undertakings in Clause 25.1 shall not apply to any Confidential Information which:
 - a) at the time of disclosure to the recipient Party or thereafter has become part of public knowledge or literature without breach of any of the said undertakings by such Party;
 - b) the recipient Party can show was in its possession at the time of disclosure hereunder and was not acquired by such Party under an obligation of confidence; or
 - c) the recipient Party can show was received by it after the time of disclosure hereunder from a third party (other than one disclosing on behalf of the other Party or its Affiliates) who could lawfully do so and who did not derive the Confidential Information from the other Party or any of its Affiliates.

The foregoing exceptions shall not, however, apply to:

- (i) specific information merely because it is embraced by or included with other information which falls within any one or more of such exceptions; or
- (ii) any combination of information merely because specific information (but not the combination itself) falls within any one or more of such exceptions.
- 3) In the event that the recipient Party, its Affiliates, Representatives or other permitted recipients is required by an order of any government, state government agency or requested by any court or legislative or administrative body including any recognised stock exchange to disclose any Confidential Information, such Party shall, to the extent it is lawful to do so, promptly and prior to disclosure notify the disclosing Party so that an appropriate protective order and/or other action can be sought and/or other action can be taken if possible (and if it is not lawful to inform the disclosing party prior to disclosure, the recipient Party shall inform the disclosing Party as soon as it becomes lawful to do so). In the event that such protective order is not, or cannot be, obtained, then:
 - a) the Party subject to the disclosure requirement or request may disclose to the appropriate body that portion of the Confidential Information which such Party is legally required to disclose and shall use reasonable efforts to obtain assurances that confidential treatment will be accorded to such Confidential Information; and
 - b) the Party subject to the disclosure requirement or request shall not be liable for such disclosure unless such disclosure was caused by or resulted from a previous disclosure by such Party or its Affiliates or any of their Representatives that was not permitted under this HOA.
- 4) The Parties agree that, upon request by one Party, the other Party shall promptly:

		<p>a) return or, at the option of the requesting Party, destroy all Confidential Information that is in tangible form (including, without limitation, Confidential Information contained on computer disks or other electronic media) furnished to the other Party, together with any copies or extracts thereof; and</p> <p>b) destroy all analyses, compilations, studies or other documents which have been prepared by the other Party or permitted recipients and which reflect or are based upon any Confidential Information, except to the extent that the recipient Party is required to retain any Confidential Information by any applicable law, rule or regulation or by any judicial, governmental, supervisory or regulatory body or to the extent that such Confidential Information is incorporated into organisational records which such Party is required to retain by law or in accordance with internal policies regarding the keeping of records generally, in which case such Party will take appropriate measures to preserve its continuing confidentiality.</p>
21.	Governing Law and Dispute Resolution	This HOA shall be governed by and construed in accordance with Pakistani Law. Any dispute arising out of or in connection with this HOA, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration
22.	Duration of HOA	This HOA shall terminate either upon (a) the execution of the GSA by the Buyer and the Seller; or (b) the Parties discontinuing the discussions on the terms of the GSA, whichever comes earlier. (c) either party serving one Month Notice for terminating this Heads of Agreement.
23.	Conduct of Business	Both Parties will strictly adhere to the Codes, Practices and Conducts of Business Ethics (which shall be more specifically referenced in the GSA) including, but not limited to Anti-Bribery and Corruption and Sanctions policies.
24.	Notices	<p>1) All notices and other communications to be sent by either Party to the other shall be delivered by hand or sent by personal delivery or facsimile to the relevant Party's address or facsimile number noted below (or to such other address or facsimile number as a Party may substitute by notice to the other in accordance with this provision after the date of this HOA):</p> <p>To Buyer: Address: <i>Maim Bypass Road HYD:</i> Attention: <i>[insert] Mr. Saifenez Shah</i> Fax number: <i>[insert] 0300-0810994</i></p> <p>To Seller: <i>Trafigura Pakistan (Pvt) Ltd</i> Address: <i>8th Floor, Bahria Complex - III, M.T. Khan Road</i> Attention: <i>Fadi Mitri</i> Fax number:</p>

		2) All notices or other communications under this HOA shall be deemed to be duly given or made on the next business day in the jurisdiction of receipt following the date of delivery or (in the case of personal delivery) or receipt by the sender of a valid transmission confirmation (in the case of facsimile).
25.	Counterparts	This HOA may be executed in any number of counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument.

The Parties hereto have executed this Heads of Agreement on the day and year first above written:

For and on behalf of

Trafigura Pakistani (Pvt) Ltd,

~~ABC~~

Signature:



Name:
Title:

Mr. Fadi Mitri
CEO



~~XYZ~~
HYDERABAD
Filling station & CNG
Bye Pass Road Hyderabad.

~~XYZ~~
CEO

Witnesses:

1. Signature:

Name:
Title:


Fatah Akhmed

2. Signature:

Name:
Title:


Ameer Ali



TRAFIGURA PAKISTAN (PVT.) LTD.
 8TH FLOOR, BAHRIA COMPLEX – III, M.T. KHAN ROAD KARACHI

Dated on June ^{30th} ~~xx~~ 2018

Heads of Agreement for a Gas Sales Agreement

This is a non-binding Heads of Agreement (“HOA”) for the fully termed Gas Sales Agreement (“GSA”) between the Seller and the Buyer (defined in Clause 1 below).

The Seller is desirous to sell RLNG and has extended its support to the Buyer.

Clause	Term
1.	<p>Parties</p> <p>1. TRAFIGURA PAKISTAN (PRIVATE) LIMITED (or any of its group company), a company duly incorporated and existing under the laws of Pakistan under company number 010562, having its registered office at 8th Floor, Bahria Complex - III, M.T Khan Road, Karachi, Pakistan, represented herein by two duly-authorized directors (referred to as "Seller" which expression shall, unless repugnant to the context or meaning hereof, include its successors and permitted assigns and/or its subsidiary(ies)); and</p> <p>2. <i>M/S JEEWA F/S</i> (referred to as "Buyer" which expression shall, unless repugnant to the context or meaning hereof, include its successors and permitted assigns).</p> <p>The Buyer and the Seller, each is hereinafter referred to as a “Party” and together as the “Parties”.</p> <p>The Seller intends to enter into gas sales agreements with the licensee of compressed natural gas station operated under the brand name of Puma Energy Pakistan and with other gas users across Pakistan, (“Buyer’s Customers’ Facility”).</p> <p>The Seller has already applied to obtain License for sale and distribution of Gas from OGRA.</p> <p>The Seller (or its affiliate) has acquired a minority equity stake in Pakistan Gas Port (PGPC) which gives Seller exclusive access to the extra regasification capacity, this is being 90 MMSCFD, available for 175 days per year.</p> <p>The Seller is willing to provide to the Buyer RLNG supply along</p>

TRAFIGURA PTE. LTD.

REGISTERED OFFICE: 1 MARINA BOULEVARD, #28-00, ONE MARINA BOULEVARD, SINGAPORE (018989)
 WWW.TRAFIGURA.COM

REGISTERED NUMBER: 199601595D

		<p>with Regasification Services from Pakistan Gas Port Consortium (PGPC) for delivery of Regasified LNG through national gas pipeline grid at the delivery point of the buyers' CNG Station.</p> <p>AND WHEREAS, the parties have now come on board to form their alliance and/or business combination specific to LNG services and intend to lay out the principal terms and conditions of their cooperation;</p> <p>NOW, THEREFORE, in consideration of the mutual benefits and covenants contained herein, the parties hereby agree as follows (always subject to applicable laws and regulations):</p> <ol style="list-style-type: none"> 1) The Seller will make RLNG available to Buyer, Subject to final price discussion and agreement of suitable terms. 2) The Seller will use its own exclusive access to the regasification capacity at the PGPC FSRU terminal to provide regasification services for the LNG it will provide to The Buyer. 3) Consequently, the Seller has agreed to allocate RLNG supplies upto 5 MMSCF in a month to the Buyer on intermittent supply chain to be consumed on a monthly basis , with a potential ramp up to 8 MMSCF per month in the future subject to the Market dynamics and circumstances. 4) The deliveries of RLNG will have to be on delivered basis at the facilities of the Buyer, unless mutually agreed between parties.
2.	Start Date	<ol style="list-style-type: none"> 1) The start date of Gas sales ("Start Date") shall be the date when Seller shall deliver the first quantities of Gas and the Buyer shall take delivery and pay for the Gas so delivered. 2) The Parties expect the Start Date to fall after the Seller acquiring necessary approvals and licenses from the government and regulating authorities. 3) The Parties shall agree a windowing mechanism and conditions precedent in the GSA. Upon the fulfilment or waiver of all the conditions precedent therein, the Seller will provide notices to the Buyer within set time windows providing an estimate of the periods when the Seller expects the Start Date to occur as provided by the following: <ol style="list-style-type: none"> a) a written notice to be provided by [mm/yy] by the Seller for a 3 month period falling within the above 6 month period; b) a written notice to be provided by [mm/yy] by the Seller for a 1 month period falling within the above 3 month period; and c) finally, a written notice to be provided by [mm/yy] by the Seller for the actual Start Date falling within the

		above one month period, which will allow the Parties to progressively narrow down the Start Date.
3.	Term	The term of the HOA is currently envisaged to be 1 year from the Start Date ("Term") and the Parties, by mutual agreement in writing, may agree extend the Term by an additional 1 year. The process by which mutual agreement can be reached between the Parties will be outlined in the GSA.
4.	General Undertakings	<ol style="list-style-type: none"> 1. The Buyer shall inform the Seller immediately upon becoming aware of any event or circumstance, which has or is reasonably likely to have a material adverse effect on the Buyer's ability to perform its obligations under the GSA. 2. The Buyer shall not contravene any laws or legal requirements which could reasonably be expected to have material adverse effect on its ability to perform its obligations under the GSA and or cause it to be in breach, in any material respect(s), of its obligations under the GSA. 3. The Seller shall inform the Buyer immediately upon becoming aware of any event or circumstance which has or is reasonably likely to have a material adverse effect on the Seller's ability to perform its obligations under the GSA. 4. The Seller shall not enter into any agreement and not contravene any laws or legal requirements which could reasonably be expected to have material adverse effect on its ability to perform its obligations under the GSA or cause it to be in breach, in any material respect(s), of its obligations under the GSA.
5.	Quantity of Gas	The total annual contract quantity ("ACQ") of Gas to be sold by the Seller and to be purchased, taken and paid for by the Buyer at the Delivery Point in a Contract Fiscal Year shall be approximately 160 MMSCF per annum.
6.	Quality specifications of Gas	The terms and conditions in relation to quality specifications of Gas shall be set out in the GSA.
7.	Principles of Pricing of Gas	<p>In the GSA, the following principles will apply for determining the price at which an Affiliate of the Seller will sell and the Buyer will buy Gas respectively ("Contract Price"):</p> <ol style="list-style-type: none"> 1. The Contract Price for Gas delivered or tendered for delivery by the Seller to the Buyer shall be expressed in US Dollars per MMBtu (US\$/MMBtu); 2. The final price will have to be converted from USD into PKR 3. For avoidance of doubt, the price will be Brent-related and not a fixed price for the full term of the contract. 4. All references to MMBtu shall mean MMBtu on Gross Heating Value basis;

8.	Delivery obligations of the Seller	If, during a certain period, the Seller fails to deliver or tender for delivery certain quantities of Gas (the duration of such period and such quantities to be specified in the GSA) to the Buyer (except for reasons to be specified in the GSA), the Seller shall pay the Buyer an amount to be negotiated and specified in the GSA.
9.	Measurement	<ol style="list-style-type: none"> 1. The unit of measurement to quantify amounts of Gas in the GSA or in any document produced in accordance with the terms of the GSA. 2. The Parties shall agree provisions in the GSA for the location, standards and verification of measurement equipment, ownership of measurement equipment, the dispute resolution mechanism in case of variations in measurement and alternate provisions in case of a metering failure.
11.	Transportation of Gas	It is agreed that seller will have to make the RLNG/ Natural Gas available to the buyer at the entry point of the buyers' CNG station. The seller will use his allocation of pipeline access and his GTAs with SSGC & SNGPL to transport the RLNG into the buyer's CNG station.
12.	Title to Gas	Title to Gas delivered pursuant to the GSA shall pass from the Seller to the Buyer at the Delivery Point of CNG station.
13.	Price	The final price of the RLNG will be advised by Trafigura at the time of contract negotiation but will include, also, terminal Re-gasification, transportation charges as well as all other applicable local taxes. Price will be expressed and paid in PKR. For the avoidance of doubt, the final price will be subject to the agreement of the Buyer.
14.	Compliance with Laws	The Buyer and the Seller shall comply with all applicable laws, rules and regulations.
15.	Invoicing and Payments	<ol style="list-style-type: none"> 1. The Buyer shall pay for the Gas delivered or tendered for delivery at the Delivery Point in the manner set out in the GSA. 2. Terms and conditions in relation to invoicing and payment, including billing cycles shall be set out in the GSA.
16.	Taxes and Charges	<ol style="list-style-type: none"> 1. The Buyer shall pay, or cause to be paid, all applicable Taxes related to the sale of Gas and other sums in respect of Gas delivered or tendered for delivery under the GSA at the Delivery Point. 2. Each Party shall bear Taxes on its own income.
17.	Force Majeure	The GSA shall contain industry standard provisions for force majeure (including a definition of force majeure which shall include severe weather conditions) which would suspend obligations of the respective Party impacted by the force majeure, notice and reporting requirements, mitigation responsibility, consequences, termination and notice of cessation.

18.	Conditions Precedent	<p>The sale and purchase of Gas under the GSA shall be subject to certain conditions precedent, which shall include amongst others the following:</p> <ol style="list-style-type: none"> 1. The Seller and its Affiliates satisfactorily assuring themselves of clearance and acceptability of the Facilities as well as the use of Port Qasim for the delivery of LNG; 2. The Seller obtaining all relevant Consents to sell Gas in Pakistan; 3. The seller executing third party gas pipeline access and transportation agreements with SSGC & SNGPL, including necessary provisions covering balancing of Gas volumes with the Transporter using the Transporter's Facilities and provisions addressing unaccounted for gas (also known as UFG); 4. The Buyer obtaining all relevant Consents to buy Gas in Pakistan. <p>Detailed terms and conditions including relevant deadlines in relation to the conditions precedent shall be set out in the GSA subject to the agreement of the parties.</p>
19.	Miscellaneous provisions	<p>Subject to agreement on all terms of the GSA by the Parties, the Parties agree to reflect in the GSA in greater detail the key commercial terms and principles recorded in this HOA. For the avoidance of doubt, (a) nothing contained in this HOA is intended to give rise to any binding contractual relationship nor shall this HOA give rise to any right, obligation or liability on the part of either the Buyer or the Seller to enter into the GSA;</p> <p>(b) any such legally binding rights and obligations and consequent liabilities would arise only in the event of, and as a result of, the execution of a mutually acceptable GSA; and</p> <p>(c) Each party shall bear its own costs in connection with this HOA, the GSA and all matters contemplated by this HOA.</p>
20.	Confidentiality	<ol style="list-style-type: none"> 1) Each Party acknowledges that the Confidential Information is confidential and undertakes: <ol style="list-style-type: none"> a) to use the Confidential Information solely for the purpose set out in this HOA; b) to keep the Confidential Information in strict confidence; c) not, without the prior written consent of the other Party, to disclose any Confidential Information furnished to it to any third party other than its Representatives or to its Affiliates who have a legitimate need to know such Confidential Information; d) before disclosing Confidential Information to any Affiliate or to its Representatives, to ensure that such person is aware of the discloser's obligations in this HOA, ensure compliance by such person and be liable for any breach of such obligations

by such person; and

e) as far as possible to keep separate all Confidential Information from all documents and other records of a Party.

2) The undertakings in Clause 25.1 shall not apply to any Confidential Information which:

a) at the time of disclosure to the recipient Party or thereafter has become part of public knowledge or literature without breach of any of the said undertakings by such Party;

b) the recipient Party can show was in its possession at the time of disclosure hereunder and was not acquired by such Party under an obligation of confidence; or

c) the recipient Party can show was received by it after the time of disclosure hereunder from a third party (other than one disclosing on behalf of the other Party or its Affiliates) who could lawfully do so and who did not derive the Confidential Information from the other Party or any of its Affiliates.

The foregoing exceptions shall not, however, apply to:

(i) specific information merely because it is embraced by or included with other information which falls within any one or more of such exceptions; or

(ii) any combination of information merely because specific information (but not the combination itself) falls within any one or more of such exceptions.

3) In the event that the recipient Party, its Affiliates, Representatives or other permitted recipients is required by an order of any government, state government agency or requested by any court or legislative or administrative body including any recognised stock exchange to disclose any Confidential Information, such Party shall, to the extent it is lawful to do so, promptly and prior to disclosure notify the disclosing Party so that an appropriate protective order and/or other action can be sought and/or other action can be taken if possible (and if it is not lawful to inform the disclosing party prior to disclosure, the recipient Party shall inform the disclosing Party as soon as it becomes lawful to do so). In the event that such protective order is not, or cannot be, obtained, then:

a) the Party subject to the disclosure requirement or request may disclose to the appropriate body that portion of the Confidential Information which such Party is legally required to disclose and shall use reasonable efforts to obtain assurances that confidential treatment will be accorded to such Confidential Information; and

b) the Party subject to the disclosure requirement or request shall not be liable for such disclosure unless such disclosure was caused by or resulted from a previous disclosure by such Party or its Affiliates or any of their Representatives that was not permitted under this HOA.

4) The Parties agree that, upon request by one Party, the other Party shall promptly:

		<p>a) return or, at the option of the requesting Party, destroy all Confidential Information that is in tangible form (including, without limitation, Confidential Information contained on computer disks or other electronic media) furnished to the other Party, together with any copies or extracts thereof; and</p> <p>b) destroy all analyses, compilations, studies or other documents which have been prepared by the other Party or permitted recipients and which reflect or are based upon any Confidential Information, except to the extent that the recipient Party is required to retain any Confidential Information by any applicable law, rule or regulation or by any judicial, governmental, supervisory or regulatory body or to the extent that such Confidential Information is incorporated into organisational records which such Party is required to retain by law or in accordance with internal policies regarding the keeping of records generally, in which case such Party will take appropriate measures to preserve its continuing confidentiality.</p>
21.	Governing Law and Dispute Resolution	This HOA shall be governed by and construed in accordance with Pakistani Law. Any dispute arising out of or in connection with this HOA, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration
22.	Duration of HOA	This HOA shall terminate either upon (a) the execution of the GSA by the Buyer and the Seller; or (b) the Parties discontinuing the discussions on the terms of the GSA, whichever comes earlier. (c) either party serving one Month Notice for terminating this Heads of Agreement.
23.	Conduct of Business	Both Parties will strictly adhere to the Codes, Practices and Conducts of Business Ethics (which shall be more specifically referenced in the GSA) including, but not limited to Anti-Bribery and Corruption and Sanctions policies.
24.	Notices	<p>1) All notices and other communications to be sent by either Party to the other shall be delivered by hand or sent by personal delivery or facsimile to the relevant Party's address or facsimile number noted below (or to such other address or facsimile number as a Party may substitute by notice to the other in accordance with this provision after the date of this HOA):</p> <p>To Buyer: Address: Gulshan-e-Mayman, Karachi Attention: [insert] Hassan Patel. Fax number: Email: [insert] 0322 8218211</p> <p>To Seller: Trafigura Pakistan (Pvt) Ltd Address: 8th Floor, Bahria Complex – III, M.T. Khan Road Attention: Fadi Mitri Fax number:</p>

		2) All notices or other communications under this HOA shall be deemed to be duly given or made on the next business day in the jurisdiction of receipt following the date of delivery or (in the case of personal delivery) or receipt by the sender of a valid transmission confirmation (in the case of facsimile).
25.	Counterparts	This HOA may be executed in any number of counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument.

The Parties hereto have executed this Heads of Agreement on the day and year first above written:

For and on behalf of

Trafigura Pakistani (Pvt) Ltd,

~~ABC~~

Signature:




Name:
Title:

Mr. Fadi Mitri
CEO




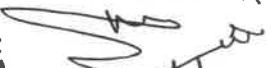
~~XYZ~~
CEO

JEEWA F/S
Amjadullah
Mr. Hassan Pall.


Jeeva F/S

Witnesses:

1. Signature: 
Name: MOHSIN ALI
Title: ARM SOUTH

2. Signature: 
Name: Amjad Ali
Title:



TRAFIGURA PAKISTAN (PVT.) LTD.
 8TH FLOOR, BAHRIA COMPLEX – III, M.T. KHAN ROAD KARACHI

Dated on June ^{29th} ~~xx~~ 2018

Heads of Agreement for a Gas Sales Agreement

This is a non-binding Heads of Agreement (“HOA”) for the fully termed Gas Sales Agreement (“GSA”) between the Seller and the Buyer (defined in Clause 1 below).

The Seller is desirous to sell RLNG and has extended its support to the Buyer.

Clause	Parties	Term
1.		<p>1. TRAFIGURA PAKISTAN (PRIVATE) LIMITED (or any of its group company), a company duly incorporated and existing under the laws of Pakistan under company number 010562, having its registered office at 8th Floor, Bahria Complex - III, M.T Khan Road, Karachi, Pakistan, represented herein by two duly-authorized directors (referred to as "Seller" which expression shall, unless repugnant to the context or meaning hereof, include its successors and permitted assigns and/or its subsidiary(ies)); and</p> <p>2. <u>M/S LABHAIE CNG/FILLING STATION</u> (referred to as "Buyer" which expression shall, unless repugnant to the context or meaning hereof, include its successors and permitted assigns).</p> <p>The Buyer and the Seller, each is hereinafter referred to as a “Party” and together as the “Parties”.</p> <p>The Seller intends to enter into gas sales agreements with the licensee of compressed natural gas station operated under the brand name of Puma Energy Pakistan and with other gas users across Pakistan, (“Buyer’s Customers’ Facility”).</p> <p>The Seller has already applied to obtain License for sale and distribution of Gas from OGRA.</p> <p>The Seller (or its affiliate) has acquired a minority equity stake in Pakistan Gas Port (PGPC) which gives Seller exclusive access to the extra regasification capacity, this is being 90 MMSCFD, available for 175 days per year.</p> <p>The Seller is willing to provide to the Buyer RLNG supply along</p>

		<p>with Regasification Services from Pakistan Gas Port Consortium (PGPC) for delivery of Regasified LNG through national gas pipeline grid at the delivery point of the buyers' CNG Station.</p> <p>AND WHEREAS, the parties have now come on board to form their alliance and/or business combination specific to LNG services and intend to lay out the principal terms and conditions of their cooperation;</p> <p>NOW, THEREFORE, in consideration of the mutual benefits and covenants contained herein, the parties hereby agree as follows (always subject to applicable laws and regulations):</p> <ol style="list-style-type: none"> 1) The Seller will make RLNG available to Buyer, Subject to final price discussion and agreement of suitable terms. 2) The Seller will use its own exclusive access to the regasification capacity at the PGPC FSRU terminal to provide regasification services for the LNG it will provide to The Buyer. 3) Consequently, the Seller has agreed to allocate RLNG supplies upto 5 MMSCF in a month to the Buyer on intermittent supply chain to be consumed on a monthly basis , with a potential ramp up to 8 MMSCF per month in the future subject to the Market dynamics and circumstances. 4) The deliveries of RLNG will have to be on delivered basis at the facilities of the Buyer, unless mutually agreed between parties.
2.	Start Date	<ol style="list-style-type: none"> 1) The start date of Gas sales ("Start Date") shall be the date when Seller shall deliver the first quantities of Gas and the Buyer shall take delivery and pay for the Gas so delivered. 2) The Parties expect the Start Date to fall after the Seller acquiring necessary approvals and licenses from the government and regulating authorities. 3) The Parties shall agree a windowing mechanism and conditions precedent in the GSA. Upon the fulfilment or waiver of all the conditions precedent therein, the Seller will provide notices to the Buyer within set time windows providing an estimate of the periods when the Seller expects the Start Date to occur as provided by the following: <ol style="list-style-type: none"> a) a written notice to be provided by [mm/yy] by the Seller for a 3 month period falling within the above 6 month period; b) a written notice to be provided by [mm/yy] by the Seller for a 1 month period falling within the above 3 month period; and c) finally, a written notice to be provided by [mm/yy] by the Seller for the actual Start Date falling within the

		above one month period, which will allow the Parties to progressively narrow down the Start Date.
3.	Term	The term of the HOA is currently envisaged to be 1 year from the Start Date (" Term ") and the Parties, by mutual agreement in writing, may agree extend the Term by an additional 1 year. The process by which mutual agreement can be reached between the Parties will be outlined in the GSA.
4.	General Undertakings	<ol style="list-style-type: none"> 1. The Buyer shall inform the Seller immediately upon becoming aware of any event or circumstance, which has or is reasonably likely to have a material adverse effect on the Buyer's ability to perform its obligations under the GSA. 2. The Buyer shall not contravene any laws or legal requirements which could reasonably be expected to have material adverse effect on its ability to perform its obligations under the GSA and or cause it to be in breach, in any material respect(s), of its obligations under the GSA. 3. The Seller shall inform the Buyer immediately upon becoming aware of any event or circumstance which has or is reasonably likely to have a material adverse effect on the Seller's ability to perform its obligations under the GSA. 4. The Seller shall not enter into any agreement and not contravene any laws or legal requirements which could reasonably be expected to have material adverse effect on its ability to perform its obligations under the GSA or cause it to be in breach, in any material respect(s), of its obligations under the GSA.
5.	Quantity of Gas	The total annual contract quantity (" ACQ ") of Gas to be sold by the Seller and to be purchased, taken and paid for by the Buyer at the Delivery Point in a Contract Fiscal Year shall be approximately 160 MMSCF per annum.
6.	Quality specifications of Gas	The terms and conditions in relation to quality specifications of Gas shall be set out in the GSA.
7.	Principles of Pricing of Gas	<p>In the GSA, the following principles will apply for determining the price at which an Affiliate of the Seller will sell and the Buyer will buy Gas respectively ("Contract Price"):</p> <ol style="list-style-type: none"> 1. The Contract Price for Gas delivered or tendered for delivery by the Seller to the Buyer shall be expressed in US Dollars per MMBtu (US\$/MMBtu); 2. The final price will have to be converted from USD into PKR 3. For avoidance of doubt, the price will be Brent-related and not a fixed price for the full term of the contract. 4. All references to MMBtu shall mean MMBtu on Gross Heating Value basis;

8.	Delivery obligations of the Seller	If, during a certain period, the Seller fails to deliver or tender for delivery certain quantities of Gas (the duration of such period and such quantities to be specified in the GSA) to the Buyer (except for reasons to be specified in the GSA), the Seller shall pay the Buyer an amount to be negotiated and specified in the GSA.
9.	Measurement	<ol style="list-style-type: none"> 1. The unit of measurement to quantify amounts of Gas in the GSA or in any document produced in accordance with the terms of the GSA. 2. The Parties shall agree provisions in the GSA for the location, standards and verification of measurement equipment, ownership of measurement equipment, the dispute resolution mechanism in case of variations in measurement and alternate provisions in case of a metering failure.
11.	Transportation of Gas	It is agreed that seller will have to make the RLNG/ Natural Gas available to the buyer at the entry point of the buyers' CNG station. The seller will use his allocation of pipeline access and his GTAs with SSGC & SNGPL to transport the RLNG into the buyer's CNG station.
12.	Title to Gas	Title to Gas delivered pursuant to the GSA shall pass from the Seller to the Buyer at the Delivery Point of CNG station.
13.	Price	The final price of the RLNG will be advised by Trafigura at the time of contract negotiation but will include, also, terminal Re-gasification, transportation charges as well as all other applicable local taxes. Price will be expressed and paid in PKR. For the avoidance of doubt, the final price will be subject to the agreement of the Buyer.
14.	Compliance with Laws	The Buyer and the Seller shall comply with all applicable laws, rules and regulations.
15.	Invoicing and Payments	<ol style="list-style-type: none"> 1. The Buyer shall pay for the Gas delivered or tendered for delivery at the Delivery Point in the manner set out in the GSA. 2. Terms and conditions in relation to invoicing and payment, including billing cycles shall be set out in the GSA.
16.	Taxes and Charges	<ol style="list-style-type: none"> 1. The Buyer shall pay, or cause to be paid, all applicable Taxes related to the sale of Gas and other sums in respect of Gas delivered or tendered for delivery under the GSA at the Delivery Point. 2. Each Party shall bear Taxes on its own income.
17.	Force Majeure	The GSA shall contain industry standard provisions for force majeure (including a definition of force majeure which shall include severe weather conditions) which would suspend obligations of the respective Party impacted by the force majeure, notice and reporting requirements, mitigation responsibility, consequences, termination and notice of cessation.

18.	Conditions Precedent	<p>The sale and purchase of Gas under the GSA shall be subject to certain conditions precedent, which shall include amongst others the following:</p> <ol style="list-style-type: none"> 1. The Seller and its Affiliates satisfactorily assuring themselves of clearance and acceptability of the Facilities as well as the use of Port Qasim for the delivery of LNG; 2. The Seller obtaining all relevant Consents to sell Gas in Pakistan; 3. The seller executing third party gas pipeline access and transportation agreements with SSGC & SNGPL, including necessary provisions covering balancing of Gas volumes with the Transporter using the Transporter's Facilities and provisions addressing unaccounted for gas (also known as UFG); 4. The Buyer obtaining all relevant Consents to buy Gas in Pakistan. <p>Detailed terms and conditions including relevant deadlines in relation to the conditions precedent shall be set out in the GSA subject to the agreement of the parties.</p>
19.	Miscellaneous provisions	<p>Subject to agreement on all terms of the GSA by the Parties, the Parties agree to reflect in the GSA in greater detail the key commercial terms and principles recorded in this HOA. For the avoidance of doubt, (a) nothing contained in this HOA is intended to give rise to any binding contractual relationship nor shall this HOA give rise to any right, obligation or liability on the part of either the Buyer or the Seller to enter into the GSA;</p> <p>(b) any such legally binding rights and obligations and consequent liabilities would arise only in the event of, and as a result of, the execution of a mutually acceptable GSA; and</p> <p>(c) Each party shall bear its own costs in connection with this HOA, the GSA and all matters contemplated by this HOA.</p>
20.	Confidentiality	<p>1) Each Party acknowledges that the Confidential Information is confidential and undertakes:</p> <ol style="list-style-type: none"> a) to use the Confidential Information solely for the purpose set out in this HOA; b) to keep the Confidential Information in strict confidence; c) not, without the prior written consent of the other Party, to disclose any Confidential Information furnished to it to any third party other than its Representatives or to its Affiliates who have a legitimate need to know such Confidential Information; d) before disclosing Confidential Information to any Affiliate or to its Representatives, to ensure that such person is aware of the discloser's obligations in this HOA, ensure compliance by such person and be liable for any breach of such obligations

- e) by such person; and
- e) as far as possible to keep separate all Confidential Information from all documents and other records of a Party.
- 2) The undertakings in Clause 25.1 shall not apply to any Confidential Information which:
 - a) at the time of disclosure to the recipient Party or thereafter has become part of public knowledge or literature without breach of any of the said undertakings by such Party;
 - b) the recipient Party can show was in its possession at the time of disclosure hereunder and was not acquired by such Party under an obligation of confidence; or
 - c) the recipient Party can show was received by it after the time of disclosure hereunder from a third party (other than one disclosing on behalf of the other Party or its Affiliates) who could lawfully do so and who did not derive the Confidential Information from the other Party or any of its Affiliates.

The foregoing exceptions shall not, however, apply to:

- (i) specific information merely because it is embraced by or included with other information which falls within any one or more of such exceptions; or
- (ii) any combination of information merely because specific information (but not the combination itself) falls within any one or more of such exceptions.
- 3) In the event that the recipient Party, its Affiliates, Representatives or other permitted recipients is required by an order of any government, state government agency or requested by any court or legislative or administrative body including any recognised stock exchange to disclose any Confidential Information, such Party shall, to the extent it is lawful to do so, promptly and prior to disclosure notify the disclosing Party so that an appropriate protective order and/or other action can be sought and/or other action can be taken if possible (and if it is not lawful to inform the disclosing party prior to disclosure, the recipient Party shall inform the disclosing Party as soon as it becomes lawful to do so). In the event that such protective order is not, or cannot be, obtained, then:
 - a) the Party subject to the disclosure requirement or request may disclose to the appropriate body that portion of the Confidential Information which such Party is legally required to disclose and shall use reasonable efforts to obtain assurances that confidential treatment will be accorded to such Confidential Information; and
 - b) the Party subject to the disclosure requirement or request shall not be liable for such disclosure unless such disclosure was caused by or resulted from a previous disclosure by such Party or its Affiliates or any of their Representatives that was not permitted under this HOA.
- 4) The Parties agree that, upon request by one Party, the other Party shall promptly:

		<p>a) return or, at the option of the requesting Party, destroy all Confidential Information that is in tangible form (including, without limitation, Confidential Information contained on computer disks or other electronic media) furnished to the other Party, together with any copies or extracts thereof; and</p> <p>b) destroy all analyses, compilations, studies or other documents which have been prepared by the other Party or permitted recipients and which reflect or are based upon any Confidential Information, except to the extent that the recipient Party is required to retain any Confidential Information by any applicable law, rule or regulation or by any judicial, governmental, supervisory or regulatory body or to the extent that such Confidential Information is incorporated into organisational records which such Party is required to retain by law or in accordance with internal policies regarding the keeping of records generally, in which case such Party will take appropriate measures to preserve its continuing confidentiality.</p>
21.	Governing Law and Dispute Resolution	This HOA shall be governed by and construed in accordance with Pakistani Law. Any dispute arising out of or in connection with this HOA, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration
22.	Duration of HOA	This HOA shall terminate either upon (a) the execution of the GSA by the Buyer and the Seller; or (b) the Parties discontinuing the discussions on the terms of the GSA, whichever comes earlier. (c) either party serving one Month Notice for terminating this Heads of Agreement.
23.	Conduct of Business	Both Parties will strictly adhere to the Codes, Practices and Conducts of Business Ethics (which shall be more specifically referenced in the GSA) including, but not limited to Anti-Bribery and Corruption and Sanctions policies.
24.	Notices	<p>1) All notices and other communications to be sent by either Party to the other shall be delivered by hand or sent by personal delivery or facsimile to the relevant Party's address or facsimile number noted below (or to such other address or facsimile number as a Party may substitute by notice to the other in accordance with this provision after the date of this HOA):</p> <p>To Buyer: Address: <i>Lawyabaad No: 2, HYD</i> Attention: <i>[insert] Mr. Javed Ali</i> Fax number: Email: <i>[insert] Ph: 0314-2482996</i></p> <p>To Seller: <i>Trafigura Pakistan (Pvt) Ltd</i> Address: <i>8th Floor, Bahria Complex – III, M.T. Khan Road</i> Attention: <i>Fadi Mitri</i> Fax number:</p>

		2) All notices or other communications under this HOA shall be deemed to be duly given or made on the next business day in the jurisdiction of receipt following the date of delivery or (in the case of personal delivery) or receipt by the sender of a valid transmission confirmation (in the case of facsimile).
25.	Counterparts	This HOA may be executed in any number of counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument.

The Parties hereto have executed this Heads of Agreement on the day and year first above written:

For and on behalf of

Trafigura Pakistani (Pvt) Ltd,

~~ABC~~

Signature:



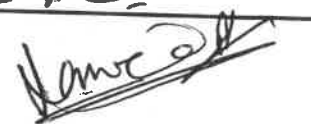
Name:
Title:

Mr. Fadi Mitri
CEO




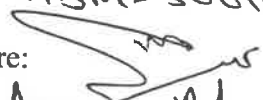
XYZ
CEO

JAVED ALI



Chaikeng Filling
Hyderabad

Witnesses:

- Signature: 
Name: MOHSIN ALI
Title: ABM-SOUTH
- Signature: 
Name: Ameer Ali
Title:

428



TRAFIGURA

TRAFIGURA PAKISTAN (PVT.) LTD.
 8TH FLOOR, BAHRIA COMPLEX – III, M.T. KHAN ROAD KARACHI

Dated on June 2018

Heads of Agreement for a Gas Sales Agreement

This is a non-binding Heads of Agreement (“HOA”) for the fully termed Gas Sales Agreement (“GSA”) between the Seller and the Buyer (defined in Clause 1 below).

The Seller is desirous to sell RLNG and has extended its support to the Buyer.

Clause	Term
<p>1. Parties</p>	<p>1. TRAFIGURA PAKISTAN (PRIVATE) LIMITED (or any of its group company), a company duly incorporated and existing under the laws of Pakistan under company number 010562, having its registered office at 8th Floor, Bahria Complex - III, M.T Khan Road, Karachi, Pakistan, represented herein by two duly-authorized directors (referred to as "Seller" which expression shall, unless repugnant to the context or meaning hereof, include its successors and permitted assigns and/or its subsidiary(ies)); and</p> <p>2. <i>Bata Dasti F/S & CNG</i>..... (referred to as "Buyer" which expression shall, unless repugnant to the context or meaning hereof, include its successors and permitted assigns).</p> <p>The Buyer and the Seller, each is hereinafter referred to as a “Party” and together as the “Parties”.</p> <p>The Seller intends to enter into gas sales agreements with the licensee of compressed natural gas station operated under the brand name of Puma Energy Pakistan and with other gas users across Pakistan, (“Buyer’s Customers’ Facility”).</p> <p>The Seller has already applied to obtain License for sale and distribution of Gas from OGRA.</p> <p>The Seller (or its affiliate) has acquired a minority equity stake in Pakistan Gas Port (PGPC) which gives Seller exclusive access to the extra regasification capacity, this is being 90 MMSCFD, available for 175 days per year.</p> <p>The Seller is willing to provide to the Buyer RLNG supply along</p>

TRAFIGURA PTE. LTD.

REGISTERED OFFICE: 1 MARINA BOULEVARD, #28-00, ONE MARINA BOULEVARD, SINGAPORE (018989)
 WWW.TRAFIGURA.COM
 REGISTERED NUMBER: 199601595D

		<p>with Regasification Services from Pakistan Gas Port Consortium (PGPC) for delivery of Regasified LNG through national gas pipeline grid at the delivery point of the buyers' CNG Station.</p> <p>AND WHEREAS, the parties have now come on board to form their alliance and/or business combination specific to LNG services and intend to lay out the principal terms and conditions of their cooperation;</p> <p>NOW, THEREFORE, in consideration of the mutual benefits and covenants contained herein, the parties hereby agree as follows (always subject to applicable laws and regulations):</p> <ol style="list-style-type: none"> 1) The Seller will make RLNG available to Buyer, Subject to final price discussion and agreement of suitable terms. 2) The Seller will use its own exclusive access to the regasification capacity at the PGPC FSRU terminal to provide regasification services for the LNG it will provide to The Buyer. 3) Consequently, the Seller has agreed to allocate RLNG supplies upto 5 MMSCF in a month to the Buyer on intermittent supply chain to be consumed on a monthly basis , with a potential ramp up to 8 MMSCF per month in the future subject to the Market dynamics and circumstances. 4) The deliveries of RLNG will have to be on delivered basis at the facilities of the Buyer, unless mutually agreed between parties.
2.	Start Date	<ol style="list-style-type: none"> 1) The start date of Gas sales ("Start Date") shall be the date when Seller shall deliver the first quantities of Gas and the Buyer shall take delivery and pay for the Gas so delivered. 2) The Parties expect the Start Date to fall after the Seller acquiring necessary approvals and licenses from the government and regulating authorities. 3) The Parties shall agree a windowing mechanism and conditions precedent in the GSA. Upon the fulfilment or waiver of all the conditions precedent therein, the Seller will provide notices to the Buyer within set time windows providing an estimate of the periods when the Seller expects the Start Date to occur as provided by the following: <ol style="list-style-type: none"> a) a written notice to be provided by [mm/yy] by the Seller for a 3 month period falling within the above 6 month period; b) a written notice to be provided by [mm/yy] by the Seller for a 1 month period falling within the above 3 month period; and c) finally, a written notice to be provided by [mm/yy] by the Seller for the actual Start Date falling within the

		above one month period, which will allow the Parties to progressively narrow down the Start Date.
3.	Term	The term of the HOA is currently envisaged to be 1 year from the Start Date (" Term ") and the Parties, by mutual agreement in writing, may agree extend the Term by an additional 1 year. The process by which mutual agreement can be reached between the Parties will be outlined in the GSA.
4.	General Undertakings	<ol style="list-style-type: none"> 1. The Buyer shall inform the Seller immediately upon becoming aware of any event or circumstance, which has or is reasonably likely to have a material adverse effect on the Buyer's ability to perform its obligations under the GSA. 2. The Buyer shall not contravene any laws or legal requirements which could reasonably be expected to have material adverse effect on its ability to perform its obligations under the GSA and or cause it to be in breach, in any material respect(s), of its obligations under the GSA. 3. The Seller shall inform the Buyer immediately upon becoming aware of any event or circumstance which has or is reasonably likely to have a material adverse effect on the Seller's ability to perform its obligations under the GSA. 4. The Seller shall not enter into any agreement and not contravene any laws or legal requirements which could reasonably be expected to have material adverse effect on its ability to perform its obligations under the GSA or cause it to be in breach, in any material respect(s), of its obligations under the GSA.
5.	Quantity of Gas	The total annual contract quantity (" ACQ ") of Gas to be sold by the Seller and to be purchased, taken and paid for by the Buyer at the Delivery Point in a Contract Fiscal Year shall be approximately 160 MMSCF per annum.
6.	Quality specifications of Gas	The terms and conditions in relation to quality specifications of Gas shall be set out in the GSA.
7.	Principles of Pricing of Gas	<p>In the GSA, the following principles will apply for determining the price at which an Affiliate of the Seller will sell and the Buyer will buy Gas respectively ("Contract Price"):</p> <ol style="list-style-type: none"> 1. The Contract Price for Gas delivered or tendered for delivery by the Seller to the Buyer shall be expressed in US Dollars per MMBtu (US\$/MMBtu); 2. The final price will have to be converted from USD into PKR 3. For avoidance of doubt, the price will be Brent-related and not a fixed price for the full term of the contract. 4. All references to MMBtu shall mean MMBtu on Gross Heating Value basis;

8.	Delivery obligations of the Seller	If, during a certain period, the Seller fails to deliver or tender for delivery certain quantities of Gas (the duration of such period and such quantities to be specified in the GSA) to the Buyer (except for reasons to be specified in the GSA), the Seller shall pay the Buyer an amount to be negotiated and specified in the GSA.
9.	Measurement	<ol style="list-style-type: none"> 1. The unit of measurement to quantify amounts of Gas in the GSA or in any document produced in accordance with the terms of the GSA. 2. The Parties shall agree provisions in the GSA for the location, standards and verification of measurement equipment, ownership of measurement equipment, the dispute resolution mechanism in case of variations in measurement and alternate provisions in case of a metering failure.
11.	Transportation of Gas	It is agreed that seller will have to make the RLNG/ Natural Gas available to the buyer at the entry point of the buyers' CNG station. The seller will use his allocation of pipeline access and his GTAs with SSGC & SNGPL to transport the RLNG into the buyer's CNG station.
12.	Title to Gas	Title to Gas delivered pursuant to the GSA shall pass from the Seller to the Buyer at the Delivery Point of CNG station.
13.	Price	The final price of the RLNG will be advised by Trafigura at the time of contract negotiation but will include, also, terminal Re-gasification, transportation charges as well as all other applicable local taxes. Price will be expressed and paid in PKR. For the avoidance of doubt, the final price will be subject to the agreement of the Buyer.
14.	Compliance with Laws	The Buyer and the Seller shall comply with all applicable laws, rules and regulations.
15.	Invoicing and Payments	<ol style="list-style-type: none"> 1. The Buyer shall pay for the Gas delivered or tendered for delivery at the Delivery Point in the manner set out in the GSA. 2. Terms and conditions in relation to invoicing and payment, including billing cycles shall be set out in the GSA.
16.	Taxes and Charges	<ol style="list-style-type: none"> 1. The Buyer shall pay, or cause to be paid, all applicable Taxes related to the sale of Gas and other sums in respect of Gas delivered or tendered for delivery under the GSA at the Delivery Point. 2. Each Party shall bear Taxes on its own income.
17.	Force Majeure	The GSA shall contain industry standard provisions for force majeure (including a definition of force majeure which shall include severe weather conditions) which would suspend obligations of the respective Party impacted by the force majeure, notice and reporting requirements, mitigation responsibility, consequences, termination and notice of cessation.

18.	Conditions Precedent	<p>The sale and purchase of Gas under the GSA shall be subject to certain conditions precedent, which shall include amongst others the following:</p> <ol style="list-style-type: none"> 1. The Seller and its Affiliates satisfactorily assuring themselves of clearance and acceptability of the Facilities as well as the use of Port Qasim for the delivery of LNG; 2. The Seller obtaining all relevant Consents to sell Gas in Pakistan; 3. The seller executing third party gas pipeline access and transportation agreements with SSGC & SNGPL, including necessary provisions covering balancing of Gas volumes with the Transporter using the Transporter's Facilities and provisions addressing unaccounted for gas (also known as UFG); 4. The Buyer obtaining all relevant Consents to buy Gas in Pakistan. <p>Detailed terms and conditions including relevant deadlines in relation to the conditions precedent shall be set out in the GSA subject to the agreement of the parties.</p>
19.	Miscellaneous provisions	<p>Subject to agreement on all terms of the GSA by the Parties, the Parties agree to reflect in the GSA in greater detail the key commercial terms and principles recorded in this HOA. For the avoidance of doubt, (a) nothing contained in this HOA is intended to give rise to any binding contractual relationship nor shall this HOA give rise to any right, obligation or liability on the part of either the Buyer or the Seller to enter into the GSA;</p> <p>(b) any such legally binding rights and obligations and consequent liabilities would arise only in the event of, and as a result of, the execution of a mutually acceptable GSA; and</p> <p>(c) Each party shall bear its own costs in connection with this HOA, the GSA and all matters contemplated by this HOA.</p>
20.	Confidentiality	<ol style="list-style-type: none"> 1) Each Party acknowledges that the Confidential Information is confidential and undertakes: <ol style="list-style-type: none"> a) to use the Confidential Information solely for the purpose set out in this HOA; b) to keep the Confidential Information in strict confidence; c) not, without the prior written consent of the other Party, to disclose any Confidential Information furnished to it to any third party other than its Representatives or to its Affiliates who have a legitimate need to know such Confidential Information; d) before disclosing Confidential Information to any Affiliate or to its Representatives, to ensure that such person is aware of the discloser's obligations in this HOA, ensure compliance by such person and be liable for any breach of such obligations

- e) by such person; and
- e) as far as possible to keep separate all Confidential Information from all documents and other records of a Party.
- 2) The undertakings in Clause 25.1 shall not apply to any Confidential Information which:
 - a) at the time of disclosure to the recipient Party or thereafter has become part of public knowledge or literature without breach of any of the said undertakings by such Party;
 - b) the recipient Party can show was in its possession at the time of disclosure hereunder and was not acquired by such Party under an obligation of confidence; or
 - c) the recipient Party can show was received by it after the time of disclosure hereunder from a third party (other than one disclosing on behalf of the other Party or its Affiliates) who could lawfully do so and who did not derive the Confidential Information from the other Party or any of its Affiliates.

The foregoing exceptions shall not, however, apply to:

- (i) specific information merely because it is embraced by or included with other information which falls within any one or more of such exceptions; or
- (ii) any combination of information merely because specific information (but not the combination itself) falls within any one or more of such exceptions.

- 3) In the event that the recipient Party, its Affiliates, Representatives or other permitted recipients is required by an order of any government, state government agency or requested by any court or legislative or administrative body including any recognised stock exchange to disclose any Confidential Information, such Party shall, to the extent it is lawful to do so, promptly and prior to disclosure notify the disclosing Party so that an appropriate protective order and/or other action can be sought and/or other action can be taken if possible (and if it is not lawful to inform the disclosing party prior to disclosure, the recipient Party shall inform the disclosing Party as soon as it becomes lawful to do so). In the event that such protective order is not, or cannot be, obtained, then:
 - a) the Party subject to the disclosure requirement or request may disclose to the appropriate body that portion of the Confidential Information which such Party is legally required to disclose and shall use reasonable efforts to obtain assurances that confidential treatment will be accorded to such Confidential Information; and
 - b) the Party subject to the disclosure requirement or request shall not be liable for such disclosure unless such disclosure was caused by or resulted from a previous disclosure by such Party or its Affiliates or any of their Representatives that was not permitted under this HOA.
- 4) The Parties agree that, upon request by one Party, the other Party shall promptly:

		<p>a) return or, at the option of the requesting Party, destroy all Confidential Information that is in tangible form (including, without limitation, Confidential Information contained on computer disks or other electronic media) furnished to the other Party, together with any copies or extracts thereof; and</p> <p>b) destroy all analyses, compilations, studies or other documents which have been prepared by the other Party or permitted recipients and which reflect or are based upon any Confidential Information, except to the extent that the recipient Party is required to retain any Confidential Information by any applicable law, rule or regulation or by any judicial, governmental, supervisory or regulatory body or to the extent that such Confidential Information is incorporated into organisational records which such Party is required to retain by law or in accordance with internal policies regarding the keeping of records generally, in which case such Party will take appropriate measures to preserve its continuing confidentiality.</p>
21.	Governing Law and Dispute Resolution	This HOA shall be governed by and construed in accordance with Pakistani Law. Any dispute arising out of or in connection with this HOA, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration
22.	Duration of HOA	This HOA shall terminate either upon (a) the execution of the GSA by the Buyer and the Seller; or (b) the Parties discontinuing the discussions on the terms of the GSA, whichever comes earlier. (c) either party serving one Month Notice for terminating this Heads of Agreement.
23.	Conduct of Business	Both Parties will strictly adhere to the Codes, Practices and Conducts of Business Ethics (which shall be more specifically referenced in the GSA) including, but not limited to Anti-Bribery and Corruption and Sanctions policies.
24.	Notices	<p>1) All notices and other communications to be sent by either Party to the other shall be delivered by hand or sent by personal delivery or facsimile to the relevant Party's address or facsimile number noted below (or to such other address or facsimile number as a Party may substitute by notice to the other in accordance with this provision after the date of this HOA):</p> <p>To Buyer: <i>Bara Dabi CNG & F/S</i> Address: <i>G.T Road Bypass Gujrat.</i> Attention: [insert] <i>Ch. Sogheer</i> • <i>03216218646</i> Fax number: [insert] Email: [insert]</p> <p>To Seller: <i>Trafigura Pakistan (Pvt) Ltd</i> Address: <i>8th Floor, Bahria Complex – III, M.T. Khan Road</i> Attention: <i>Fadi Mitri</i> Fax number:</p>

		2) All notices or other communications under this HOA shall be deemed to be duly given or made on the next business day in the jurisdiction of receipt following the date of delivery or (in the case of personal delivery) or receipt by the sender of a valid transmission confirmation (in the case of facsimile).
25.	Counterparts	This HOA may be executed in any number of counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument.

The Parties hereto have executed this Heads of Agreement on the day and year first above written:

For and on behalf of

Trafigura Pakistani (Pvt) Ltd,

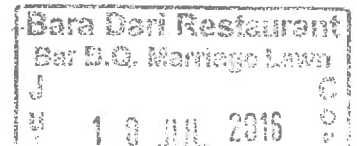
Signature:

Name:
Title:

Mr. Fadi Mitri
CEO



~~Signature~~
CEO



Raza

Witnesses:

1. Signature:
Name: M. Fahim
Title: ABM.

2. Signature:
Name: Amer Ahi
Title:



TRAFIGURA PAKISTAN (PVT.) LTD.
 8TH FLOOR, BAHRIA COMPLEX – III, M.T. KHAN ROAD KARACHI

Dated on July 06, 2018

Heads of Agreement for a Gas Sales Agreement

This is a non-binding Heads of Agreement (“HOA”) for the fully termed Gas Sales Agreement (“GSA”) between the Seller and the Buyer (defined in Clause 1 below).

The Seller is desirous to sell RLNG and has extended its support to the Buyer.

Clause	Parties	Term
1.		<p>1. TRAFIGURA PAKISTAN (PRIVATE) LIMITED (or any of its group company), a company duly incorporated and existing under the laws of Pakistan under company number 010562, having its registered office at 8th Floor, Bahria Complex - III, M.T Khan Road, Karachi, Pakistan, represented herein by two duly-authorized directors (referred to as "Seller" which expression shall, unless repugnant to the context or meaning hereof, include its successors and permitted assigns and/or its subsidiary(ies)); and</p> <p>2.<i>Bismillah CNG (Rawat)</i>..... (referred to as "Buyer" which expression shall, unless repugnant to the context or meaning hereof, include its successors and permitted assigns).</p> <p>The Buyer and the Seller, each is hereinafter referred to as a “Party” and together as the “Parties”.</p> <p>The Seller intends to enter into gas sales agreements with the licensee of compressed natural gas station operated under the brand name of Puma Energy Pakistan and with other gas users across Pakistan, (“Buyer’s Customers’ Facility”).</p> <p>The Seller has already applied to obtain License for sale and distribution of Gas from OGRA.</p> <p>The Seller (or its affiliate) has acquired a minority equity stake in Pakistan Gas Port (PGPC) which gives Seller exclusive access to the extra regasification capacity, this is being 90 MMSCFD, available for 175 days per year.</p> <p>The Seller is willing to provide to the Buyer RLNG supply along</p>

		<p>with Regasification Services from Pakistan Gas Port Consortium (PGPC) for delivery of Regasified LNG through national gas pipeline grid at the delivery point of the buyers' CNG Station.</p> <p>AND WHEREAS, the parties have now come on board to form their alliance and/or business combination specific to LNG services and intend to lay out the principal terms and conditions of their cooperation;</p> <p>NOW, THEREFORE, in consideration of the mutual benefits and covenants contained herein, the parties hereby agree as follows (always subject to applicable laws and regulations):</p> <ol style="list-style-type: none"> 1) The Seller will make RLNG available to Buyer, Subject to final price discussion and agreement of suitable terms. 2) The Seller will use its own exclusive access to the regasification capacity at the PGPC FSRU terminal to provide regasification services for the LNG it will provide to The Buyer. 3) Consequently, the Seller has agreed to allocate RLNG supplies upto 5 MMSCF in a month to the Buyer on intermittent supply chain to be consumed on a monthly basis , with a potential ramp up to 8 MMSCF per month in the future subject to the Market dynamics and circumstances. 4) The deliveries of RLNG will have to be on delivered basis at the facilities of the Buyer, unless mutually agreed between parties.
2.	Start Date	<ol style="list-style-type: none"> 1) The start date of Gas sales ("Start Date") shall be the date when Seller shall deliver the first quantities of Gas and the Buyer shall take delivery and pay for the Gas so delivered. 2) The Parties expect the Start Date to fall after the Seller acquiring necessary approvals and licenses from the government and regulating authorities. 3) The Parties shall agree a windowing mechanism and conditions precedent in the GSA. Upon the fulfilment or waiver of all the conditions precedent therein, the Seller will provide notices to the Buyer within set time windows providing an estimate of the periods when the Seller expects the Start Date to occur as provided by the following: <ol style="list-style-type: none"> a) a written notice to be provided by [] by the Seller for a 3 month period falling within the above 6 month period; b) a written notice to be provided by [] by the Seller for a 1 month period falling within the above 3 month period; and c) finally, a written notice to be provided by [] by the Seller for the actual Start Date falling within the

		above one month period, which will allow the Parties to progressively narrow down the Start Date.
3.	Term	The term of the HOA is currently envisaged to be 1 year from the Start Date ("Term") and the Parties, by mutual agreement in writing, may agree extend the Term by an additional 1 year. The process by which mutual agreement can be reached between the Parties will be outlined in the GSA.
4.	General Undertakings	<ol style="list-style-type: none"> 1. The Buyer shall inform the Seller immediately upon becoming aware of any event or circumstance, which has or is reasonably likely to have a material adverse effect on the Buyer's ability to perform its obligations under the GSA. 2. The Buyer shall not contravene any laws or legal requirements which could reasonably be expected to have material adverse effect on its ability to perform its obligations under the GSA and or cause it to be in breach, in any material respect(s), of its obligations under the GSA. 3. The Seller shall inform the Buyer immediately upon becoming aware of any event or circumstance which has or is reasonably likely to have a material adverse effect on the Seller's ability to perform its obligations under the GSA. 4. The Seller shall not enter into any agreement and not contravene any laws or legal requirements which could reasonably be expected to have material adverse effect on its ability to perform its obligations under the GSA or cause it to be in breach, in any material respect(s), of its obligations under the GSA.
5.	Quantity of Gas	The total annual contract quantity ("ACQ") of Gas to be sold by the Seller and to be purchased, taken and paid for by the Buyer at the Delivery Point in a Contract Fiscal Year shall be approximately 160 MMSCF per annum.
6.	Quality specifications of Gas	The terms and conditions in relation to quality specifications of Gas shall be set out in the GSA.
7.	Principles of Pricing of Gas	<p>In the GSA, the following principles will apply for determining the price at which an Affiliate of the Seller will sell and the Buyer will buy Gas respectively ("Contract Price"):</p> <ol style="list-style-type: none"> 1. The Contract Price for Gas delivered or tendered for delivery by the Seller to the Buyer shall be expressed in US Dollars per MMBtu (US\$/MMBtu); 2. The final price will have to be converted from USD into PKR 3. For avoidance of doubt, the price will be Brent-related and not a fixed price for the full term of the contract. 4. All references to MMBtu shall mean MMBtu on Gross Heating Value basis;

8.	Delivery obligations of the Seller	If, during a certain period, the Seller fails to deliver or tender for delivery certain quantities of Gas (the duration of such period and such quantities to be specified in the GSA) to the Buyer (except for reasons to be specified in the GSA), the Seller shall pay the Buyer an amount to be negotiated and specified in the GSA.
9.	Measurement	<ol style="list-style-type: none"> 1. The unit of measurement to quantify amounts of Gas in the GSA or in any document produced in accordance with the terms of the GSA. 2. The Parties shall agree provisions in the GSA for the location, standards and verification of measurement equipment, ownership of measurement equipment, the dispute resolution mechanism in case of variations in measurement and alternate provisions in case of a metering failure.
11.	Transportation of Gas	It is agreed that seller will have to make the RLNG/ Natural Gas available to the buyer at the entry point of the buyers' CNG station. The seller will use his allocation of pipeline access and his GTAs with SSGC & SNGPL to transport the RLNG into the buyer's CNG station.
12.	Title to Gas	Title to Gas delivered pursuant to the GSA shall pass from the Seller to the Buyer at the Delivery Point of CNG station.
13.	Price	The final price of the RLNG will be advised by Trafigura at the time of contract negotiation but will include, also, terminal Re-gasification, transportation charges as well as all other applicable local taxes. Price will be expressed and paid in PKR. For the avoidance of doubt, the final price will be subject to the agreement of the Buyer.
14.	Compliance with Laws	The Buyer and the Seller shall comply with all applicable laws, rules and regulations.
15.	Invoicing and Payments	<ol style="list-style-type: none"> 1. The Buyer shall pay for the Gas delivered or tendered for delivery at the Delivery Point in the manner set out in the GSA. 2. Terms and conditions in relation to invoicing and payment, including billing cycles shall be set out in the GSA.
16.	Taxes and Charges	<ol style="list-style-type: none"> 1. The Buyer shall pay, or cause to be paid, all applicable Taxes related to the sale of Gas and other sums in respect of Gas delivered or tendered for delivery under the GSA at the Delivery Point. 2. Each Party shall bear Taxes on its own income.
17.	Force Majeure	The GSA shall contain industry standard provisions for force majeure (including a definition of force majeure which shall include severe weather conditions) which would suspend obligations of the respective Party impacted by the force majeure, notice and reporting requirements, mitigation responsibility, consequences, termination and notice of cessation.

18.	Conditions Precedent	<p>The sale and purchase of Gas under the GSA shall be subject to certain conditions precedent, which shall include amongst others the following:</p> <ol style="list-style-type: none"> 1. The Seller and its Affiliates satisfactorily assuring themselves of clearance and acceptability of the Facilities as well as the use of Port Qasim for the delivery of LNG; 2. The Seller obtaining all relevant Consents to sell Gas in Pakistan; 3. The seller executing third party gas pipeline access and transportation agreements with SSGC & SNGPL, including necessary provisions covering balancing of Gas volumes with the Transporter using the Transporter's Facilities and provisions addressing unaccounted for gas (also known as UFG); 4. The Buyer obtaining all relevant Consents to buy Gas in Pakistan. <p>Detailed terms and conditions including relevant deadlines in relation to the conditions precedent shall be set out in the GSA subject to the agreement of the parties.</p>
19.	Miscellaneous provisions	<p>Subject to agreement on all terms of the GSA by the Parties, the Parties agree to reflect in the GSA in greater detail the key commercial terms and principles recorded in this HOA. For the avoidance of doubt, (a) nothing contained in this HOA is intended to give rise to any binding contractual relationship nor shall this HOA give rise to any right, obligation or liability on the part of either the Buyer or the Seller to enter into the GSA;</p> <p>(b) any such legally binding rights and obligations and consequent liabilities would arise only in the event of, and as a result of, the execution of a mutually acceptable GSA; and</p> <p>(c) Each party shall bear its own costs in connection with this HOA, the GSA and all matters contemplated by this HOA.</p>
20.	Confidentiality	<ol style="list-style-type: none"> 1) Each Party acknowledges that the Confidential Information is confidential and undertakes: <ol style="list-style-type: none"> a) to use the Confidential Information solely for the purpose set out in this HOA; b) to keep the Confidential Information in strict confidence; c) not, without the prior written consent of the other Party, to disclose any Confidential Information furnished to it to any third party other than its Representatives or to its Affiliates who have a legitimate need to know such Confidential Information; d) before disclosing Confidential Information to any Affiliate or to its Representatives, to ensure that such person is aware of the discloser's obligations in this HOA, ensure compliance by such person and be liable for any breach of such obligations

by such person; and

e) as far as possible to keep separate all Confidential Information from all documents and other records of a Party.

2) The undertakings in Clause 25.1 shall not apply to any Confidential Information which:

a) at the time of disclosure to the recipient Party or thereafter has become part of public knowledge or literature without breach of any of the said undertakings by such Party;

b) the recipient Party can show was in its possession at the time of disclosure hereunder and was not acquired by such Party under an obligation of confidence; or

c) the recipient Party can show was received by it after the time of disclosure hereunder from a third party (other than one disclosing on behalf of the other Party or its Affiliates) who could lawfully do so and who did not derive the Confidential Information from the other Party or any of its Affiliates.

The foregoing exceptions shall not, however, apply to:

(i) specific information merely because it is embraced by or included with other information which falls within any one or more of such exceptions; or

(ii) any combination of information merely because specific information (but not the combination itself) falls within any one or more of such exceptions.

3) In the event that the recipient Party, its Affiliates, Representatives or other permitted recipients is required by an order of any government, state government agency or requested by any court or legislative or administrative body including any recognised stock exchange to disclose any Confidential Information, such Party shall, to the extent it is lawful to do so, promptly and prior to disclosure notify the disclosing Party so that an appropriate protective order and/or other action can be sought and/or other action can be taken if possible (and if it is not lawful to inform the disclosing party prior to disclosure, the recipient Party shall inform the disclosing Party as soon as it becomes lawful to do so). In the event that such protective order is not, or cannot be, obtained, then:

a) the Party subject to the disclosure requirement or request may disclose to the appropriate body that portion of the Confidential Information which such Party is legally required to disclose and shall use reasonable efforts to obtain assurances that confidential treatment will be accorded to such Confidential Information; and

b) the Party subject to the disclosure requirement or request shall not be liable for such disclosure unless such disclosure was caused by or resulted from a previous disclosure by such Party or its Affiliates or any of their Representatives that was not permitted under this HOA.

4) The Parties agree that, upon request by one Party, the other Party shall promptly:

		<p>a) return or, at the option of the requesting Party, destroy all Confidential Information that is in tangible form (including, without limitation, Confidential Information contained on computer disks or other electronic media) furnished to the other Party, together with any copies or extracts thereof; and</p> <p>b) destroy all analyses, compilations, studies or other documents which have been prepared by the other Party or permitted recipients and which reflect or are based upon any Confidential Information, except to the extent that the recipient Party is required to retain any Confidential Information by any applicable law, rule or regulation or by any judicial, governmental, supervisory or regulatory body or to the extent that such Confidential Information is incorporated into organisational records which such Party is required to retain by law or in accordance with internal policies regarding the keeping of records generally, in which case such Party will take appropriate measures to preserve its continuing confidentiality.</p>
21.	Governing Law and Dispute Resolution	This HOA shall be governed by and construed in accordance with Pakistani Law. Any dispute arising out of or in connection with this HOA, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration
22.	Duration of HOA	This HOA shall terminate either upon (a) the execution of the GSA by the Buyer and the Seller; or (b) the Parties discontinuing the discussions on the terms of the GSA, whichever comes earlier. (c) either party serving one Month Notice for terminating this Heads of Agreement.
23.	Conduct of Business	Both Parties will strictly adhere to the Codes, Practices and Conducts of Business Ethics (which shall be more specifically referenced in the GSA) including, but not limited to Anti-Bribery and Corruption and Sanctions policies.
24.	Notices	<p>1) All notices and other communications to be sent by either Party to the other shall be delivered by hand or sent by personal delivery or facsimile to the relevant Party's address or facsimile number noted below (or to such other address or facsimile number as a Party may substitute by notice to the other in accordance with this provision after the date of this HOA):</p> <p>To Buyer: <i>Bismillah CNG & Filling Station</i> Address: <i>Rawat Rawalpindi</i> Attention: <i>Miss. Shakeen Mehmood</i> Fax number: _____ Email: _____</p> <p>To Seller: <i>Trafigura Pakistan (Pvt) Ltd</i> Address: <i>8th Floor, Bahria Complex – III, M.T. Khan Road</i> Attention: <i>Fadi Mitri</i> Fax number: _____</p>

		2) All notices or other communications under this HOA shall be deemed to be duly given or made on the next business day in the jurisdiction of receipt following the date of delivery or (in the case of personal delivery) or receipt by the sender of a valid transmission confirmation (in the case of facsimile).
25.	Counterparts	This HOA may be executed in any number of counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument.

The Parties hereto have executed this Heads of Agreement on the day and year first above written:

For and on behalf of

Trafigura Pakistan (Pvt) Ltd,

Signature:

Name:
Title:

[Handwritten Signature]

Mr. Fadi Mitri
CEO



BISMILLAH CNG & FILLING STATION
Near Rawat Telephone Exchange
P.O Rawat Teh. & Distt. Islamabad
Kallar Saydan Road, Rawat

[Handwritten Signature]

CEO

Witnesses:

- Signature: *[Handwritten Signature]*
Name: Meer Saifullah
Title: ABM
- Signature: *[Handwritten Signature]*
Name: *[Handwritten Name]*
Title: *[Handwritten Title]*



TRAFIGURA

TRAFIGURA PAKISTAN (PVT.) LTD.
8TH FLOOR, BAHRIA COMPLEX – III, M.T. KHAN ROAD KARACHI

Dated on June ~~12~~³⁰ 2018

Heads of Agreement for a Gas Sales Agreement

This is a non-binding Heads of Agreement (“HOA”) for the fully termed Gas Sales Agreement (“GSA”) between the Seller and the Buyer (defined in Clause 1 below).

The Seller is desirous to sell RLNG and has extended its support to the Buyer.

Clause	Term
1. Parties	<p>1. TRAFIGURA PAKISTAN (PRIVATE) LIMITED (or any of its group company), a company duly incorporated and existing under the laws of Pakistan under company number 010562, having its registered office at 8th Floor, Bahria Complex - III, M.T Khan Road, Karachi, Pakistan, represented herein by two duly-authorized directors (referred to as “Seller” which expression shall, unless repugnant to the context or meaning hereof, include its successors and permitted assigns and/or its subsidiary(ies)); and</p> <p>2. <i>AL Naseer CNG & F/S</i>(referred to as “Buyer” which expression shall, unless repugnant to the context or meaning hereof, include its successors and permitted assigns).</p> <p>The Buyer and the Seller, each is hereinafter referred to as a “Party” and together as the “Parties”.</p> <p>The Seller intends to enter into gas sales agreements with the licensee of compressed natural gas station operated under the brand name of Puma Energy Pakistan and with other gas users across Pakistan, (“Buyer’s Customers’ Facility”).</p> <p>The Seller has already applied to obtain License for sale and distribution of Gas from OGRA.</p> <p>The Seller (or its affiliate) has acquired a minority equity stake in Pakistan Gas Port (PGPC) which gives Seller exclusive access to the extra regasification capacity, this is being 90 MMSCFD, available for 175 days per year.</p> <p>The Seller is willing to provide to the Buyer RLNG supply along</p>

TRAFIGURA PTE. LTD.

REGISTERED OFFICE: 1 MARINA BOULEVARD, #28-00, ONE MARINA BOULEVARD, SINGAPORE (018989)

WWW.TRAFIGURA.COM

REGISTERED NUMBER: 199601595D

		<p>with Regasification Services from Pakistan Gas Port Consortium (PGPC) for delivery of Regasified LNG through national gas pipeline grid at the delivery point of the buyers' CNG Station.</p> <p>AND WHEREAS, the parties have now come on board to form their alliance and/or business combination specific to LNG services and intend to lay out the principal terms and conditions of their cooperation;</p> <p>NOW, THEREFORE, in consideration of the mutual benefits and covenants contained herein, the parties hereby agree as follows (always subject to applicable laws and regulations):</p> <ol style="list-style-type: none"> 1) The Seller will make RLNG available to Buyer, Subject to final price discussion and agreement of suitable terms. 2) The Seller will use its own exclusive access to the regasification capacity at the PGPC FSRU terminal to provide regasification services for the LNG it will provide to The Buyer. 3) Consequently, the Seller has agreed to allocate RLNG supplies upto 5 MMSCF in a month to the Buyer on intermittent supply chain to be consumed on a monthly basis , with a potential ramp up to 8 MMSCF per month in the future subject to the Market dynamics and circumstances. 4) The deliveries of RLNG will have to be on delivered basis at the facilities of the Buyer, unless mutually agreed between parties.
<p>2.</p>	<p>Start Date</p>	<ol style="list-style-type: none"> 1) The start date of Gas sales ("Start Date") shall be the date when Seller shall deliver the first quantities of Gas and the Buyer shall take delivery and pay for the Gas so delivered. 2) The Parties expect the Start Date to fall after the Seller acquiring necessary approvals and licenses from the government and regulating authorities. 3) The Parties shall agree a windowing mechanism and conditions precedent in the GSA. Upon the fulfilment or waiver of all the conditions precedent therein, the Seller will provide notices to the Buyer within set time windows providing an estimate of the periods when the Seller expects the Start Date to occur as provided by the following: <ol style="list-style-type: none"> a) a written notice to be provided by [mm/yy] by the Seller for a 3 month period falling within the above 6 month period; b) a written notice to be provided by [mm/yy] by the Seller for a 1 month period falling within the above 3 month period; and c) finally, a written notice to be provided by [mm/yy] by the Seller for the actual Start Date falling within the

		above one month period, which will allow the Parties to progressively narrow down the Start Date.
3.	Term	The term of the HOA is currently envisaged to be 1 year from the Start Date (" Term ") and the Parties, by mutual agreement in writing, may agree extend the Term by an additional 1 year. The process by which mutual agreement can be reached between the Parties will be outlined in the GSA.
4.	General Undertakings	<ol style="list-style-type: none"> 1. The Buyer shall inform the Seller immediately upon becoming aware of any event or circumstance, which has or is reasonably likely to have a material adverse effect on the Buyer's ability to perform its obligations under the GSA. 2. The Buyer shall not contravene any laws or legal requirements which could reasonably be expected to have material adverse effect on its ability to perform its obligations under the GSA and or cause it to be in breach, in any material respect(s), of its obligations under the GSA. 3. The Seller shall inform the Buyer immediately upon becoming aware of any event or circumstance which has or is reasonably likely to have a material adverse effect on the Seller's ability to perform its obligations under the GSA. 4. The Seller shall not enter into any agreement and not contravene any laws or legal requirements which could reasonably be expected to have material adverse effect on its ability to perform its obligations under the GSA or cause it to be in breach, in any material respect(s), of its obligations under the GSA.
5.	Quantity of Gas	The total annual contract quantity (" ACQ ") of Gas to be sold by the Seller and to be purchased, taken and paid for by the Buyer at the Delivery Point in a Contract Fiscal Year shall be approximately 160 MMSCF per annum.
6.	Quality specifications of Gas	The terms and conditions in relation to quality specifications of Gas shall be set out in the GSA.
7.	Principles of Pricing of Gas	<p>In the GSA, the following principles will apply for determining the price at which an Affiliate of the Seller will sell and the Buyer will buy Gas respectively ("Contract Price"):</p> <ol style="list-style-type: none"> 1. The Contract Price for Gas delivered or tendered for delivery by the Seller to the Buyer shall be expressed in US Dollars per MMBtu (US\$/MMBtu); 2. The final price will have to be converted from USD into PKR 3. For avoidance of doubt, the price will be Brent-related and not a fixed price for the full term of the contract. 4. All references to MMBtu shall mean MMBtu on Gross Heating Value basis;

8.	Delivery obligations of the Seller	If, during a certain period, the Seller fails to deliver or tender for delivery certain quantities of Gas (the duration of such period and such quantities to be specified in the GSA) to the Buyer (except for reasons to be specified in the GSA), the Seller shall pay the Buyer an amount to be negotiated and specified in the GSA.
9.	Measurement	<ol style="list-style-type: none"> 1. The unit of measurement to quantify amounts of Gas in the GSA or in any document produced in accordance with the terms of the GSA. 2. The Parties shall agree provisions in the GSA for the location, standards and verification of measurement equipment, ownership of measurement equipment, the dispute resolution mechanism in case of variations in measurement and alternate provisions in case of a metering failure.
11.	Transportation of Gas	It is agreed that seller will have to make the RLNG/ Natural Gas available to the buyer at the entry point of the buyers' CNG station. The seller will use his allocation of pipeline access and his GTAs with SSGC & SNGPL to transport the RLNG into the buyer's CNG station.
12.	Title to Gas	Title to Gas delivered pursuant to the GSA shall pass from the Seller to the Buyer at the Delivery Point of CNG station.
13.	Price	The final price of the RLNG will be advised by Trafigura at the time of contract negotiation but will include, also, terminal Re-gasification, transportation charges as well as all other applicable local taxes. Price will be expressed and paid in PKR. For the avoidance of doubt, the final price will be subject to the agreement of the Buyer.
14.	Compliance with Laws	The Buyer and the Seller shall comply with all applicable laws, rules and regulations.
15.	Invoicing and Payments	<ol style="list-style-type: none"> 1. The Buyer shall pay for the Gas delivered or tendered for delivery at the Delivery Point in the manner set out in the GSA. 2. Terms and conditions in relation to invoicing and payment, including billing cycles shall be set out in the GSA.
16.	Taxes and Charges	<ol style="list-style-type: none"> 1. The Buyer shall pay, or cause to be paid, all applicable Taxes related to the sale of Gas and other sums in respect of Gas delivered or tendered for delivery under the GSA at the Delivery Point. 2. Each Party shall bear Taxes on its own income.
17.	Force Majeure	The GSA shall contain industry standard provisions for force majeure (including a definition of force majeure which shall include severe weather conditions) which would suspend obligations of the respective Party impacted by the force majeure, notice and reporting requirements, mitigation responsibility, consequences, termination and notice of cessation.

18.	Conditions Precedent	<p>The sale and purchase of Gas under the GSA shall be subject to certain conditions precedent, which shall include amongst others the following:</p> <ol style="list-style-type: none"> 1. The Seller and its Affiliates satisfactorily assuring themselves of clearance and acceptability of the Facilities as well as the use of Port Qasim for the delivery of LNG; 2. The Seller obtaining all relevant Consents to sell Gas in Pakistan; 3. The seller executing third party gas pipeline access and transportation agreements with SSGC & SNGPL, including necessary provisions covering balancing of Gas volumes with the Transporter using the Transporter's Facilities and provisions addressing unaccounted for gas (also known as UFG); 4. The Buyer obtaining all relevant Consents to buy Gas in Pakistan. <p>Detailed terms and conditions including relevant deadlines in relation to the conditions precedent shall be set out in the GSA subject to the agreement of the parties.</p>
19.	Miscellaneous provisions	<p>Subject to agreement on all terms of the GSA by the Parties, the Parties agree to reflect in the GSA in greater detail the key commercial terms and principles recorded in this HOA. For the avoidance of doubt, (a) nothing contained in this HOA is intended to give rise to any binding contractual relationship nor shall this HOA give rise to any right, obligation or liability on the part of either the Buyer or the Seller to enter into the GSA;</p> <p>(b) any such legally binding rights and obligations and consequent liabilities would arise only in the event of, and as a result of, the execution of a mutually acceptable GSA; and</p> <p>(c) Each party shall bear its own costs in connection with this HOA, the GSA and all matters contemplated by this HOA.</p>
20.	Confidentiality	<p>1) Each Party acknowledges that the Confidential Information is confidential and undertakes:</p> <ol style="list-style-type: none"> a) to use the Confidential Information solely for the purpose set out in this HOA; b) to keep the Confidential Information in strict confidence; c) not, without the prior written consent of the other Party, to disclose any Confidential Information furnished to it to any third party other than its Representatives or to its Affiliates who have a legitimate need to know such Confidential Information; d) before disclosing Confidential Information to any Affiliate or to its Representatives, to ensure that such person is aware of the discloser's obligations in this HOA, ensure compliance by such person and be liable for any breach of such obligations

- by such person; and
 - e) as far as possible to keep separate all Confidential Information from all documents and other records of a Party.
- 2) The undertakings in Clause 25.1 shall not apply to any Confidential Information which:
- a) at the time of disclosure to the recipient Party or thereafter has become part of public knowledge or literature without breach of any of the said undertakings by such Party;
 - b) the recipient Party can show was in its possession at the time of disclosure hereunder and was not acquired by such Party under an obligation of confidence; or
 - c) the recipient Party can show was received by it after the time of disclosure hereunder from a third party (other than one disclosing on behalf of the other Party or its Affiliates) who could lawfully do so and who did not derive the Confidential Information from the other Party or any of its Affiliates.

The foregoing exceptions shall not, however, apply to:

- (i) specific information merely because it is embraced by or included with other information which falls within any one or more of such exceptions; or
 - (ii) any combination of information merely because specific information (but not the combination itself) falls within any one or more of such exceptions.
- 3) In the event that the recipient Party, its Affiliates, Representatives or other permitted recipients is required by an order of any government, state government agency or requested by any court or legislative or administrative body including any recognised stock exchange to disclose any Confidential Information, such Party shall, to the extent it is lawful to do so, promptly and prior to disclosure notify the disclosing Party so that an appropriate protective order and/or other action can be sought and/or other action can be taken if possible (and if it is not lawful to inform the disclosing party prior to disclosure, the recipient Party shall inform the disclosing Party as soon as it becomes lawful to do so). In the event that such protective order is not, or cannot be, obtained, then:
- a) the Party subject to the disclosure requirement or request may disclose to the appropriate body that portion of the Confidential Information which such Party is legally required to disclose and shall use reasonable efforts to obtain assurances that confidential treatment will be accorded to such Confidential Information; and
 - b) the Party subject to the disclosure requirement or request shall not be liable for such disclosure unless such disclosure was caused by or resulted from a previous disclosure by such Party or its Affiliates or any of their Representatives that was not permitted under this HOA.
- 4) The Parties agree that, upon request by one Party, the other Party shall promptly:

		<p>a) return or, at the option of the requesting Party, destroy all Confidential Information that is in tangible form (including, without limitation, Confidential Information contained on computer disks or other electronic media) furnished to the other Party, together with any copies or extracts thereof; and</p> <p>b) destroy all analyses, compilations, studies or other documents which have been prepared by the other Party or permitted recipients and which reflect or are based upon any Confidential Information, except to the extent that the recipient Party is required to retain any Confidential Information by any applicable law, rule or regulation or by any judicial, governmental, supervisory or regulatory body or to the extent that such Confidential Information is incorporated into organisational records which such Party is required to retain by law or in accordance with internal policies regarding the keeping of records generally, in which case such Party will take appropriate measures to preserve its continuing confidentiality.</p>
21.	Governing Law and Dispute Resolution	This HOA shall be governed by and construed in accordance with Pakistani Law. Any dispute arising out of or in connection with this HOA, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration
22.	Duration of HOA	This HOA shall terminate either upon (a) the execution of the GSA by the Buyer and the Seller; or (b) the Parties discontinuing the discussions on the terms of the GSA, whichever comes earlier. (c) either party serving one Month Notice for terminating this Heads of Agreement.
23.	Conduct of Business	Both Parties will strictly adhere to the Codes, Practices and Conducts of Business Ethics (which shall be more specifically referenced in the GSA) including, but not limited to Anti-Bribery and Corruption and Sanctions policies.
24.	Notices	<p>1) All notices and other communications to be sent by either Party to the other shall be delivered by hand or sent by personal delivery or facsimile to the relevant Party's address or facsimile number noted below (or to such other address or facsimile number as a Party may substitute by notice to the other in accordance with this provision after the date of this HOA):</p> <p>To Buyer: <i>AL-Nasrati CNG & P/S</i> Address: <i>Saba-e-Alaungit</i> Attention: [insert] <i>03005433280</i> Fax number: [insert] Email: [insert]</p> <p>To Seller: <i>Trafigura Pakistan (Pvt) Ltd</i> Address: <i>8th Floor, Bahria Complex - III, M.T. Khan Road</i> Attention: <i>Fadi Mitri</i> Fax number:</p>

		2) All notices or other communications under this HOA shall be deemed to be duly given or made on the next business day in the jurisdiction of receipt following the date of delivery or (in the case of personal delivery) or receipt by the sender of a valid transmission confirmation (in the case of facsimile).
25.	Counterparts	This HOA may be executed in any number of counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument.

The Parties hereto have executed this Heads of Agreement on the day and year first above written:

For and on behalf of

Trafigura Pakistani (Pvt) Ltd,

Al-Naseer Petroleum & CNG
 Sarai Alamgir-Tel: 0300-5433250
 Code: 112449

Signature:










Name:
 Title:

Mr. Fadi Mitri
 CEO


 CEO

Witnesses:

1. Signature: 
 Name: *M. Fahim*
 Title: *ABM.*

2. Signature: 
 Name: *Ameer Ali*
 Title:

450



TRAFIGURA PAKISTAN (PVT.) LTD.
 8TH FLOOR, BAHRIA COMPLEX – III, M.T. KHAN ROAD KARACHI

Dated on July 06, 2018

Heads of Agreement for a Gas Sales Agreement

This is a non-binding Heads of Agreement (“HOA”) for the fully termed Gas Sales Agreement (“GSA”) between the Seller and the Buyer (defined in Clause 1 below).

The Seller is desirous to sell RLNG and has extended its support to the Buyer.

Clause	Term
<p>1. Parties</p>	<p>1. TRAFIGURA PAKISTAN (PRIVATE) LIMITED (or any of its group company), a company duly incorporated and existing under the laws of Pakistan under company number 010562, having its registered office at 8th Floor, Bahria Complex - III, M.T Khan Road, Karachi, Pakistan, represented herein by two duly-authorized directors (referred to as "Seller" which expression shall, unless repugnant to the context or meaning hereof, include its successors and permitted assigns and/or its subsidiary(ies)); and</p> <p>2. <i>Raja CNG & Filling Station</i> (referred to as "Buyer" which expression shall, unless repugnant to the context or meaning hereof, include its successors and permitted assigns).</p> <p>The Buyer and the Seller, each is hereinafter referred to as a “Party” and together as the “Parties”.</p> <p>The Seller intends to enter into gas sales agreements with the licensee of compressed natural gas station operated under the brand name of Puma Energy Pakistan and with other gas users across Pakistan, (“Buyer’s Customers’ Facility”).</p> <p>The Seller has already applied to obtain License for sale and distribution of Gas from OGRA.</p> <p>The Seller (or its affiliate) has acquired a minority equity stake in Pakistan Gas Port (PGPC) which gives Seller exclusive access to the extra regasification capacity, this is being 90 MMSCFD, available for 175 days per year.</p> <p>The Seller is willing to provide to the Buyer RLNG supply along</p>

TRAFIGURA PTE. LTD.

REGISTERED OFFICE: 1 MARINA BOULEVARD, #28-00, ONE MARINA BOULEVARD, SINGAPORE (018989)
 WWW.TRAFIGURA.COM

REGISTERED NUMBER: 199601595D

		<p>with Regasification Services from Pakistan Gas Port Consortium (PGPC) for delivery of Regasified LNG through national gas pipeline grid at the delivery point of the buyers' CNG Station.</p> <p>AND WHEREAS, the parties have now come on board to form their alliance and/or business combination specific to LNG services and intend to lay out the principal terms and conditions of their cooperation;</p> <p>NOW, THEREFORE, in consideration of the mutual benefits and covenants contained herein, the parties hereby agree as follows (always subject to applicable laws and regulations):</p> <ol style="list-style-type: none"> 1) The Seller will make RLNG available to Buyer, Subject to final price discussion and agreement of suitable terms. 2) The Seller will use its own exclusive access to the regasification capacity at the PGPC FSRU terminal to provide regasification services for the LNG it will provide to The Buyer. 3) Consequently, the Seller has agreed to allocate RLNG supplies upto 5 MMSCF in a month to the Buyer on intermittent supply chain to be consumed on a monthly basis , with a potential ramp up to 8 MMSCF per month in the future subject to the Market dynamics and circumstances. 4) The deliveries of RLNG will have to be on delivered basis at the facilities of the Buyer, unless mutually agreed between parties.
2.	Start Date	<ol style="list-style-type: none"> 1) The start date of Gas sales ("Start Date") shall be the date when Seller shall deliver the first quantities of Gas and the Buyer shall take delivery and pay for the Gas so delivered. 2) The Parties expect the Start Date to fall after the Seller acquiring necessary approvals and licenses from the government and regulating authorities. 3) The Parties shall agree a windowing mechanism and conditions precedent in the GSA. Upon the fulfilment or waiver of all the conditions precedent therein, the Seller will provide notices to the Buyer within set time windows providing an estimate of the periods when the Seller expects the Start Date to occur as provided by the following: <ol style="list-style-type: none"> a) a written notice to be provided by [] by the Seller for a 3 month period falling within the above 6 month period; b) a written notice to be provided by [] by the Seller for a 1 month period falling within the above 3 month period; and c) finally, a written notice to be provided by [] by the Seller for the actual Start Date falling within the

		above one month period, which will allow the Parties to progressively narrow down the Start Date.
3.	Term	The term of the HOA is currently envisaged to be 1 year from the Start Date (" Term ") and the Parties, by mutual agreement in writing, may agree extend the Term by an additional 1 year. The process by which mutual agreement can be reached between the Parties will be outlined in the GSA.
4.	General Undertakings	<ol style="list-style-type: none"> 1. The Buyer shall inform the Seller immediately upon becoming aware of any event or circumstance, which has or is reasonably likely to have a material adverse effect on the Buyer's ability to perform its obligations under the GSA. 2. The Buyer shall not contravene any laws or legal requirements which could reasonably be expected to have material adverse effect on its ability to perform its obligations under the GSA and or cause it to be in breach, in any material respect(s), of its obligations under the GSA. 3. The Seller shall inform the Buyer immediately upon becoming aware of any event or circumstance which has or is reasonably likely to have a material adverse effect on the Seller's ability to perform its obligations under the GSA. 4. The Seller shall not enter into any agreement and not contravene any laws or legal requirements which could reasonably be expected to have material adverse effect on its ability to perform its obligations under the GSA or cause it to be in breach, in any material respect(s), of its obligations under the GSA.
5.	Quantity of Gas	The total annual contract quantity (" ACQ ") of Gas to be sold by the Seller and to be purchased, taken and paid for by the Buyer at the Delivery Point in a Contract Fiscal Year shall be approximately 160 MMSCF per annum.
6.	Quality specifications of Gas	The terms and conditions in relation to quality specifications of Gas shall be set out in the GSA.
7.	Principles of Pricing of Gas	<p>In the GSA, the following principles will apply for determining the price at which an Affiliate of the Seller will sell and the Buyer will buy Gas respectively ("Contract Price"):</p> <ol style="list-style-type: none"> 1. The Contract Price for Gas delivered or tendered for delivery by the Seller to the Buyer shall be expressed in US Dollars per MMBtu (US\$/MMBtu); 2. The final price will have to be converted from USD into PKR 3. For avoidance of doubt, the price will be Brent-related and not a fixed price for the full term of the contract. 4. All references to MMBtu shall mean MMBtu on Gross Heating Value basis;

8.	Delivery obligations of the Seller	If, during a certain period, the Seller fails to deliver or tender for delivery certain quantities of Gas (the duration of such period and such quantities to be specified in the GSA) to the Buyer (except for reasons to be specified in the GSA), the Seller shall pay the Buyer an amount to be negotiated and specified in the GSA.
9.	Measurement	<ol style="list-style-type: none"> 1. The unit of measurement to quantify amounts of Gas in the GSA or in any document produced in accordance with the terms of the GSA. 2. The Parties shall agree provisions in the GSA for the location, standards and verification of measurement equipment, ownership of measurement equipment, the dispute resolution mechanism in case of variations in measurement and alternate provisions in case of a metering failure.
11.	Transportation of Gas	It is agreed that seller will have to make the RLNG/ Natural Gas available to the buyer at the entry point of the buyers' CNG station. The seller will use his allocation of pipeline access and his GTAs with SSGC & SNGPL to transport the RLNG into the buyer's CNG station.
12.	Title to Gas	Title to Gas delivered pursuant to the GSA shall pass from the Seller to the Buyer at the Delivery Point of CNG station.
13.	Price	The final price of the RLNG will be advised by Trafigura at the time of contract negotiation but will include, also, terminal Re-gasification, transportation charges as well as all other applicable local taxes. Price will be expressed and paid in PKR. For the avoidance of doubt, the final price will be subject to the agreement of the Buyer.
14.	Compliance with Laws	The Buyer and the Seller shall comply with all applicable laws, rules and regulations.
15.	Invoicing and Payments	<ol style="list-style-type: none"> 1. The Buyer shall pay for the Gas delivered or tendered for delivery at the Delivery Point in the manner set out in the GSA. 2. Terms and conditions in relation to invoicing and payment, including billing cycles shall be set out in the GSA.
16.	Taxes and Charges	<ol style="list-style-type: none"> 1. The Buyer shall pay, or cause to be paid, all applicable Taxes related to the sale of Gas and other sums in respect of Gas delivered or tendered for delivery under the GSA at the Delivery Point. 2. Each Party shall bear Taxes on its own income.
17.	Force Majeure	The GSA shall contain industry standard provisions for force majeure (including a definition of force majeure which shall include severe weather conditions) which would suspend obligations of the respective Party impacted by the force majeure, notice and reporting requirements, mitigation responsibility, consequences, termination and notice of cessation.

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18.	Conditions Precedent	<p>The sale and purchase of Gas under the GSA shall be subject to certain conditions precedent, which shall include amongst others the following:</p> <ol style="list-style-type: none"> 1. The Seller and its Affiliates satisfactorily assuring themselves of clearance and acceptability of the Facilities as well as the use of Port Qasim for the delivery of LNG; 2. The Seller obtaining all relevant Consents to sell Gas in Pakistan; 3. The seller executing third party gas pipeline access and transportation agreements with SSGC & SNGPL, including necessary provisions covering balancing of Gas volumes with the Transporter using the Transporter's Facilities and provisions addressing unaccounted for gas (also known as UFG); 4. The Buyer obtaining all relevant Consents to buy Gas in Pakistan. <hr/> <p>Detailed terms and conditions including relevant deadlines in relation to the conditions precedent shall be set out in the GSA subject to the agreement of the parties.</p>
19.	Miscellaneous provisions	<p>Subject to agreement on all terms of the GSA by the Parties, the Parties agree to reflect in the GSA in greater detail the key commercial terms and principles recorded in this HOA. For the avoidance of doubt, (a) nothing contained in this HOA is intended to give rise to any binding contractual relationship nor shall this HOA give rise to any right, obligation or liability on the part of either the Buyer or the Seller to enter into the GSA;</p> <p>(b) any such legally binding rights and obligations and consequent liabilities would arise only in the event of, and as a result of, the execution of a mutually acceptable GSA; and</p> <p>(c) Each party shall bear its own costs in connection with this HOA, the GSA and all matters contemplated by this HOA.</p>
20.	Confidentiality	<ol style="list-style-type: none"> 1) Each Party acknowledges that the Confidential Information is confidential and undertakes: <ol style="list-style-type: none"> a) to use the Confidential Information solely for the purpose set out in this HOA; b) to keep the Confidential Information in strict confidence; c) not, without the prior written consent of the other Party, to disclose any Confidential Information furnished to it to any third party other than its Representatives or to its Affiliates who have a legitimate need to know such Confidential Information; d) before disclosing Confidential Information to any Affiliate or to its Representatives, to ensure that such person is aware of the discloser's obligations in this HOA, ensure compliance by such person and be liable for any breach of such obligations

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by such person; and

e) as far as possible to keep separate all Confidential Information from all documents and other records of a Party.

2) The undertakings in Clause 25.1 shall not apply to any Confidential Information which:

a) at the time of disclosure to the recipient Party or thereafter has become part of public knowledge or literature without breach of any of the said undertakings by such Party;

b) the recipient Party can show was in its possession at the time of disclosure hereunder and was not acquired by such Party under an obligation of confidence; or

c) the recipient Party can show was received by it after the time of disclosure hereunder from a third party (other than one disclosing on behalf of the other Party or its Affiliates) who could lawfully do so and who did not derive the Confidential Information from the other Party or any of its Affiliates.

The foregoing exceptions shall not, however, apply to:

(i) specific information merely because it is embraced by or included with other information which falls within any one or more of such exceptions; or

(ii) any combination of information merely because specific information (but not the combination itself) falls within any one or more of such exceptions.

3) In the event that the recipient Party, its Affiliates, Representatives or other permitted recipients is required by an order of any government, state government agency or requested by any court or legislative or administrative body including any recognised stock exchange to disclose any Confidential Information, such Party shall, to the extent it is lawful to do so, promptly and prior to disclosure notify the disclosing Party so that an appropriate protective order and/or other action can be sought and/or other action can be taken if possible (and if it is not lawful to inform the disclosing party prior to disclosure, the recipient Party shall inform the disclosing Party as soon as it becomes lawful to do so). In the event that such protective order is not, or cannot be, obtained, then:

a) the Party subject to the disclosure requirement or request may disclose to the appropriate body that portion of the Confidential Information which such Party is legally required to disclose and shall use reasonable efforts to obtain assurances that confidential treatment will be accorded to such Confidential Information; and

b) the Party subject to the disclosure requirement or request shall not be liable for such disclosure unless such disclosure was caused by or resulted from a previous disclosure by such Party or its Affiliates or any of their Representatives that was not permitted under this HOA.

4) The Parties agree that, upon request by one Party, the other Party shall promptly:

		<p>a) return or, at the option of the requesting Party, destroy all Confidential Information that is in tangible form (including, without limitation, Confidential Information contained on computer disks or other electronic media) furnished to the other Party, together with any copies or extracts thereof; and</p> <p>b) destroy all analyses, compilations, studies or other documents which have been prepared by the other Party or permitted recipients and which reflect or are based upon any Confidential Information, except to the extent that the recipient Party is required to retain any Confidential Information by any applicable law, rule or regulation or by any judicial, governmental, supervisory or regulatory body or to the extent that such Confidential Information is incorporated into organisational records which such Party is required to retain by law or in accordance with internal policies regarding the keeping of records generally, in which case such Party will take appropriate measures to preserve its continuing confidentiality.</p>
21.	Governing Law and Dispute Resolution	This HOA shall be governed by and construed in accordance with Pakistani Law. Any dispute arising out of or in connection with this HOA, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration
22.	Duration of HOA	This HOA shall terminate either upon (a) the execution of the GSA by the Buyer and the Seller; or (b) the Parties discontinuing the discussions on the terms of the GSA, whichever comes earlier. (c) either party serving one Month Notice for terminating this Heads of Agreement.
23.	Conduct of Business	Both Parties will strictly adhere to the Codes, Practices and Conducts of Business Ethics (which shall be more specifically referenced in the GSA) including, but not limited to Anti-Bribery and Corruption and Sanctions policies.
24.	Notices	<p>1) All notices and other communications to be sent by either Party to the other shall be delivered by hand or sent by personal delivery or facsimile to the relevant Party's address or facsimile number noted below (or to such other address or facsimile number as a Party may substitute by notice to the other in accordance with this provision after the date of this HOA):</p> <p>To Buyer: <i>Raja CIVG 2 Filling Station</i> Address: <i>G.T Road Taxila</i> Attention: <i>Raja Rabnawaz</i> Fax number: Email:</p> <p>To Seller: Trafigura Pakistan (Pvt) Ltd Address: 8th Floor, Bahria Complex – III, M.T. Khan Road Attention: Fadi Mitri Fax number:</p>

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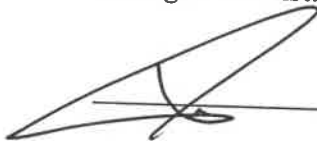
		2) All notices or other communications under this HOA shall be deemed to be duly given or made on the next business day in the jurisdiction of receipt following the date of delivery or (in the case of personal delivery) or receipt by the sender of a valid transmission confirmation (in the case of facsimile).
25.	Counterparts	This HOA may be executed in any number of counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument.

The Parties hereto have executed this Heads of Agreement on the day and year first above written:

For and on behalf of

Trafigura Pakistani (Pvt) Ltd,

Signature:



Name:


Mr. Fadi Mitri

Title:

CEO




CEO



Raja Petroleum & CNG Services
Dealer Admore
G.T Road Taxila Cantt
Code No. N 00671

Witnesses:

1. Signature: 
Name: Meer Saifullah
Title: ABM

2. Signature: 
Name: Ameer Ali
Title:

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TRAFIGURA

TRAFIGURA PAKISTAN (PVT.) LTD.
 8TH FLOOR, BAHRIA COMPLEX – III, M.T. KHAN ROAD KARACHI

Dated on July 06, 2018

Heads of Agreement for a Gas Sales Agreement

This is a non-binding Heads of Agreement (“HOA”) for the fully termed Gas Sales Agreement (“GSA”) between the Seller and the Buyer (defined in Clause 1 below).

The Seller is desirous to sell RLNG and has extended its support to the Buyer.

Clause	Term
<p>1. Parties</p>	<p>1. TRAFIGURA PAKISTAN (PRIVATE) LIMITED (or any of its group company), a company duly incorporated and existing under the laws of Pakistan under company number 010562, having its registered office at 8th Floor, Bahria Complex - III, M.T Khan Road, Karachi, Pakistan, represented herein by two duly-authorized directors (referred to as "Seller" which expression shall, unless repugnant to the context or meaning hereof, include its successors and permitted assigns and/or its subsidiary(ies)); and</p> <p>2. <i>Wartajich CNG & Petroleum Services</i> (referred to as "Buyer" which expression shall, unless repugnant to the context or meaning hereof, include its successors and permitted assigns).</p> <p>The Buyer and the Seller, each is hereinafter referred to as a “Party” and together as the “Parties”.</p> <p>The Seller intends to enter into gas sales agreements with the licensee of compressed natural gas station operated under the brand name of Puma Energy Pakistan and with other gas users across Pakistan, (“Buyer’s Customers’ Facility”).</p> <p>The Seller has already applied to obtain License for sale and distribution of Gas from OGRA.</p> <p>The Seller (or its affiliate) has acquired a minority equity stake in Pakistan Gas Port (PGPC) which gives Seller exclusive access to the extra regasification capacity, this is being 90 MMSCFD, available for 175 days per year.</p> <p>The Seller is willing to provide to the Buyer RLNG supply along</p>

		<p>with Regasification Services from Pakistan Gas Port Consortium (PGPC) for delivery of Regasified LNG through national gas pipeline grid at the delivery point of the buyers' CNG Station.</p> <p>AND WHEREAS, the parties have now come on board to form their alliance and/or business combination specific to LNG services and intend to lay out the principal terms and conditions of their cooperation;</p> <p>NOW, THEREFORE, in consideration of the mutual benefits and covenants contained herein, the parties hereby agree as follows (always subject to applicable laws and regulations):</p> <ol style="list-style-type: none"> 1) The Seller will make RLNG available to Buyer, Subject to final price discussion and agreement of suitable terms. 2) The Seller will use its own exclusive access to the regasification capacity at the PGPC FSRU terminal to provide regasification services for the LNG it will provide to The Buyer. 3) Consequently, the Seller has agreed to allocate RLNG supplies upto 5 MMSCF in a month to the Buyer on intermittent supply chain to be consumed on a monthly basis , with a potential ramp up to 8 MMSCF per month in the future subject to the Market dynamics and circumstances. 4) The deliveries of RLNG will have to be on delivered basis at the facilities of the Buyer, unless mutually agreed between parties.
2.	Start Date	<ol style="list-style-type: none"> 1) The start date of Gas sales ("Start Date") shall be the date when Seller shall deliver the first quantities of Gas and the Buyer shall take delivery and pay for the Gas so delivered. 2) The Parties expect the Start Date to fall after the Seller acquiring necessary approvals and licenses from the government and regulating authorities. 3) The Parties shall agree a windowing mechanism and conditions precedent in the GSA. Upon the fulfilment or waiver of all the conditions precedent therein, the Seller will provide notices to the Buyer within set time windows providing an estimate of the periods when the Seller expects the Start Date to occur as provided by the following: <ol style="list-style-type: none"> a) a written notice to be provided by [] by the Seller for a 3 month period falling within the above 6 month period; b) a written notice to be provided by [] by the Seller for a 1 month period falling within the above 3 month period; and c) finally, a written notice to be provided by [] by the Seller for the actual Start Date falling within the

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		above one month period, which will allow the Parties to progressively narrow down the Start Date.
3.	Term	The term of the HOA is currently envisaged to be 1 year from the Start Date ("Term") and the Parties, by mutual agreement in writing, may agree to extend the Term by an additional 1 year. The process by which mutual agreement can be reached between the Parties will be outlined in the GSA.
4.	General Undertakings	<ol style="list-style-type: none"> 1. The Buyer shall inform the Seller immediately upon becoming aware of any event or circumstance, which has or is reasonably likely to have a material adverse effect on the Buyer's ability to perform its obligations under the GSA. 2. The Buyer shall not contravene any laws or legal requirements which could reasonably be expected to have material adverse effect on its ability to perform its obligations under the GSA and or cause it to be in breach, in any material respect(s), of its obligations under the GSA. 3. The Seller shall inform the Buyer immediately upon becoming aware of any event or circumstance which has or is reasonably likely to have a material adverse effect on the Seller's ability to perform its obligations under the GSA. 4. The Seller shall not enter into any agreement and not contravene any laws or legal requirements which could reasonably be expected to have material adverse effect on its ability to perform its obligations under the GSA or cause it to be in breach, in any material respect(s), of its obligations under the GSA.
5.	Quantity of Gas	The total annual contract quantity ("ACQ") of Gas to be sold by the Seller and to be purchased, taken and paid for by the Buyer at the Delivery Point in a Contract Fiscal Year shall be approximately 160 MMSCF per annum.
6.	Quality specifications of Gas	The terms and conditions in relation to quality specifications of Gas shall be set out in the GSA.
7.	Principles of Pricing of Gas	<p>In the GSA, the following principles will apply for determining the price at which an Affiliate of the Seller will sell and the Buyer will buy Gas respectively ("Contract Price"):</p> <ol style="list-style-type: none"> 1. The Contract Price for Gas delivered or tendered for delivery by the Seller to the Buyer shall be expressed in US Dollars per MMBtu (US\$/MMBtu); 2. The final price will have to be converted from USD into PKR 3. For avoidance of doubt, the price will be Brent-related and not a fixed price for the full term of the contract. 4. All references to MMBtu shall mean MMBtu on Gross Heating Value basis;

8.	Delivery obligations of the Seller	If, during a certain period, the Seller fails to deliver or tender for delivery certain quantities of Gas (the duration of such period and such quantities to be specified in the GSA) to the Buyer (except for reasons to be specified in the GSA), the Seller shall pay the Buyer an amount to be negotiated and specified in the GSA.
9.	Measurement	<ol style="list-style-type: none"> 1. The unit of measurement to quantify amounts of Gas in the GSA or in any document produced in accordance with the terms of the GSA. 2. The Parties shall agree provisions in the GSA for the location, standards and verification of measurement equipment, ownership of measurement equipment, the dispute resolution mechanism in case of variations in measurement and alternate provisions in case of a metering failure.
11.	Transportation of Gas	It is agreed that seller will have to make the RLNG/ Natural Gas available to the buyer at the entry point of the buyers' CNG station. The seller will use his allocation of pipeline access and his GTAs with SSGC & SNGPL to transport the RLNG into the buyer's CNG station.
12.	Title to Gas	Title to Gas delivered pursuant to the GSA shall pass from the Seller to the Buyer at the Delivery Point of CNG station.
13.	Price	The final price of the RLNG will be advised by Trafigura at the time of contract negotiation but will include, also, terminal Re-gasification, transportation charges as well as all other applicable local taxes. Price will be expressed and paid in PKR. For the avoidance of doubt, the final price will be subject to the agreement of the Buyer.
14.	Compliance with Laws	The Buyer and the Seller shall comply with all applicable laws, rules and regulations.
15.	Invoicing and Payments	<ol style="list-style-type: none"> 1. The Buyer shall pay for the Gas delivered or tendered for delivery at the Delivery Point in the manner set out in the GSA. 2. Terms and conditions in relation to invoicing and payment, including billing cycles shall be set out in the GSA.
16.	Taxes and Charges	<ol style="list-style-type: none"> 1. The Buyer shall pay, or cause to be paid, all applicable Taxes related to the sale of Gas and other sums in respect of Gas delivered or tendered for delivery under the GSA at the Delivery Point. 2. Each Party shall bear Taxes on its own income.
17.	Force Majeure	The GSA shall contain industry standard provisions for force majeure (including a definition of force majeure which shall include severe weather conditions) which would suspend obligations of the respective Party impacted by the force majeure, notice and reporting requirements, mitigation responsibility, consequences, termination and notice of cessation.

18.	Conditions Precedent	<p>The sale and purchase of Gas under the GSA shall be subject to certain conditions precedent, which shall include amongst others the following:</p> <ol style="list-style-type: none"> 1. The Seller and its Affiliates satisfactorily assuring themselves of clearance and acceptability of the Facilities as well as the use of Port Qasim for the delivery of LNG; 2. The Seller obtaining all relevant Consents to sell Gas in Pakistan; 3. The seller executing third party gas pipeline access and transportation agreements with SSGC & SNGPL, including necessary provisions covering balancing of Gas volumes with the Transporter using the Transporter's Facilities and provisions addressing unaccounted for gas (also known as UFG); 4. The Buyer obtaining all relevant Consents to buy Gas in Pakistan. <hr/> <p>Detailed terms and conditions including relevant deadlines in relation to the conditions precedent shall be set out in the GSA subject to the agreement of the parties.</p>
19.	Miscellaneous provisions	<p>Subject to agreement on all terms of the GSA by the Parties, the Parties agree to reflect in the GSA in greater detail the key commercial terms and principles recorded in this HOA. For the avoidance of doubt, (a) nothing contained in this HOA is intended to give rise to any binding contractual relationship nor shall this HOA give rise to any right, obligation or liability on the part of either the Buyer or the Seller to enter into the GSA;</p> <p>(b) any such legally binding rights and obligations and consequent liabilities would arise only in the event of, and as a result of, the execution of a mutually acceptable GSA; and</p> <p>(c) Each party shall bear its own costs in connection with this HOA, the GSA and all matters contemplated by this HOA.</p>
20.	Confidentiality	<p>1) Each Party acknowledges that the Confidential Information is confidential and undertakes:</p> <ol style="list-style-type: none"> a) to use the Confidential Information solely for the purpose set out in this HOA; b) to keep the Confidential Information in strict confidence; c) not, without the prior written consent of the other Party, to disclose any Confidential Information furnished to it to any third party other than its Representatives or to its Affiliates who have a legitimate need to know such Confidential Information; d) before disclosing Confidential Information to any Affiliate or to its Representatives, to ensure that such person is aware of the discloser's obligations in this HOA, ensure compliance by such person and be liable for any breach of such obligations

		<p>by such person; and</p> <p>e) as far as possible to keep separate all Confidential Information from all documents and other records of a Party.</p> <p>2) The undertakings in Clause 25.1 shall not apply to any Confidential Information which:</p> <p>a) at the time of disclosure to the recipient Party or thereafter has become part of public knowledge or literature without breach of any of the said undertakings by such Party;</p> <p>b) the recipient Party can show was in its possession at the time of disclosure hereunder and was not acquired by such Party under an obligation of confidence; or</p> <p>c) the recipient Party can show was received by it after the time of disclosure hereunder from a third party (other than one disclosing on behalf of the other Party or its Affiliates) who could lawfully do so and who did not derive the Confidential Information from the other Party or any of its Affiliates.</p> <p>The foregoing exceptions shall not, however, apply to:</p> <p>(i) specific information merely because it is embraced by or included with other information which falls within any one or more of such exceptions; or</p> <p>(ii) any combination of information merely because specific information (but not the combination itself) falls within any one or more of such exceptions.</p> <p>3) In the event that the recipient Party, its Affiliates, Representatives or other permitted recipients is required by an order of any government, state government agency or requested by any court or legislative or administrative body including any recognised stock exchange to disclose any Confidential Information, such Party shall, to the extent it is lawful to do so, promptly and prior to disclosure notify the disclosing Party so that an appropriate protective order and/or other action can be sought and/or other action can be taken if possible (and if it is not lawful to inform the disclosing party prior to disclosure, the recipient Party shall inform the disclosing Party as soon as it becomes lawful to do so). In the event that such protective order is not, or cannot be, obtained, then:</p> <p>a) the Party subject to the disclosure requirement or request may disclose to the appropriate body that portion of the Confidential Information which such Party is legally required to disclose and shall use reasonable efforts to obtain assurances that confidential treatment will be accorded to such Confidential Information; and</p> <p>b) the Party subject to the disclosure requirement or request shall not be liable for such disclosure unless such disclosure was caused by or resulted from a previous disclosure by such Party or its Affiliates or any of their Representatives that was not permitted under this HOA.</p> <p>4) The Parties agree that, upon request by one Party, the other Party shall promptly:</p>
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		<p>a) return or, at the option of the requesting Party, destroy all Confidential Information that is in tangible form (including, without limitation, Confidential Information contained on computer disks or other electronic media) furnished to the other Party, together with any copies or extracts thereof; and</p> <p>b) destroy all analyses, compilations, studies or other documents which have been prepared by the other Party or permitted recipients and which reflect or are based upon any Confidential Information, except to the extent that the recipient Party is required to retain any Confidential Information by any applicable law, rule or regulation or by any judicial, governmental, supervisory or regulatory body or to the extent that such Confidential Information is incorporated into organisational records which such Party is required to retain by law or in accordance with internal policies regarding the keeping of records generally, in which case such Party will take appropriate measures to preserve its continuing confidentiality.</p>
21.	Governing Law and Dispute Resolution	This HOA shall be governed by and construed in accordance with Pakistani Law. Any dispute arising out of or in connection with this HOA, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration
22.	Duration of HOA	This HOA shall terminate either upon (a) the execution of the GSA by the Buyer and the Seller; or (b) the Parties discontinuing the discussions on the terms of the GSA, whichever comes earlier. (c) either party serving one Month Notice for terminating this Heads of Agreement.
23.	Conduct of Business	Both Parties will strictly adhere to the Codes, Practices and Conducts of Business Ethics (which shall be more specifically referenced in the GSA) including, but not limited to Anti-Bribery and Corruption and Sanctions policies.
24.	Notices	<p>1) All notices and other communications to be sent by either Party to the other shall be delivered by hand or sent by personal delivery or facsimile to the relevant Party's address or facsimile number noted below (or to such other address or facsimile number as a Party may substitute by notice to the other in accordance with this provision after the date of this HOA):</p> <p>To Buyer: <i>Warrsach CNG & Petroleum Services.</i> Address: <i>Gujrat - Jakkhor Jattan Road.</i> Attention: <i>Ch. Rehman. 0311 777 5878.</i> Fax number: Email:</p> <p>To Seller: Trafigura Pakistan (Pvt) Ltd Address: 8th Floor, Bahria Complex - III, M.T. Khan Road Attention: Fadi Mitri Fax number:</p>

		2) All notices or other communications under this HOA shall be deemed to be duly given or made on the next business day in the jurisdiction of receipt following the date of delivery or (in the case of personal delivery) or receipt by the sender of a valid transmission confirmation (in the case of facsimile).
25.	Counterparts	This HOA may be executed in any number of counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument.

The Parties hereto have executed this Heads of Agreement on the day and year first above written:

For and on behalf of

Trafigura Pakistani (Pvt) Ltd,

WARRAICH PETROLEUM
SERVICES

Signature:

Name:
Title:



Mr. Fadi Mitri
CEO



CEO



Witnesses:

1. Signature:

Name: M. Iqbal

Title: ABM.

2. Signature:

Name: Ameer Ali

Title:

No. OGRA-6 (1)/2018-Trafigura

DFA 400
of Gas Deptt.

17th July 2018

M/s Trafigura Pakistan Pvt Ltd,
Bahria Complex 3,
8th Floor, M.T Khan Road,
Karachi

Subject: APPLICATION FOR GRANT OF LICENSE

Dear Sir,

Please refer to your letter No Nil dated 12-07-2018 on the above subject. In this regard following information / clarification may please be provided for further processing of your request: -

- on per practise.*
- considers*
- i. Sui companies enters into an MOU / non-disclosure agreement with interested parties for pipeline capacity allocation, On the basis of same OGRA grants a conditional license to such applicants for execution of formal GTA within one-year time period. Such MoU / non-disclosure agreement with sui companies may be provided.
 - ii. It is apprised that a meeting with PGPCL was held in OGRA on 02-07-2018 during which it was decided that PGPCL being OGRA's licensed terminal operator will allocate regasification *terminal* capacity. In view of above PGPCL's letter dated 22-06-2018 stating therein that Trafigura Pakistan Pvt Ltd or any of its affiliates holds all the spare capacity in PGPCL terminal is not valid. A revised letter from PGPCL regarding *specific* allocation of regasification *capacity* may be provided.
 - iii. The agreement with Puma Energy being an aggregator is not a valid acceptable agreement. However, the agreements between Trafigura and CNG stations for supply of RLNG are being considered/accepted.

Yours sincerely,

REGISTRAR

CC:

- (i) MD, SNGPL, Lahore
- (ii) MD, SSGCL, Karachi,
- (iii) CEO, PGPCL, Associated House, Seven Egerton Road, Lahore

OGRA-6(1)-NG/2018

July 20, 2018

Mr. Elias Chibani,
Chief Executive Officer,
Trafigura Pakistan (Private) Limited,
Behria Complex 3,
8th Floor M.T Khan Road,
KARACHI

**Subject: APPLICATION FOR GRANT OF LICENCE FOR SALE OF NATURAL GAS /
RLANG**

Dear Sir, / *السید علی*

Please refer to your letter No Nil dated 12-07-2018 on the above subject. In this regard following information / clarification may please be provided for further processing of your request: -

- i) Sui companies enters into an MOU / non-disclosure agreement with interested parties for pipeline capacity allocation, as per practice. On the basis of same OGRA considers grant of a conditional license to such applicants for execution of formal GTA within one-year time period. Such MoU / non-disclosure agreement with sui companies may be provided.
- ii) It is apprised that a meeting with PGPCL was held in OGRA on 02-07-2018 during which it was decided that PGPCL being OGRA's licensed terminal operator will allocate regasification terminal capacity. In view of above PGPCL's letter dated 22-06-2018 stating therein that Trafigura Pakistan Pvt. Ltd or any of its affiliates holds all the spare capacity in PGPCL terminal is not valid. A revised letter from PGPCL regarding specific allocation of regasification capacity may be provided.
- iii) The agreement with Puma Energy being an aggregator is not a valid acceptable agreement However, the agreements between Trafigura and CNG stations for supply of RLNG are being considered/accepted.

C.C

Managing Director, SSGCL,
St-4-B, Block 14, Sir Shah Suleman Road,
Gulshan-e- Iqbal, **Karachi.**

Managing Director, SNGPL,
21-Kashmir Road, Gas House,
Lahore.

Chief Executive Officer,
PGP Consortium Limited, Associated House,
Seven Egerton Road, **Lahore.**

Abdul Basit Qureshi
(Abdul Basit Qureshi)
Registrar
(For & on behalf of the Authority)

8/c



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TRAFIGURA

TRAFIGURA PAKISTAN (PRIVATE) LIMITED

Dated: September 10, 2017

TO
The Registrar
Oil & Gas Regulatory Authority – OGRA
54-B, Fazal-e-Haq Road, Blue Area,
Islamabad, Pakistan
Tel: +92-51-9244090-98

Amir 7/18/17

Subject: APPLICATION FOR GRANT OF LICENSE FOR SALE OF NATURAL GAS / RLNG

DR
AED

(P-378/c)

Dear Sir,

I am responding to your letter no. OGRA-6(1)-NG/2018 dated July 04, 2018 regarding the application for grant of license for sale of natural gas / RLNG. You have asked us for complementary information on MOUs / non-disclosure agreement (NDA) between Trafigura Pakistan Pvt Ltd (the Applicant) and SSGCL and SNGPL and a revised letter from Licensed Terminal Operators. The table below provides you with an overview of our detailed answers.

S. No	The Counterparty	The Applicant
i.	SSGCL & SNGPL	<p>As advised by the authority, SSGC & SNGPL were approached to enter into MOU /NDA.</p> <p>The executed NDA with SSGC is attached as an Annexure – A.</p> <p>However, SNGPL has reverted with another letter # GMS:938(LNG) dated August 8, 2018 (attached as an Annexure- B) that they may only be approached, once the TPA rules along with Network Code come into force.</p> <p>In view of the above, it is submitted to the Authority to kindly issue license for the sale and marketing of RLNG for the customers on SSGC as well as on SNGPL network. However, the effectiveness of the same may be considered subject to the provision of final arrangements with the SUIs.</p> <p>Kind considerations will also enable us to serve those customers who already have such arrangements with SNGPL.</p>

ED/US
JEDP-17
Amir
18/9/18



TRAFIGURA PAKISTAN (PRIVATE) LIMITED

WWW.TRAFIGURA.COM
UNIVERSAL ID NUMBER: 0110562

TRAFIGURA

TRAFIGURA PAKISTAN (PRIVATE) LIMITED

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		<p>Further to the above, we are still approaching SNGPL to initiate discussions on Gas Transportation Agreements as soon as possible and will keep authority updated on any further progress on it.</p> <p>Meanwhile, you are requested to please proceed further with submitted NDA executed between the applicant and SSGC.</p>
ii.	Licensed Terminal Operator	PGPCL's letter is attached as an Annexure – C

Kindly let us know in case clarification is required on above.

In view of above, and in the spirit of enabling Trafigura to serve Pakistan as soon as possible, it is requested that the grant of license to carry out sale and marketing of RLNG be issued on a priority basis.

For and on behalf of
Trafigura Pakistan (Pvt) Ltd


Fadi Mitri
Chief Executive Officer



TRAFIGURA PAKISTAN (PRIVATE) LIMITED

WWW.TRAFIGURA.COM
UNIVERSAL ID NUMBER: 0110562



KARIM ANWER ALI STAMP VENDOR
L.No.95,Room #.1,Ruby Center,Boltan
Market,Talpur Road,Saddar Town Karachi
SR.NO. 3346 DATE: 03/06/17

Issued to with Address: Muhammad Ali Bhimla
Through with Address: Advocate
Purpose: LN No. 4488, H.C. Karachi

Value Rs. 100/- Attached.....
Stamp Vendor Signature: [Signature]

Do Not use Overprint & will Purpose and vendor
Will not responsible for any illegal / Fake Ag

30 MAY 2017

NON DISCLOSURE AGREEMENT

BETWEEN

SUI SOUTHERN GAS COMPANY LIMITED

AND

TRAFIGURA PAKISTAN (PRIVATE) LIMITED

Dated: 16th August, 2018

[Signature]

NON DISCLOSURE AGREEMENT

THIS NON DISCLOSURE AGREEMENT (hereinafter referred to as the "NDA") is made and entered into on this 16th day of August, 2018 at Karachi

BETWEEN

SUI SOUTHERN GAS COMPANY LIMITED, a Public Limited Company, incorporated under the Companies Ordinance, 1984 and having its Registered Head Office at ST-4/B, Block 14, Sir Shah Suleman Road, Gulshan-e-Iqbal, Karachi (hereinafter referred to as "SSGC/Company" which expression shall include its successors in interest, nominees; legal representatives, administrators and assigns) of the first part.

AND

TRAFIGURA PAKISTAN (PRIVATE) LIMITED a company duly incorporated and existing under the laws of Pakistan under company number 010562, having its registered office at 8th Floor, Bahria Complex - III, M.T Khan Road, Karachi, Pakistan (hereinafter referred to as the "**Trafigura / Consulting party**" which expression shall wherever the context so permits mean and include its successors-in interest, executors, nominees, legal representatives and permitted assigns) of the second part;

Both the Company and the Consulting party may hereinafter collectively be referred to as the "**Parties**" and individually as a "**Party**".

RECITALS

WHEREAS

- A. The Parties are desirous of exchanging their Confidential Information for the purpose of **entering into discussion for Gas Transportation Agreement for re-gasified liquefied natural gas on SSGC network** (hereinafter the "**Project**").
- B. The Parties have agreed to share/exchange their Confidential Information for the purposes set out in Recital A on the terms and conditions of this Agreement.
- C. The Parties have agreed to protect the Confidential Information disclosed to each other prior to or after the execution of this Agreement and otherwise agree to be bound by the terms and conditions of this Agreement.

NOW, THEREFORE THIS AGREEMENT WITNESSETH, for good and valuable consideration, it is hereby agreed between the Parties as under:

1. **CONFIDENTIAL INFORMATION**

1.1 "Confidential Information" Means any information disclosed by either Party to the other party, either directly, indirectly or incidentally, in writing, orally or by way of comment, advice, representation, perusal or by inspection of tangible objects (including without limitation documents, manuals, software, graphs, charts, processes, supplier lists, price lists, customer lists, product information, market research information, correspondence, letters and papers of every description including copies of and extracts from the same, concepts, media statements, notes, reports, opinions, interpretations, forecasts, cost/benefit analysis, records; prototypes; samples, plant and equipment), which is designated or stated to be as "Confidential," "Proprietary" or some similar designation or where disclosed orally, is identified as Confidential at the time of such disclosure. Confidential Information includes but is not limited to any documentation, data, records, drawings, graphs, formulae, samples, electronic data and any other means by which the Confidential Information may be stored or reproduced.

1.2 Confidential Information shall not, however, include any information which:

- (i) was or becomes publicly known and made or to be made generally available in the public domain, to the receiving party;
- (ii) becomes publicly known and made generally available after disclosure by the disclosing party to the receiving party through no action or inaction of the receiving party;
- (iii) is already in the possession of the receiving party at the time of disclosure by the disclosing party immediately prior to the time of disclosure;
- (iv) is obtained by the receiving party from a third party provide that such third party is not known to the receiving party to be bound by obligations of confidentiality;
- (v) is independently developed by the receiving party without use of or reference to the disclosing party's Confidential Information, as shown by documents and other competent evidence in the receiving party possession.

1.3 Confidential Information shall be disclosed when it is required by applicable law, regulation, legal process or stock exchange rules or regulations (whether through oral question, interrogatories, requests for information or documents, subpoena, civil investigative demand or other similar process or through press release or other public disclosure); to be disclosed by the receiving party, provided that the receiving party where practicable gives the disclosing party prompt written notice of such requirement prior to such disclosure and reasonable assistance in obtaining an order protecting the information from public disclosure.

2. NON-USE AND NON-DISCLOSURE

2.1 Each Party agrees not to use any Confidential Information of the other Party for any purpose except to evaluate and engage in discussions concerning a potential business relationship between the Parties

2.2 Each Party agrees not to disclose any Confidential Information of the other Party to third parties or to such party's employees, except to those employees of the Party who are required to have the information in order to evaluate the Project or engage in discussions concerning the, contemplated business relationship. Neither Party shall reverse engineer, disassemble or decompile any prototypes, software or other tangible objects which embody the other Party's Confidential Information and which are provided to the Party hereunder.

3. MAINTENANCE OF CONFIDENTIALITY

3.1 Each Party agrees that it shall make reasonable efforts to take bona fide measures to protect the secrecy of and avoid disclosure and unauthorized use of the Confidential Information of the other Party. Save as considered appropriate for the purpose of Project evaluation, neither Party shall make any copies of the Confidential Information of the other Party or make or assist any person to make any unauthorized use of the same unless the same is previously approved in writing by the other Party. Each Party shall reproduce the other Party's proprietary rights notices on any such approved copies, in the same manner in which such notices were set forth in or on the original.

3.2 The Parties agree to take reasonable measures so as not to permit unauthorized persons to have access to places where the other Party's Confidential Information is displayed, reproduced or stored.

3.3 The Parties agree to cooperate and provide the other Party with all reasonable assistance in any action which the other Party may take to protect the confidentiality of the Confidential Information against persons who are subject to the confidentiality obligations imposed by this Agreement or have executed confidentiality agreement further to or in connection with this Agreement.

4. NO OBLIGATION

Nothing herein shall obligate either Party to proceed with any transaction between them, and each reserves the right, in its sole discretion, to terminate the discussions contemplated by this Agreement at any time concerning the business opportunity by providing a two (2) days prior written notice to this effect to the other Party.

5. NO WARRANTY

All Confidential Information under this Agreement shall be provided as and when available. Each Party makes no representations, warranties, express, implied or otherwise, regarding its accuracy, reliability, completeness or performance except that such information has been disclosed in good faith. Notwithstanding the forgoing, the receiving party agrees that none of the disclosing party or any of its representatives shall have any liability to the receiving party or any of its representatives unless the disclosing party, or its representatives, knowingly pass information which is incorrect, incomplete, misleading, erroneous, or inaccurate, in any way, shape or form, in which case the disclosing party and its representatives shall be fully liable towards the receiving party and its representatives for any direct and consequential losses.

6. RETURN OF MATERIALS

6.1 All documents and all other tangible objects containing or representing Confidential Information which have been disclosed by either Party to the other Party, and all copies thereof which are in the possession of the other Party shall be and remain the property of the disclosing party and shall be promptly returned within ten (10) days to the disclosing party upon the disclosing party's prior written request.

6.2 Documents and records either Party is required to keep in compliance with internal and external audit requirements as well as for regulatory and reporting purposes are specifically excluded from the general obligation to return the documents and other tangible objects referred to in this paragraph.

7. NO LICENSE

Nothing in this Agreement is intended to grant, either expressly or by implication, estoppels or otherwise, any rights or license to either Party under any patent, trade secret, invention, trademark, copyright, or other intellectual property right of the other Party, nor shall this Agreement grant any Party any rights in or to the Confidential Information of the other Party except as expressly set forth herein.

8. TERM

Subject to the provisions of Clause 4 above, this Agreement is valid for one (1) year from the date of its execution, after which it may be renewed upon the same terms and conditions, subject to a fresh execution of the Agreement.

9. REMEDIES

9.1 The receiving party acknowledges that disclosure or use of Confidential Information in violation of this Agreement could cause irreparable harm to the disclosing party for which monetary damages may be difficult to ascertain or be an inadequate remedy. The receiving party, therefore, agrees that the disclosing party shall have the right, in addition to its other rights and remedies, to seek and obtain injunctive relief for any violation of this Agreement.

9.2 In the event of litigation relating to this Agreement, if a court of competent jurisdiction determines in a final, non-appealable order that a Party has breached this Agreement, then such Party shall be liable and pay to the non-breaching party, the reasonable legal fees that such non-breaching party has incurred in connection with such litigation, including any appeal there from.

10. MEDIATION / ARBITRATION / DISPUTE RESOLUTION

10.1 Any and every dispute, difference or question which may arise between the Parties to this Agreement shall be first settled by the Parties by an attempt at amicably settling the dispute through mutual negotiations.

10.2 In case the disputes, difference or questions cannot be so settled amicably or satisfactorily by correspondence or by mutual discussion within thirty (30) days after receipt by one Party of the Party's request for amicable settlement, it shall be referred to mediation before a CEDR accredited Mediator at the Karachi Centre for Dispute Resolution (hereinafter referred to as the "Centre"). Mediation proceedings shall be held at Karachi and will be governed by the mediation rules of the Centre.

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10.3 In case the Mediation fails, the dispute shall be referred to Arbitration in accordance with the Arbitration Act 1940 and any applicable rules made there under for the time being in force, for the equitable decision of two joint arbitrators, one to be appointed by each of the Parties, and failing agreement between the arbitrators, to the decision of the umpire, to be appointed by the arbitrators before entering upon the reference. The award made by such arbitrators or the umpire, as the case may be, shall be final and binding on the Parties. The venue of the arbitration shall be Karachi and the arbitration proceedings shall be conducted in English language.

11. GOVERNING LAW

Subject to Clause 10 above, this Agreement shall be governed by and construed in accordance with the laws of Pakistan. In relation to any legal action or proceedings arising out of or in connection with this Agreement, each of the Parties irrevocably submits to civil jurisdiction of the competent Courts of Karachi, Pakistan.

12. MISCELLANEOUS

This Agreement shall bind and inure to the benefit of the Parties hereto and their successors and assigns.

The Parties further acknowledge and agree that:

- a) any provision found to be invalid or unenforceable shall not affect any other provision in this Agreement;
- b) this Agreement must not be construed to exclude the operation of any principle of law or equity once the Party under consideration becomes aware of it (if not aware already) which is intended to protect and preserve the confidentiality of the shared Information;
- c) neither Party intends to create a partnership, agency or joint venture under this agreement and nothing herein shall be regarded or construed as creating any of these relationships between the Parties;
- d) Subject to the provision of this Agreement, both Parties agree to refrain from taking any action that would subject the other Party to liability or penalty under any and all laws, rules, regulations or decrees of any governmental authority;
- e) this Agreement shall be executed in two (2) counterparts, each of which shall be deemed to be an original;
- f) this Agreement may only be amended / modified in prior writing, and signed by both Parties; and
- g) the recitals to this Agreement shall form an integral part hereof.

13. THIRD PARTY RIGHTS

A person who is not a party to this Agreement has no right to enforce any term of this Agreement.

14. WAIVER

AA

No waiver by either Party of any default by the other in the performance of any of provisions of this Agreement shall be effective unless in prior writing duly executed by an authorised representative of the Party and no such waiver shall operate or be construed as a waiver of any other or further whether of alike or of a different character.

15. NOTICES

- 15.1 Any notice or other communication given under this Agreement must be in writing and served on a Party at its address as specified in this Clause 15, (or any other address it has notified to the other Party in accordance with this Clause 15) as follows: by hand; by registered post; by courier; by fax which is automatically confirmed by the sender's fax machine to have been sent without error to the recipient's fax number; or by other electronic method of communication agreed in writing from time to time between the Parties.
- 15.2 Notices or communications sent by registered post will be deemed to have been served on the date that such mail is delivered or delivery is attempted. Notices or communications sent by fax will be deemed to have been served on the day of transmission if transmitted before 4.00 pm in the time zone of receipt but otherwise on the next day. In all other cases, notices and communications will be deemed to have been served on the day when they are actually received.

Notices to the Company/SSGC will be sent to:

Attention: Managing Director,
Address: Head Office at ST-4/B, Block 14, Sir Shah Suleman Road,, Gulshah-e-Igbai, Karachi Facsimile: 99231602-3

Notices to the Trafigura will be sent to:

Attention: CEO,
Address: Bahria Complex – III,8th Floor, M.T Khan Road.. Karachi

16. ASSIGNMENT

This Agreement as well as any rights and obligations hereunder shall not be assigned by any Party hereto, either in whole or in part, without the prior written consent of the other Party, and any attempt to do so without such consent shall be null and void and of no effect, and shall be deemed to be a material breach of this Agreement.

17. SEVERABILITY

If any provision of this Agreement is held invalid or otherwise unenforceable, the enforceability of the remaining provisions shall not be impaired thereby. In such case, the Parties shall, make every effort to replace the ineffective provision with a new provision which has the same effect, or as approximate an effect as possible as the said provision.

18. ENTIRETY

These terms and conditions constitute the entire agreement between the Parties and supersede all prior communications, proposals, understandings and agreements, written or oral between the Parties with respect to the subject matter of this Agreement:

IN WITNESS WHERE OF THE PARTIES HERETO HAVE SET THEIR RESPECTIVE HANDS THE DAY AND YEAR FIRST ABOVE WRITTEN

Sui Southern Gas Company Limited

By: Amin Rajhul-
[Signature]

Designation: AMO, SSGC

Trafigura Pakistan (Pvt.) Limited

By: AADJEER
[Signature]

Designation: GM



WITNESSES

- 1. *[Signature]* / AMIR MONTAZ KHAN
- 2. *[Signature]* / KHALID SAEEM

WITNESSES

- 1. *[Signature]* / AMAN-UL-HAQ
- 2. *[Signature]* / UMAIR ALI

ANNEXURE - 13
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Ref: GMS: 938 (LNG)

August 8, 2018

Mr. Fadi Mitri,
Trafigura Pakistan (Pvt) Ltd
3rd Floor, Bahria Complex – III,
M.T Khan Road,
KARACHI

MOU – SNGPL & TRAFIGURA PAK

Dear Sir,

Reference your letter dated 27.07.2018, regarding the subject cited above and further to our letter dated 29.06.2018 in this regard.

In this context, we wish to apprise that currently there is no available capacity on SNGPL’s network since the capacity of 1200 MMCFD in RLNG II pipeline is already committed for transportation of the same from the existing terminals.

It is pertinent to mention that Ministry of Energy (Petroleum Division) has already allocated around 4.2 BCFD pipeline capacities to different entities while indicating existing and upcoming new pipelines with total carrying capacity of 3.6 BCFD. RLNG-III pipeline of 1200 MMCFD has been proposed to be laid by the Sui companies while another pipeline of 1200 MMCFD capacity proposed to be laid on BOOT basis. Sui companies are evaluating commercial viability of the proposed RLNG-III project and have also sought certain clarifications with respect to capacity allocation from proposed 1200 MMCFD pipeline as well as firm commercial plan. Response to which is still awaited.


Furthermore, as earlier communicated, Network Code, being an integral part of the TPA Rules, 2018 is yet to be approved by the Authority alongwith *capacity allocation methodology*.

In view of the above, SNGPL shall only be in a position to proceed further, once the TPA Rules along with Network Code come into force and clarifications sought from the MoE are received.

Meanwhile, we assure you of our best corporation at all times.

Regards,

Yours faithfully,
SUI NORTHERN GAS PIPELINES LIMITED


SHAHID MAQSUD
General Manager (Sales)
for **MANAGING DIRECTOR**

Copy to:

- SPS to Secretary – MoE (Petroleum Division), Islamabad:
- Director General (Gas) – MoE (Petroleum Division), Islamabad



PGP Consortium Limited
Associated House, Seven Egerton Road, Lahore 54000
T: +92 42 3636.8844 / F: +92 42 3636.8742 / lhr@ag.com.pk

Our Ref. PGPC/OGRA/2018/1848
September 12, 2018

The Registrar,
Oil & Gas Regulatory Authority,
54-B, Fazal-e-Haq Road,
G-6/F-6, Blue Area,
Islamabad

Subject: **Confirmation — Trafigura's Capacity in PGPC Terminal**

Dear Sir,

We hereby confirm that Trafigura Pakistan (Pvt.) Limited (or any of its affiliates, including but not necessarily limited to Trafigura Pte Ltd.) has been allocated 90 mmcf/d capacity at our LNG Terminal at Port Qasim, Karachi for the import of LNG and sale of RLNG in Pakistan.

Yours truly,
For PGP Consortium Limited,

Fasih Ahmed
CEO

CC: CEO, Trafigura Pakistan (Pvt.) Ltd.

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TRAFIGURA

TRAFIGURA PAKISTAN (PRIVATE) LIMITED

Dated: September 10, 2017
AA

TO
The Registrar
Oil & Gas Regulatory Authority – OGRA
54-B, Fazal-e-Haq Road, Blue Area,
Islamabad, Pakistan
Tel: +92-51-9244090-98

Subject: APPLICATION FOR GRANT OF LICENSE FOR SALE OF NATURAL GAS / RLNG

Dear Sir,

I am responding to your letter no. OGRA-6(1)-NG/2018 dated July 04, 2018 regarding the application for grant of license for sale of natural gas / RLNG. You have asked us for complementary information on MOUs / non-disclosure agreement (NDA) between Trafigura Pakistan Pvt Ltd (the Applicant) and SSGCL and SNGPL and a revised letter from Licensed Terminal Operators. The table below provides you with an overview of our detailed answers.

S. No	The Counterparty	The Applicant
i.	SSGCL & SNGPL	<p>As advised by the authority, SSGC & SNGPL were approached to enter into MOU /NDA.</p> <p>The executed NDA with SSGC is attached as an Annexure – A.</p> <p>However, SNGPL has reverted with another letter # GMS:938(LNG) dated August 8, 2018 (attached as an Annexure- B) that they may only be approached, once the TPA rules along with Network Code come into force.</p> <p>In view of the above, it is submitted to the Authority to kindly issue license for the sale and marketing of RLNG for the customers on SSGC as well as on SNGPL network. However, the effectiveness of the same may be considered subject to the provision of final arrangements with the SUIs.</p> <p>Kind considerations will also enable us to serve those customers who already have such arrangements with SNGPL.</p>

TRAFIGURA PAKISTAN (PRIVATE) LIMITED

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UNIVERSAL ID NUMBER: 0110562

TRAFIGURA

TRAFIGURA PAKISTAN (PRIVATE) LIMITED

		<p>Further to the above, we are still approaching SNGPL to initiate discussions on Gas Transportation Agreements as soon as possible and will keep authority updated on any further progress on it.</p> <p>Meanwhile, you are requested to please proceed further with submitted NDA executed between the applicant and SSGC.</p>
ii.	Licensed Terminal Operator	PGPCL's letter is attached as an Annexure – C

Kindly let us know in case clarification is required on above.

In view of above, and in the spirit of enabling Trafigura to serve Pakistan as soon as possible, it is requested that the grant of license to carry out sale and marketing of RLNG be issued on a priority basis.

For and on behalf of
Trafigura Pakistan (Pvt) Ltd



Fadi Mitri
Chief Executive Officer

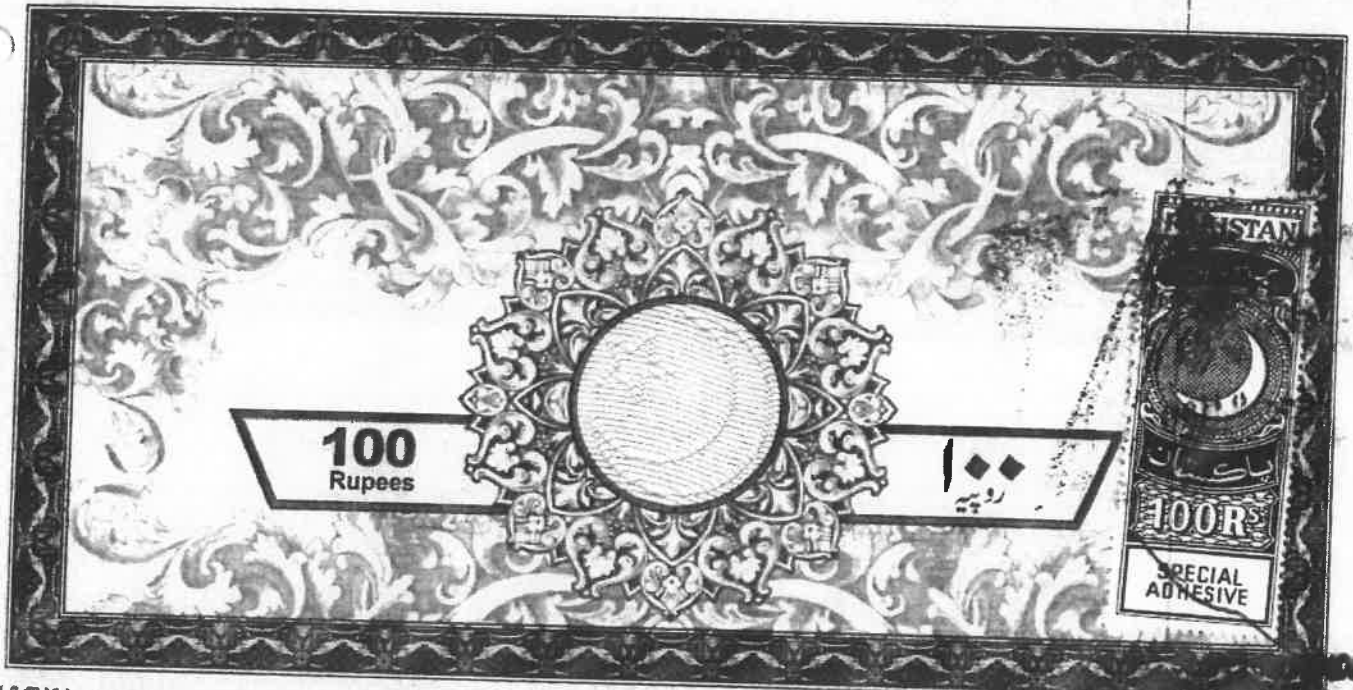


TRAFIGURA PAKISTAN (PRIVATE) LIMITED

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J950137

ANNEXURE - A
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KARIM ANWER ALI STAMP VENDOR
L.No.95, Room # 1, Ruby Center, Bolton
Market, Takur Road, Saddar Town Karachi
SR NO 3346 DATE: 03/06/17

Issued to with Address: Muhammad Ali Bhimra
Through with Address: Advocate
Purpose: L.No. 4488, H.C. Karachi

Value Rs. 100/- Attached
Stamp Vendor Signature

Do Not use Divorced & will Purpose and vendor
Will not responsible for any illegal Fake Ag

30 MAY 2017

NON DISCLOSURE AGREEMENT

BETWEEN

SUI SOUTHERN GAS COMPANY LIMITED

AND

TRAFIGURA PAKISTAN (PRIVATE) LIMITED

Dated: 16th August, 2018

NON DISCLOSURE AGREEMENT

THIS NON DISCLOSURE AGREEMENT (hereinafter referred to as the "NDA") is made and entered into on this 16th day of August, 2018 at Karachi

BETWEEN

SUI SOUTHERN GAS COMPANY LIMITED, a Public Limited Company, incorporated under the Companies Ordinance, 1984 and having its Registered Head Office at ST-4/B, Block 14, Sir Shah Suleman Road, Gulshan-e-Iqbal, Karachi (hereinafter referred to as "SSGC/Company" which expression shall include its successors in interest, nominees; legal representatives, administrators and assigns) of the first part.

AND

TRAFIGURA PAKISTAN (PRIVATE) LIMITED a company duly incorporated and existing under the laws of Pakistan under company number 010562, having its registered office at 8th Floor, Bahria Complex - III, M.T Khan Road, Karachi, Pakistan (hereinafter referred to as the "Trafigura / Consulting party" which expression shall, wherever the context so permits mean and include its successors-in interest, executors, nominees, legal representatives and permitted assigns) of the second part;

Both the Company and the Consulting party may hereinafter collectively be referred to as the "Parties" and individually as a "Party").

RECITALS

WHEREAS

- A. The Parties are desirous of exchanging their Confidential Information for the purpose of **entering into discussion for Gas Transportation Agreement for re-gasified liquefied natural gas on SSGC network** (hereinafter the "Project").
- B. The Parties have agreed to share/exchange their Confidential Information for the purposes set out in Recital A on the terms and conditions of this Agreement.
- C. The Parties have agreed to protect the Confidential Information disclosed to each other prior to or after the execution of this Agreement and, otherwise agree to be bound by the terms and conditions of this Agreement.

NOW, THEREFORE THIS AGREEMENT WITNESSETH, for good and valuable consideration, it is hereby agreed between the Parties as under:

1. **CONFIDENTIAL INFORMATION**

1.1 "Confidential Information" Means any information disclosed by either Party to the other party, either directly, indirectly or incidentally, in writing, orally or by way of comment, advice, representation, perusal or by inspection of tangible objects (including without limitation documents, manuals, software, graphs, charts, processes, supplier lists, price lists, customer lists, product information, market research information, correspondence, letters and papers of every description including copies of and extracts from the same, concepts, media statements, notes, reports, opinions, interpretations, forecasts, cost/benefit analysis, records; prototypes; samples, plant and equipment), which is designated or stated to be as "Confidential,". "Proprietary" or some similar designation or where disclosed orally, is identified as Confidential at the time of such disclosure. Confidential Information includes but is not limited to any documentation, data, records, drawings, graphs, formulae, samples, electronic data and any other means by which the Confidential Information may be stored or reproduced.

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- (i) was or becomes publicly known and made or to be made generally available in the public domain, to the receiving party;
- (ii) becomes publicly known and made generally available after disclosure by the disclosing party to the receiving party through no action or inaction of the receiving party;
- (iii) is already in the possession of the receiving party at the time of disclosure by the disclosing party immediately prior to the time of disclosure;
- (iv) is obtained by the receiving party from a third party provide that such third party is not known to the receiving party to be bound by obligations of confidentiality;
- (v) is independently developed by the receiving party without use of or reference to the disclosing party's Confidential Information, as shown by documents and other competent evidence in the receiving party possession.

1.3 Confidential Information shall be disclosed when it is required by applicable law, regulation, legal process or stock exchange rules or regulations (whether through oral question, interrogatories, requests for information or documents, subpoena, civil investigative demand or other similar process or through press release or other public disclosure); to be disclosed by the receiving party, provided that the receiving party where practicable gives the disclosing party prompt written notice of such requirement prior to such disclosure and reasonable assistance in obtaining an order protecting the information from public disclosure.

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3.3 The Parties agree to cooperate and provide the other Party with all reasonable assistance in any action which the other Party may take to protect the confidentiality of the Confidential Information against persons who are subject to the confidentiality obligations imposed by this Agreement or have executed confidentiality agreement further to or in connection with this Agreement.

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Nothing herein shall obligate either Party to proceed with any transaction between them, and each reserves the right, in its sole discretion, to terminate the discussions contemplated by this Agreement at any time concerning the business opportunity by providing a two (2) days prior written notice to this effect to the other Party.

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7. NO LICENSE

Nothing in this Agreement is intended to grant, either expressly or by implication, estoppels or otherwise, any rights or license to either Party under any patent, trade secret, invention, trademark, copyright, or other intellectual property right of the other Party, nor shall this Agreement grant any Party any rights in or to the Confidential Information of the other Party except as expressly set forth herein.

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- 9.2 In the event of litigation relating to this Agreement, if a court of competent jurisdiction determines in a final, non-appealable order that a Party has breached this Agreement, then such Party shall be liable and pay to the non-breaching party, the reasonable legal fees that such non-breaching party has incurred in connection with such litigation, including any appeal there from.

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- 10.2 In case the disputes, difference or questions cannot be so settled amicably or satisfactorily by correspondence or by mutual discussion within thirty (30) days after receipt by one Party of the Party's request for amicable settlement, it shall be referred to mediation before a CEDR accredited Mediator at the Karachi Centre for Dispute Resolution (hereinafter referred to as the "Centre"). Mediation proceedings shall be held at Karachi and will be governed by the mediation rules of the Centre.

10.3 In case the Mediation fails, the dispute shall be referred to Arbitration in accordance with the Arbitration Act 1940 and any applicable rules made there under for the time being in force, for the equitable decision of two joint arbitrators, one to be appointed by each of the Parties, and failing agreement between the arbitrators, to the decision of the umpire, to be appointed by the arbitrators before entering upon the reference. The award made by such arbitrators or the umpire, as the case may be, shall be final and binding on the Parties. The venue of the arbitration shall be Karachi and the arbitration proceedings shall be conducted in English language.

11. GOVERNING LAW

Subject to Clause 10 above, this Agreement shall be governed by and construed in accordance with the laws of Pakistan. In relation to any legal action or proceedings arising out of or in connection with this Agreement, each of the Parties irrevocably submits to civil jurisdiction of the competent Courts of Karachi, Pakistan.

12. MISCELLANEOUS

This Agreement shall bind and inure to the benefit of the Parties hereto and their successors and assigns.

The Parties further acknowledge and agree that:

- a) any provision found to be invalid or unenforceable shall not affect any other provision in this Agreement;
- b) this Agreement must not be construed to exclude the operation of any principle of law or equity once the Party under consideration becomes aware of it (if not aware already) which is intended to protect and preserve the confidentiality of the shared Information;
- c) neither Party intends to create a partnership, agency or joint venture under this agreement and nothing herein shall be regarded or construed as creating any of these relationships between the Parties;
- d) Subject, to the provision of this Agreement, both Parties agree to refrain from taking any action that would subject the other Party to liability or penalty under any and all laws, rules, regulations or decrees of any governmental authority;
- e) this Agreement shall be executed in two (2) counterparts, each of which shall be deemed to be an original;
- f) this Agreement may only be amended / modified in prior writing, and signed by both Parties; and
- g) the recitals to this Agreement shall form an integral part hereof.

13. THIRD PARTY RIGHTS

A person who is not a party to this Agreement has no right to enforce any term of this Agreement.

14. WAIVER

No waiver by either Party of any default by the other in the performance of any of provisions of this Agreement shall be effective unless in prior writing duly executed by an authorised representative of the Party and no such waiver shall operate or be construed as a waiver of any other or further whether of alike or of a different character.

15. NOTICES

15.1 Any notice or other communication given under this Agreement must be in writing and served on a Party at its address as specified in this Clause 15, (or any other address it has notified to the other Party in accordance with this Clause 15) as follows: by hand; by registered post; by courier; by fax which is automatically confirmed by the sender's fax machine to have been sent without error to the recipient's fax number; or by other electronic method of communication agreed in writing from time to time between the Parties.

15.2 Notices or communications sent by registered post will be deemed to have been served on the date that such mail is delivered or delivery is attempted. Notices or communications sent by fax will be deemed to have been served on the day of transmission if transmitted before 4.00 pm in the time zone of receipt but otherwise on the next day. In all other cases, notices and communications will be deemed to have been served on the day when they are actually received.

Notices to the Company/SSGC will be sent to:

Attention: Managing Director,
Address: Head Office at ST-4/B, Block 14, Sir Shah Suleman Road, Gulshah-e-Igbai, Karachi Facsimile: 99231602-3

Notices to the Trafigura will be sent to:

Attention: CEO,
Address: Bahria Complex – III, 8th Floor, M.T Khan Road.. Karachi

16. ASSIGNMENT

This Agreement as well as any rights and obligations hereunder shall not be assigned by any Party hereto, either in whole or in part, without the prior written consent of the other Party, and any attempt to do so without such consent shall be null and void and of no effect, and shall be deemed to be a material breach of this Agreement.

17. SEVERABILITY

If any provision of this Agreement is held invalid or otherwise unenforceable, the enforceability of the remaining provisions shall not be impaired thereby. In such case, the Parties shall, make every effort to replace the ineffective provision with a new provision which has the same effect, or as approximate an effect as possible as the said provision.

18. ENTIRETY

These terms and conditions constitute the entire agreement between the Parties and supersede all prior communications, proposals, understandings and agreements, written or oral between the Parties with respect to the subject matter of this Agreement:

IN WITNESS WHERE OF THE PARTIES HERETO HAVE SET THEIR RESPECTIVE HANDS THE DAY AND YEAR FIRST ABOVE WRITTEN

Sui Southern Gas Company Limited

By: Amin Rajput - *[Signature]*

Designation: AMO, SSGC

Trafigura Pakistan (Pvt.) Limited

By: AONJEER *[Signature]*

Designation: GM



WITNESSES

- 1. *[Signature]* AMIR MONTAZ KHAN
- 2. *[Signature]* KHALID SAJJAM

WITNESSES

- 1. *[Signature]* AMAN-UL-HAQ
- 2. *[Signature]* UMAIR ALI



Ref: GMS: 938 (LNG)

August 8, 2018

Mr. Fadi Mitri,
Trafigura Pakistan (Pvt) Ltd
8th Floor, Bahria Complex – III,
M.T Khan Road,
KARACHI

MOU – SNGPL & TRAFIGURA PAK

Dear Sir,

Reference your letter dated 27.07.2018, regarding the subject cited above and further to our letter dated 29.06.2018 in this regard.

In this context, we wish to apprise that currently there is no available capacity on SNGPL's network since the capacity of 1200 MMCFD in RLNG II pipeline is already committed for transportation of the same from the existing terminals.

It is pertinent to mention that Ministry of Energy (Petroleum Division) has already allocated around 4.2 BCFD pipeline capacities to different entities while indicating existing and upcoming new pipelines with total carrying capacity of 3.6 BCFD. RLNG-III pipeline of 1200 MMCFD has been proposed to be laid by the Sui companies while another pipeline of 1200 MMCFD capacity proposed to be laid on BOOT basis. Sui companies are evaluating commercial viability of the proposed RLNG-III project and have also sought certain clarifications with respect to capacity allocation from proposed 1200 MMCFD pipeline as well as firm commercial plan. Response to which is still awaited.

Furthermore, as earlier communicated, Network Code, being an integral part of the TPA Rules, 2018 is yet to be approved by the Authority alongwith *capacity allocation methodology*.

In view of the above, SNGPL shall only be in a position to proceed further, once the TPA Rules along with Network Code come into force and clarifications sought from the MoE are received.

Meanwhile, we assure you of our best corporation at all times.

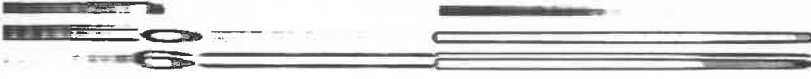
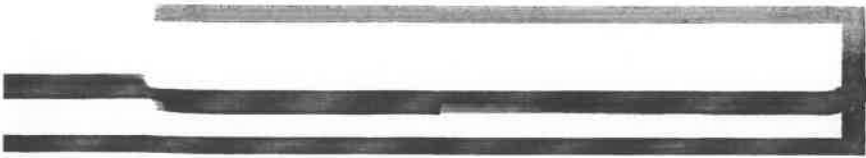
Regards,

Yours faithfully,
SUI NORTHERN GAS PIPELINES LIMITED


SHAHID MAQSUD
General Manager (Sales)
for MANAGING DIRECTOR

Copy to:

- SPS to Secretary – MoE (Petroleum Division), Islamabad:
- Director General (Gas) – MoE (Petroleum Division), Islamabad



Limited
n Road, Lahore 54000
36.8742 / lhr@ag.com.pk



city in PGPC Terminal



imited (or any of its affiliates, including but
en allocated 90 mmcf/d capacity at our LNG
NG and sale of RLNG in Pakistan.



PGP Consortium Limited
Associated House, Seven Egerton Road, Lahore 54000
T: +92 42 3636.8844 / F: +92 42 3636.8742 / lhr@ag.com.pk

Our Ref. PGPC/OGRA/2018/1848
September 12, 2018

The Registrar,
Oil & Gas Regulatory Authority,
54-B, Fazal-e-Haq Road,
G-6/F-6, Blue Area,
Islamabad

Subject: Confirmation — Trafigura's Capacity in PGPC Terminal

Dear Sir,

We hereby confirm that Trafigura Pakistan (Pvt.) Limited (or any of its affiliates, including but not necessarily limited to Trafigura Pte Ltd.) has been allocated 90 mmcf/d capacity at our LNG Terminal at Port Qasim, Karachi for the import of LNG and sale of RLNG in Pakistan.

Yours truly,
For PGP Consortium Limited,

Fasih Ahmed
CEO

CC: CEO, Trafigura Pakistan (Pvt.) Ltd.



TRAFIGURA

TRAFIGURA PAKISTAN (PRIVATE) LIMITED

492

Dated: September 10, 2017

TO
The Registrar
Oil & Gas Regulatory Authority – OGRA
54-B, Fazal-e-Haq Road, Blue Area,
Islamabad, Pakistan
Tel: +92-51-9244090-98

Subject: APPLICATION FOR GRANT OF LICENSE FOR SALE OF NATURAL GAS / RLNG

Dear Sir,

I am responding to your letter no. OGRA-6(1)-NG/2018 dated July 04, 2018 regarding the application for grant of license for sale of natural gas / RLNG. You have asked us for complementary information on MOUs / non-disclosure agreement (NDA) between Trafigura Pakistan Pvt Ltd (the Applicant) and SSGCL and SNGPL and a revised letter from Licensed Terminal Operators. The table below provides you with an overview of our detailed answers.

S. No	The Counterparty	The Applicant
i.	SSGCL & SNGPL	<p>As advised by the authority, SSGC & SNGPL were approached to enter into MOU /NDA.</p> <p>The executed NDA with SSGC is attached as an Annexure – A.</p> <p>However, SNGPL has reverted with another letter # GMS:938(LNG) dated August 8, 2018 (attached as an Annexure- B) that they may only be approached, once the TPA rules along with Network Code come into force.</p> <p>In view of the above, it is submitted to the Authority to kindly issue license for the sale and marketing of RLNG for the customers on SSGC as well as on SNGPL network. However, the effectiveness of the same may be considered subject to the provision of final arrangements with the SUIs.</p> <p>Kind considerations will also enable us to serve those customers who already have such arrangements with SNGPL.</p>

TRAFIGURA PAKISTAN (PRIVATE) LIMITED

WWW.TRAFIGURA.COM
UNIVERSAL ID NUMBER: 0110562

TRAFIGURA

TRAFIGURA PAKISTAN (PRIVATE) LIMITED

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		<p>Further to the above, we are still approaching SNGPL to initiate discussions on Gas Transportation Agreements as soon as possible and will keep authority updated on any further progress on it.</p> <p>Meanwhile, you are requested to please proceed further with submitted NDA executed between the applicant and SSGC.</p>
ii.	Licensed Terminal Operator	PGPCL's letter is attached as an Annexure – C

Kindly let us know in case clarification is required on above.

In view of above, and in the spirit of enabling Trafigura to serve Pakistan as soon as possible, it is requested that the grant of license to carry out sale and marketing of RLNG be issued on a priority basis.

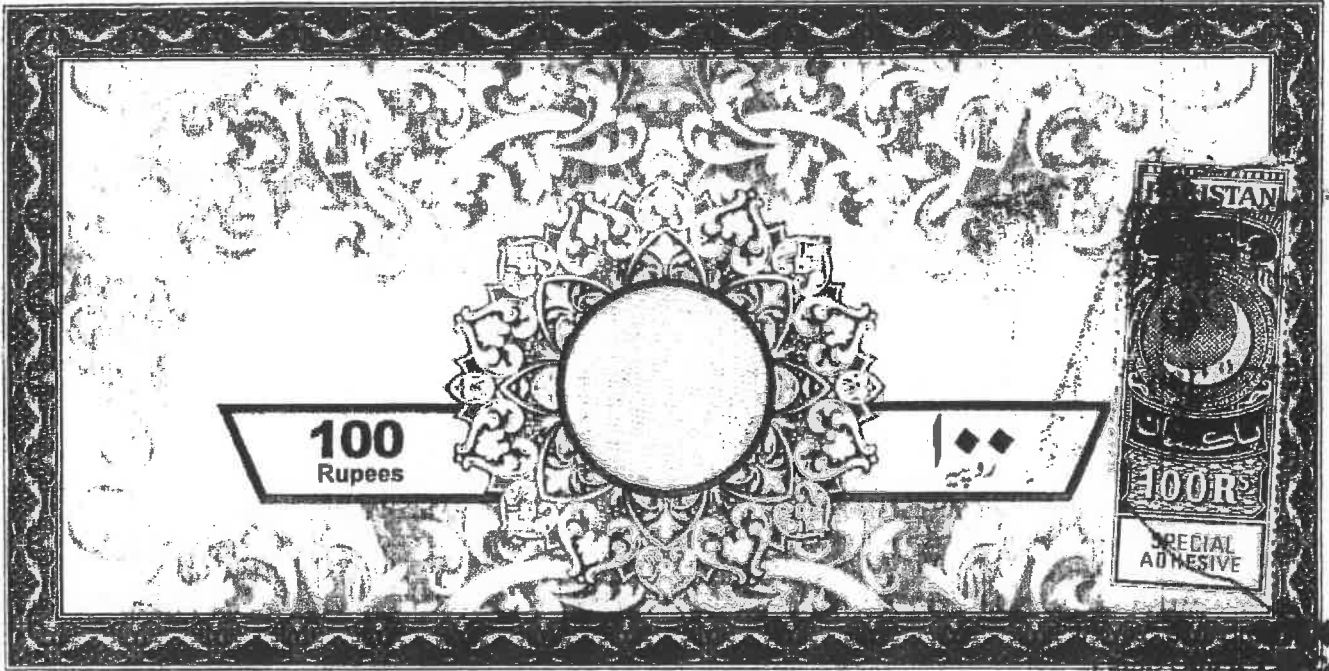
For and on behalf of
Trafigura Pakistan (Pvt) Ltd


Fadi Mitri
Chief Executive Officer



TRAFIGURA PAKISTAN (PRIVATE) LIMITED

WWW.TRAFIGURA.COM
UNIVERSAL ID NUMBER: 0110562



KARIM ANWER ALI STAMP VENDOR
L.No 95, Room # 1, Ruby Center, Bolton
Market, T. Nagar, Road, Saddar Town Karachi

03/06/17

Stamp No. 3346 DATE:
Issued to with Address: **Muhammad Ali Bhimla**
Through with Address: **Advocate**
Purpose: **L.No. 4489, H.E. Karachi**

30 MAY 2017

Value Rs. 100/- Attached.....
Stamp Vendor's Signature:
Debit to the account of the vendor and vendor
Will not be responsible for any illegal / Fake Ag

NON DISCLOSURE AGREEMENT

BETWEEN

SUI SOUTHERN GAS COMPANY LIMITED

AND

TRAFIGURA PAKISTAN (PRIVATE) LIMITED

Dated: 16th August, 2018

NON DISCLOSURE AGREEMENT

THIS NON DISCLOSURE AGREEMENT (hereinafter referred to as the "NDA") is made and entered into on this 16th day of August, 2018 at Karachi

BETWEEN

SUI SOUTHERN GAS COMPANY LIMITED, a Public Limited Company, incorporated under the Companies Ordinance, 1984 and having its Registered Head Office at ST-4/B, Block 14, Sir Shah Suleman Road, Gulshan-e-Iqbal, Karachi (hereinafter referred to as "SSGC/Company" which expression shall include its successors in interest, nominees; legal representatives, administrators and assigns) of the first part.

AND

TRAFIGURA PAKISTAN (PRIVATE) LIMITED a company duly incorporated and existing under the laws of Pakistan under company number 010562, having its registered office at 8th Floor, Bahria Complex - III, M.T Khan Road, Karachi, Pakistan (hereinafter referred to as the "Trafigura / Consulting party" which expression shall, wherever the context so permits mean and include its successors-in interest, executors, nominees, legal representatives and permitted assigns) of the second part;

Both the Company and the Consulting party may hereinafter collectively be referred to as the "Parties" and individually as a "Party").

RECITALS

WHEREAS

- A. The Parties are desirous of exchanging their Confidential Information for the purpose of entering into discussion for Gas Transportation Agreement for re-gasified liquefied natural gas on SSGC network (hereinafter the "Project").
- B. The Parties have agreed to share/exchange their Confidential Information, for the purposes set out in Recital A on the terms and conditions of this Agreement.
- C. The Parties have agreed to protect the Confidential Information disclosed to each other prior to or after the execution of this Agreement and, otherwise agree to be bound by the terms and conditions of this Agreement.

NOW, THEREFORE THIS AGREEMENT WITNESSETH, for good and valuable consideration, it is hereby agreed between the Parties as under:

1. **CONFIDENTIAL INFORMATION**

1.1 "Confidential Information" Means any information disclosed by either Party to the other party, either directly, indirectly or incidentally, in writing, orally or by way of comment, advice, representation, perusal or by inspection of tangible objects (including without limitation documents, manuals, software, graphs, charts, processes, supplier lists, price lists, customer lists, product information, market research information, correspondence, letters and papers of every description including copies of and extracts from the same, concepts, media statements, notes, reports, opinions, interpretations, forecasts, cost/benefit analysis, records; prototypes; samples, plant and equipment), which is designated or stated to be as "Confidential,". "Proprietary" or some similar designation or where disclosed orally, is identified as Confidential at the time of such disclosure. Confidential Information includes but is not limited to any documentation, data, records, drawings, graphs, formulae, samples, electronic data and any other means by which the Confidential Information may be stored or reproduced.

1.2 Confidential Information shall not, however, include any information which:

- (i) was or becomes publicly known and made or to be made generally available in the public domain, to the receiving party;
- (ii) becomes publicly known and made generally available after disclosure by the disclosing party to the receiving party through no action or inaction of the receiving party;
- (iii) is already in the possession of the receiving party at the time of disclosure by the disclosing party immediately prior to the time of disclosure;
- (iv) is obtained by the receiving party from a third party provide that such third party is not known to the receiving party to be bound by obligations of confidentiality;
- (v) is independently developed by the receiving party without use of or reference to the disclosing party's Confidential Information, as shown by documents and other competent evidence in the receiving party possession.

1.3 Confidential Information shall be disclosed when it is required by applicable law, regulation, legal process or stock exchange rules or regulations (whether through oral question, interrogatories, requests for information or documents, subpoena, civil investigative demand or other similar process or through press release or other public disclosure); to be disclosed by the receiving party, provided that the receiving party where practicable gives the disclosing party prompt written notice of such requirement prior to such disclosure and reasonable assistance in obtaining an order protecting the information from public disclosure.

2. NON-USE AND NON-DISCLOSURE

2.1 Each Party agrees not to use any Confidential Information of the other Party for any purpose except to evaluate and engage in discussions concerning a potential business relationship between the Parties

- 497
- 2.2 Each Party agrees not to disclose any Confidential Information of the other Party to third parties or to such party's employees, except to those employees of the Party who are required to have the information in order to evaluate the Project or engage in discussions concerning the contemplated business relationship. Neither Party shall reverse engineer, disassemble or decompile any prototypes, software or other tangible objects which embody the other Party's Confidential Information and which are provided to the Party hereunder.

3. MAINTENANCE OF CONFIDENTIALITY

- 3.1 Each Party agrees that it shall make reasonable efforts to take bona fide measures to protect the secrecy of and avoid disclosure and unauthorized use of the Confidential Information of the other Party. Save as considered appropriate for the purpose of Project evaluation, neither Party shall make any copies of the Confidential Information of the other Party or make or assist any person to make any unauthorized use of the same unless the same is previously approved in writing by the other Party. Each Party shall reproduce the other Party's proprietary rights notices on any such approved copies, in the same manner in which such notices were set forth in or on the original.
- 3.2 The Parties agree to take reasonable measures so as not to permit unauthorized persons to have access to places where the other Party's Confidential Information is displayed, reproduced or stored.
- 3.3 The Parties agree to cooperate and provide the other Party with all reasonable assistance in any action which the other Party may take to protect the confidentiality of the Confidential Information against persons who are subject to the confidentiality obligations imposed by this Agreement or have executed confidentiality agreement further to or in connection with this Agreement.

4. NO OBLIGATION

Nothing herein shall obligate either Party to proceed with any transaction between them, and each reserves the right, in its sole discretion, to terminate the discussions contemplated by this Agreement at any time concerning the business opportunity by providing a two (2) days prior written notice to this effect to the other Party.

5. NO WARRANTY

All Confidential Information under this Agreement shall be provided as and when available. Each Party makes no representations, warranties, express, implied or otherwise, regarding its accuracy, reliability, completeness or performance except that such information has been disclosed in good faith. Notwithstanding the foregoing, the receiving party agrees that none of the disclosing party or any of its representatives shall have any liability to the receiving party or any of its representatives unless the disclosing party, or its representatives, knowingly pass information which is incorrect, incomplete, misleading, erroneous, or inaccurate, in any way, shape or form, in which case the disclosing party and its representatives shall be fully liable towards the receiving party and its representatives for any direct and consequential losses.

6. RETURN OF MATERIALS

AA

- 6.1 All documents and all other tangible objects containing or representing Confidential Information which have been disclosed by either Party to the other Party, and all copies thereof which are in the possession of the other Party shall be and remain the property of the disclosing party and shall be promptly returned within ten (10) days to the disclosing party upon the disclosing party's prior written request.
- 6.2 Documents and records either Party is required to keep in compliance with internal and external audit requirements as well as for regulatory and reporting purposes are specifically excluded from the general obligation to return the documents and other tangible objects referred to in this paragraph.

7. NO LICENSE

Nothing in this Agreement is intended to grant, either expressly or by implication, estoppels or otherwise, any rights or license to either Party under any patent, trade secret, invention, trademark, copyright, or other intellectual property right of the other Party, nor shall this Agreement grant any Party any rights in or to the Confidential Information of the other Party except as expressly set forth herein.

8. TERM

Subject to the provisions of Clause 4 above, this Agreement is valid for one (1) year from the date of its execution, after which it may be renewed upon the same terms and conditions, subject to a fresh execution of the Agreement.

9. REMEDIES

- 9.1 The receiving party acknowledges that disclosure or use of Confidential Information in violation of this Agreement could cause irreparable harm to the disclosing party for which monetary damages may be difficult to ascertain or be an inadequate remedy. The receiving party, therefore, agrees that the disclosing party shall have the right, in addition to its other rights and remedies, to seek and obtain injunctive relief for any violation of this Agreement.
- 9.2 In the event of litigation relating to this Agreement, if a court of competent jurisdiction determines in a final, non-appealable order that a Party has breached this Agreement, then such Party shall be liable and pay to the non-breaching party, the reasonable legal fees that such non-breaching party has incurred in connection with such litigation, including any appeal there from.

10. MEDIATION / ARBITRATION /DISPUTE RESOLUTION

- 10.1 Any and every dispute, difference or question which may arise between the Parties to this Agreement shall be first settled by the Parties by an attempt at amicably settling the dispute through mutual negotiations.
- 10.2 In case the disputes, difference or questions cannot be so settled amicably or satisfactorily by correspondence or by mutual discussion within thirty (30) days after receipt by one Party of the Party's request for amicable settlement, it shall be referred to mediation before a CEDR accredited Mediator at the Karachi Centre for Dispute Resolution (hereinafter referred to as the "Centre"). Mediation proceedings shall be held at Karachi and will be governed by the mediation rules of the Centre.

10.3 In case the Mediation fails, the dispute shall be referred to Arbitration in accordance with the Arbitration Act 1940 and any applicable rules made there under for the time being in force, for the equitable decision of two joint arbitrators, one to be appointed by each of the Parties, and failing agreement between the arbitrators, to the decision of the umpire, to be appointed by the arbitrators before entering upon the reference. The award made by such arbitrators or the umpire, as the case may be, shall be final and binding on the Parties. The venue of the arbitration shall be Karachi and the arbitration proceedings shall be conducted in English language.

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500

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Attention: Managing Director,
Address: Head Office at ST-4/B, Block 14, Sir Shah Suleman
Road., Gulshah-e-Igbai, Karachi Facsimile: 99231602-3

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Karachi

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AA

IN WITNESS WHERE OF THE PARTIES HERETO HAVE SET THEIR RESPECTIVE HANDS THE DAY AND YEAR FIRST ABOVE WRITTEN

Sui Southern Gas Company Limited

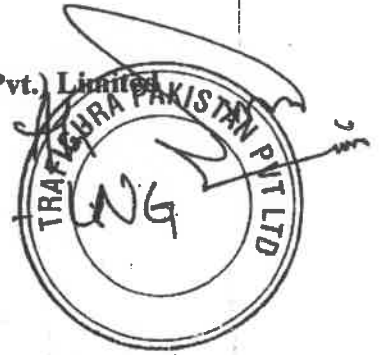
By: Amin Rajput *[Signature]*

Designation: AMO, SSGC

Trafigura Pakistan (Pvt.) Limited

By: AONJEER *[Signature]*

Designation: GM



WITNESSES

- 1. *[Signature]* AMIR MONTAZ KHAN
- 2. *[Signature]* / KHALID SAJEEM

WITNESSES

- 1. *[Signature]* AMAN-UL-HAQ
- 2. *[Signature]* UMAR ALI

ANNEXURE - B
502



SUI NORTHERN GAS PIPELINES LIMITED

Ref: GMS: 938 (LNG)

August 8, 2018

Mr. Fadi Mitri,
Trafigura Pakistan (Pvt) Ltd
3rd Floor, Bahria Complex – III,
M.T Khan Road,
KARACHI

MOU – SNGPL & TRAFIGURA PAK

Dear Sir,

Reference your letter dated 27.07.2018, regarding the subject cited above and further to our letter dated 29.06.2018 in this regard.

In this context, we wish to apprise that currently there is no available capacity on SNGPL's network since the capacity of 1200 MMCFD in RLNG II pipeline is already committed for transportation of the same from the existing terminals.

It is pertinent to mention that Ministry of Energy (Petroleum Division) has already allocated around 4.2 BCFD pipeline capacities to different entities while indicating existing and upcoming new pipelines with total carrying capacity of 3.6 BCFD. RLNG-III pipeline of 1200 MMCFD has been proposed to be laid by the Sui companies while another pipeline of 1200 MMCFD capacity proposed to be laid on BOOT basis. Sui companies are evaluating commercial viability of the proposed RLNG-III project and have also sought certain clarifications with respect to capacity allocation from proposed 1200 MMCFD pipeline as well as firm commercial plan. Response to which is still awaited.

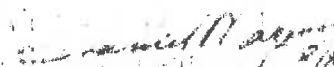
Furthermore, as earlier communicated, Network Code, being an integral part of the TPA Rules, 2018 is yet to be approved by the Authority alongwith *capacity allocation methodology*.

In view of the above, SNGPL shall only be in a position to proceed further, once the TPA Rules along with Network Code come into force and clarifications sought from the MoE are received.

Meanwhile, we assure you of our best corporation at all times.

Regards,

Yours faithfully,
SUI NORTHERN GAS PIPELINES LIMITED


SHAHID MAQSUD
General Manager (Sales)
for MANAGING DIRECTOR

Copy to:

- SPS to Secretary – MoE (Petroleum Division), Islamabad:
- Director General (Gas) – MoE (Petroleum Division), Islamabad



PGP Consortium Limited
Associated House, Seven Egerton Road, Lahore 54000
T: +92 42 3636.8844 / F: +92 42 3636.8742 / lhr@ag.com.pk

Our Ref. PGPC/OGRA/2018/1848
September 12, 2018

The Registrar,
Oil & Gas Regulatory Authority,
54-B, Fazal-e-Haq Road,
G-6/F-6, Blue Area,
Islamabad

Subject: **Confirmation — Trafigura's Capacity in PGPC Terminal**

Dear Sir,

We hereby confirm that Trafigura Pakistan (Pvt.) Limited (or any of its affiliates, including but not necessarily limited to Trafigura Pte Ltd.) has been allocated 90 mmcf/d capacity at our LNG Terminal at Port Qasim, Karachi for the import of LNG and sale of RLNG in Pakistan.

Yours truly,
For PGP Consortium Limited,

Fasih Ahmed
CEO

CC: CEO, Trafigura Pakistan (Pvt.) Ltd.

No. OGRA 9 (477)/2018
2nd August 2018

CEO,
PGPCL,
Associated House, Seven Egerton Road,
LAHORE

Subject: **APPLICATION FOR GRANT OF MARKETING AND DISTRIBUTION
LICENSE**

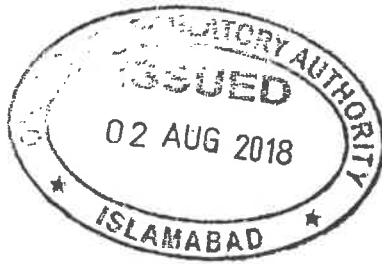
Dear Sir,

Please refer to OGRA's letter of even No. dated 26-06-2018 (copy attached) on the above subject and subsequent meeting held at OGRA on 02-07-2018. Your reply in the matter is still awaited which may be expedited and revised application for grant of license may accordingly be submitted.

2. Furthermore, it is advised to ensure that capacity allocation is to be done by PGPCL being OGRA's licensed terminal operator, as decided in the above referred meeting please.

Yours faithfully,

Abdul Basit Qureshi
(Abdul Basit Qureshi)
Registrar
for and on behalf of the Authority



o/c

(Office of Registrar)

October 23, 2018

INTER OFFICE MEMO

To: ED (Gas) ^{23/10/18}
JED (F-1) ^{23/10/18}

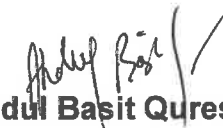
From: Registrar, OGRA

Subject: TRAFIGURA PAKISTAN LIMITED - APPLICATION FOR GRANT OF LICENCE FOR SALE OF RLNG

Please refer to the subject matter.

2. As proposed by Gas and Finance Deptts. and to discuss the deficiencies indicated by the both Deptts, a meeting of the concerned Deptts. on the subject matter is being convened today i.e. **October 23, 2018 at 03:00 p.m.** in OGRA's Member (Gas) Office, in order to discuss/finalize the subject issue.

4. HoDs alongwith concerned officers are requested to attend the same, please.


(Abdul Basit Qureshi)

For information only:

DED to Chairperson ²³⁻¹⁰⁻¹⁸
ES to Member (Finance) ^{23/10/2018}
ES to Member (Oil) ^{on leave 23/10/18}

- The representative of the applicant visited OGRA office, on 30/10/18 met with JED (F) ^{Mr. U. B.} and stated that they will submit the requisite data by tomorrow.


30/10/18

212
506

Urgent & Important

Wed, 10/31/2018 03:01 PM

From: [Ameer Ali <Ameer.Ali@trafigura.com>]
To: ["registrar@ogra.org.pk" <registrar@ogra.org.pk>]
Attachments: [OGRA 31102018-v1.pdf 665.9 KB]

Dear Sir,

As discussed on last Monday, attached please find the required additional info for your kind considerations.

You kind facilitation will be highly appreciated.

FYI: Original docs is already dispatched @ your office address.

Regards

Ameer Ali
General Manager for LNG
Direct: +971 4 425 2122 (UAE)
Mobile: +92 3345171223 (PAKISTAN)

Extn: 25601

E-mail: ameer.ali@trafigura.com

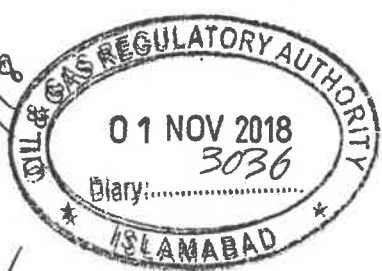
TRAFIGURA PAKISTAN (PRIVATE) LIMITED
8th Floor, Bahria Complex - III, M. T Khan Road
P.O.Box 74400, Karachi, Pakistan

www.trafigura.com

Regards

Ameer Ali
Business Development – LNG Pakistan
Ext: 25601

For further necessary action please.
Amir Bhatt
01/11/18
01/11/18
01/11/18



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TRAFIGURA
TRAFIGURA PAKISTAN (PRIVATE) LIMITED

43
507

Dated: October 31, 2017

To
The Registrar
Oil & Gas Regulatory Authority – OGRA
54-B, Fazal-e-Haq Road, Blue Area,
Islamabad, Pakistan
Tel: +92-51-9244090-98

Subject: APPLICATION FOR GRANT OF LICENSE FOR SALE OF NATURAL GAS / RLNG

Dear Sir,

This is with reference to meeting between Mr. Kamran Khan of Finance Section and Mr. Ameer Ali, Trafigura held on 29-10-2018 in your Islamabad Office regarding the early grant of the Sale and Marketing license of Natural Gas / RLNG.


As desired by Finance Section, attached please find the following documents for your further considerations:

- Cash flow, IRR and NPV calculation
- Forecasted Sale
- List of Finance Professional (further to our service Agreement executed between Trafigura Pakistan and our Parent company)

Please free to contact us, if you require any further clarifications.

Furthermore, it is requested to the authority to please grant us license enabling us to carry out sale and marketing of RLNG, and please give us the public hearing schedule on priority basis as our application has already taken considerable time.

For and on behalf of
Trafigura Pakistan (Pvt) Ltd


Fadi Mitri
Chief Executive Officer

TRAFIGURA PAKISTAN (PRIVATE) LIMITED

WWW.TRAFIGURA.COM
UNIVERSAL ID NUMBER: 0110562

805
19/12

Trafigura Pakistan Limited
Cash flows and NPV calculation

Year	Sales MTBA	MMBTU	DES price	Margin	Capex	W/C	Contingencies	Opex	Tax	Net cash flows	NPV
2018-19	0.06	2,925,000	\$ 17,550,000	351,000	\$ (86,207)	\$ (9,895,558)	\$ (1,765)	\$ (962,069)	\$ 26	\$ (80)	\$ (80)
2019-20	0.88	35,100,000	\$ 210,600,000	4,212,000			\$ (21,060)	\$ (948,276)	\$ (972,799)	\$ (10,254,536)	\$ (9,678,336)
2020-21	2.93	152,100,000	\$ 912,600,000	18,262,000		\$ (85,497,619)	\$ (91,260)	\$ (1,043,103)	\$ (5,135,291)	\$ 2,289,865	\$ 2,021,946
2021-22	5.18	269,100,000	\$ 1,614,600,000	32,292,000			\$ (181,460)	\$ (1,147,414)	\$ (9,294,938)	\$ (73,515,274)	\$ (61,806,189)
2022-23	5.18	269,100,000	\$ 1,614,600,000	32,292,000			\$ (161,460)	\$ (1,262,155)	\$ (9,260,515)	\$ 21,607,889	\$ 16,182,130
2023-24	5.18	269,100,000	\$ 1,614,600,000	32,292,000	\$ (138,837)		\$ (161,460)	\$ (1,388,371)	\$ (9,181,000)	\$ 21,422,333	\$ 15,141,722
2024-25	5.18	269,100,000	\$ 1,614,600,000	32,292,000			\$ (161,460)	\$ (1,527,208)	\$ (9,181,000)	\$ 21,422,333	\$ 14,290,914
2025-26	5.18	269,100,000	\$ 1,614,600,000	32,292,000			\$ (161,460)	\$ (1,679,929)	\$ (9,135,183)	\$ 21,315,428	\$ 13,420,604
2026-27	5.18	269,100,000	\$ 1,614,600,000	32,292,000			\$ (161,460)	\$ (1,847,921)	\$ (9,084,786)	\$ 21,197,833	\$ 12,598,625
2027-28	5.18	269,100,000	\$ 1,614,600,000	32,292,000			\$ (161,460)	\$ (2,032,714)	\$ (8,929,348)	\$ 21,080,479	\$ 11,876,277
2028-29	5.18	269,100,000	\$ 1,614,600,000	32,292,000			\$ (161,460)	\$ (2,235,985)	\$ (8,988,367)	\$ 20,926,189	\$ 11,077,006
2029-30	5.16	269,100,000	\$ 1,614,600,000	32,292,000	\$ (223,598)		\$ (161,460)	\$ (2,459,583)	\$ (8,834,207)	\$ 20,813,151	\$ 10,298,201
2030-31	5.18	269,100,000	\$ 1,614,600,000	32,292,000			\$ (161,460)	\$ (2,705,542)	\$ (8,827,489)	\$ 20,997,498	\$ 9,712,169
2031-32	5.18	269,100,000	\$ 1,614,600,000	32,292,000			\$ (161,460)	\$ (2,976,066)	\$ (8,746,333)	\$ 20,408,111	\$ 9,062,163
2032-33	5.18	269,100,000	\$ 1,614,600,000	32,292,000		\$ 95,399,177	\$ (161,460)	\$ (3,273,705)	\$ (8,657,050)	\$ 115,592,961	\$ 48,551,499
			\$ 20,515,980,000	\$ 410,319,000	\$ (448,642)	\$ -	\$ (2,061,695)	\$ (27,390,070)	\$ (114,128,608)	\$ 286,300,084	\$ 119,855,867

PKR \$ 13,903,257,409

IRR 25%

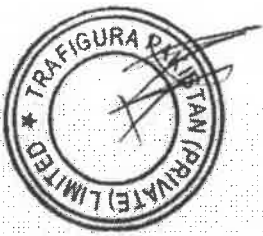


15/12/2015

Trafigura Pakistan Limited

List of Local finance Resources

S. No:	Name
1	Gerald Araujo
2	Puja Maji
3	Sarah McCracken
4	Meenal
5	Local financial Controller (to be engaged)



16
570

Trafigura Pakistan Limited Forecasted Sale in MTPA

Year (June end)	Total mtpa
2018-19	0.06
2019-20	0.68
2020-21	2.93
2021-22	5.18
2022-23	5.18
2023-24	5.18
2024-25	5.18
2025-26	5.18
2026-27	5.18
2027-28	5.18
2028-29	5.18
2029-30	5.18
2030-31	5.18
2031-32	5.18
2032-33	5.18



Urgent & Important

Wed, 10/31/2018 03:01 PM

From: [Ameer Ali <Ameer.Ali@trafigura.com>]
To: ["registrar@ogra.org.pk" <registrar@ogra.org.pk>]
Attachments: [OGRA 31102018-v1.pdf 665.9 KB]

Dear Sir,

As discussed on last Monday, attached please find the required additional info for your kind considerations.

You kind facilitation will be highly appreciated.

FYI: Original docs is already dispatched @ your office address.

Regards

Ameer Ali
General Manager for LNG
Direct: +971 4 425 2122 (UAE)
Mobile: +92 3345171223 (PAKISTAN)

Extn: 25601

E-mail: ameer.ali@trafigura.com

TRAFIGURA PAKISTAN (PRIVATE) LIMITED
8th Floor, Bahria Complex - III, M. T Khan Road
P.O.Box 74400, Karachi, Pakistan

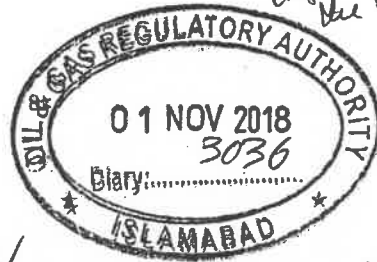
www.trafigura.com

Regards

Ameer Ali
Business Development – LNG Pakistan
Ext: 25601

For further meeting at the place.
Amir Bhatt
11/1/18
DR / AEP

Kabir
AEP
Kindly put up these
information with the
file.
11/1/2018
Shy
Inclung
Registrar through (F-1)



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1 thought felt 2 in
also marked
Amir Bhatt
11/1/18
LO

Date: 11/01/18
Time: 10:30 Am

415

Trafigura Pakistan Limited

List of Local finance Resources

S. No:	Name
1	Gerald Araujo
2	Puja Maji
3	Sarah McCracken
4	Meenal
5	Local financial Controller (to be engaged)



Trafigura Pakistan Limited Forcasted Sale in MTPA

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2025-26	5.18
2026-27	5.18
2027-28	5.18
2028-29	5.18
2029-30	5.18
2030-31	5.18
2031-32	5.18
2032-33	5.18



Trafigura Pakistan Limited

List of Local finance Resources

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2025-26	5.18
2026-27	5.18
2027-28	5.18
2028-29	5.18
2029-30	5.18
2030-31	5.18
2031-32	5.18
2032-33	5.18



522

Trafigura Pakistan Limited List of Local finance Resources

S. No:	Name
1	Gerald Araujo
2	Puja Maji
3	Sarah McCracken
4	Meenal
5	Local financial Controller (to be engaged)



Trafigura Pakistan Limited
Forcasted Sale in MTPA

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2019-20	0.68
2020-21	2.93
2021-22	5.18
2022-23	5.18
2023-24	5.18
2024-25	5.18
2025-26	5.18
2026-27	5.18
2027-28	5.18
2028-29	5.18
2029-30	5.18
2030-31	5.18
2031-32	5.18
2032-33	5.18





OGRA-6(1)-NG/2018

November 12, 2018

Mr. Elias Chibani,
Chief Executive Officer,
Trafigura Pakistan (Private) Limited,
Behria Complex 3,
8th Floor M.T Khan Road,
KARACHI

Subject: APPLICATION FOR GRANT OF LICENCE FOR SALE OF NATURAL GAS / RLANG

Dear Sir, *السلام علیکم*

Please refer to your letter No Nil dated 31-10-2018 on the above subject.

2. It is to inform that the information/data provided vide subject letter still devoid of the following information/data:

- i) *The Basis of calculations of cash flow and IRR,*
- ii) *Designations and experience of the Financial experts.*

3. You are, therefore advised to submit the same in order to proceed further, please.

Best Regards,

Abdul Basit Qureshi
(Abdul Basit Qureshi)
Registrar

(For & on behalf of the Authority)



o/e

525

Application for grant of License for sale of Natural Gas / RLNG

Thu, 11/15/2018 05:18 PM

From: [Ameer Ali <Ameer.Ali@trafigura.com>]
To: ["registrar@ogra.org.pk" <registrar@ogra.org.pk>]
Attachments: [[Untitled].pdf][799588]

Dear Sir,

As discussed yesterday, attached please find the additional docs required by your finance section. I would really appreciate, if you could kind expedite our application and also give us schedule of public hearing on priority.

Your kind facilitation and support will be highly appreciated.

Regards

Ameer Ali
General Manager for LNG
Direct: +971 4 425 2122 (UAE)
Mobile: +92 3345171223 (PAKISTAN)
Extn: 25601
E-mail: ameer.ali@trafigura.com
TRAFIGURA PAKISTAN (PRIVATE) LIMITED
8th Floor, Bahria Complex - III, M. T Khan Road
P.O.Box 74400, Karachi, Pakistan

*AEO
Lo*
Please process.
Amir Bhatti
16/11/18

<http://www.trafigura.com>

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45

527

Trafigura Pakistan Limited
List of Local finance Resources

S. No:	Name	Designation	Qualification	Experience
1	Gerald Araujo	Regional Financial Controller / CFO	CA	15+ years
2	Puja Maji	Oil Controller	CA	15+ years
3	Sarah McCracken	Finance Controller	CA	10+ years
4	Meenal	Analyst	CA	3 Years
5	Local financial Controller (to be engaged)	Local Financial Controller	CA	10 + years

