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THE CENTER FOR AMERICAN
AND INTERNATIONAL LAW

4th Annual
Law OF LNG
CONFERENCE

WESTIN GALLERIA HOTEL • HOUSTON, TEXAS



**PROGRAM
CONFERENCE
CO-CHAIRS**

Philip R. Weems
Managing Partner
King & Spalding LLP
Dubai, UAE

Brian E. Cromer
Senior Corporate
Counsel
Sempra Energy
San Diego, California, USA

September 18-19, 2007

Highlights:

- ▶ Recent Developments and Best Practices in LNG Sales Agreements
- ▶ Practical Considerations for Financing LNG Projects
- ▶ Legal Ramifications of LNG Multi-user Terminals
- ▶ Current Maritime Law Issues
- ▶ Recent Trends in North Atlantic LNG SPAs
- ▶ Key LNG Issues in the Asia Pacific Region
- ▶ LNG Contractual Challenges in Mexico

▶ **Hosted Reception and Dinner**

Tuesday, September 19 • 6:00 - 8:30 p.m.

Featuring: DICK JEFFERIS

Managing Director, Merrill Lynch Commodities, Inc.
Houston, Texas USA

**Register
TODAY!**

- ▶ **10.25 hours of
MCLE Credit.**

"...comprehensive treatment of the industry in a global context in the industry that is once again coming into importance in energy supply."

— 2006 Participant

4TH ANNUAL LAW OF LNG Conference

TUESDAY, SEPTEMBER 18

8:15 REGISTRATION

8:50 WELCOME: CONFERENCE CO-CHAIRS

Philip R. Weems, Managing Partner, King & Spalding LLP, Dubai, UAE

Brian E. Cromer, Senior Corporate Counsel, Sempra Energy, San Diego, California, USA

GENERAL

9:00 CASE STUDY: OVERVIEW OF THE SNØVHIT LNG PROJECT - LEGAL AND CONTRACTUAL STRUCTURE

This session's overview of the Snøvhit Project will include: the Snøvhit Project value chain; how the Snøvhit Project contractual chain is linked to the value chain; Snøvhit LNG marketing and legal issues following the Snøvhit Project delay; and, Statoil's Cove Point experience.

Lars Bakka, Advokat, Statoil, Stavenger, Norway

9:45 A GAS CARTEL? LESSONS LEARNED FROM OPEC REGARDING LEGAL RIGHTS AND LIMITATIONS OF COORDINATED PRACTICES BY LNG EXPORTERS

This presentation will cover the legal status of OPEC, the limitations on the government's ability to attack what otherwise would be a criminal violation of US law, and recent attempts to lift those limitations. The presentation will also look at recent suggestions of a "Gas Cartel" and review the restrictions (both criminal and civil) on coordinated practices among competitors under US antitrust law.

James M. Griffin, King and Spalding LLP, Washington, D.C., USA

10:30 BREAK

10:45 RECENT DEVELOPMENTS IN MODEL SHORT TERM MASTER LNG SALES AGREEMENTS AND BEST PRACTICES

Companies engaged in the LNG sector have been actively negotiating Master LNG Sales and Purchase Agreements (MSAs), establishing the framework under which the parties will attempt to agree to short-term LNG transactions in order to optimize available LNG receiving terminal capacity, on the one hand, and LNG supply available for cargo diversion opportunities, on the other. This presentation will focus on some of the key distinctions between long-term LNG supply contracts and MSA and the ways in which parties seek to address these. Among the issues to be explored are how to allocate risk in bilateral agreements under which either party may be the Seller or the Buyer; ways of managing differing terms applicable at loading and receiving facilities; and allocation of *force majeure* risk in short term contracts.

Lisa G. Henneberry, Squire Sanders & Dempsey L.L.P., Washington D.C., USA

11:30 PRACTICAL CONSIDERATIONS OF OFFSHORE TRUSTEE AND PAYING AGENT AGREEMENTS FOR FINANCING LNG PROJECTS

In LNG financings, often the only real security to which lenders can expect recourse is the vast amount of cash generated by the project through the sale of LNG. What is frequently the key agreement in the lenders' security structure — the Offshore Trustee and Paying Agent Agreement — will be discussed. This contract sets out the rules on where the revenues generated by the project will be deposited, how such deposits will be allocated and how cash will be managed through the life of the project debt. Factors that drive the decision to use an offshore structure, choice of law considerations, third party impacts on the offshore structure, enforcement issues and recent developments in the international market from both the US and English law perspectives will also be considered.

Simon Dickens, Latham & Watkins LLP, London, United Kingdom

Matthew Brown, Latham & Watkins LLP, London, United Kingdom

"In-depth
presentation on
detailed current
topics of interest"

—2006 Participants



*I liked best
"...The presence
of genuinely
knowledgeable
experienced practi-
tioners almost all of
whom focused on
issues rather than
war stories."*

—2006 Participants

12:15

NETWORKING LUNCHEON

Sponsored by
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UPSTREAM

- 1:15 **ANATOMY OF A TYPICAL LNG PROJECT - RESOLUTION OF ISSUES BETWEEN NOCS AND FOREIGN INVESTORS**
 NOCs and Foreign Investors will have their own fundamental requirements when it comes to developing a new LNG project or expanding existing facilities. Key issues for NOCs will include ensuring appropriate value for the Host State, maintaining appropriate involvement in the LNG chain and achieving national development and local content objectives. Key issues for Foreign Investors will include investment incentives, clarity and stability of legal, tax and approval regimes and appropriate investment protection assurances. Resolving these critical issues will require careful legal analysis, project structuring, negotiation and documentation. This session will look at these issues and potential legal solutions in a practical context and examine recent trends in the LNG industry.
Nick Prowse, Norton Rose, London, United Kingdom
- 2:00 **LNG CONSTRUCTION CONTRACTS: THE CONTRACTOR'S VIEW OF CURRENT ISSUES**
 The presentation will cover provisions in the LNG EPC contract that are significant from the Contractor's perspective. The presentation will also include issues to consider in negotiating joint ventures for these large contracts.
Malachy W. Finnen, General Counsel, Technip USA, Houston, Texas USA
- 2:45 **FORCE MAJEURE, HARDSHIP AND RISK ALLOCATION BETWEEN DOWNSTREAM AND UPSTREAM PARTIES**
 This presentation will focus on recent trends in North Atlantic LNG SPAs, in particular the development of economic hardship terms and the assumption of not just volume, but price risk by buyers. Mr. Doha will also discuss how recent deals have sought to transfer the traditional allocation of *force majeure* risks from the seller to the buyer, and how seller diversion rights have increasingly turned long-term LNG SPAs into effective joint marketing agreements resulting in delivery to the highest market.
Fahad Doha, Allen & Overy LLP, London, United Kingdom
- 3:30 **BREAK**

MIDSTREAM

- 3:45 **LNG IN MEXICO: PAST AND FUTURE LEGAL AND CONTRACTUAL CHALLENGES**
 Within the next few years, at least three LNG regasification terminals are expected to flow natural gas into Mexico, two of them with the ability to export gas into the California and Texas markets. The Altamira terminal is already operational, while the Ensenada terminal is under construction, and the Manzanillo terminal is currently subject to international bid by Mexico's national utility company, Comisión Federal de Electricidad. There are other sponsors looking to develop more terminals in Mexico. Unlike other jurisdictions, LNG regasification terminals are considered *utilities* subject to tariff regulation, open access and non undue discriminatory rules, and the scrutiny and supervision of Mexico's regulator (*Comisión Reguladora de Energía*) (CRE). The terminal company, marketers and shippers are required to make their contracts consistent with the regulation and the permit granted by the CRE. The legal framework is currently being tested.
Rógelio Lopez-Velarde, Lopez Velarde, Heftye y Soria, Mexico City, Mexico
- 4:30 **LONG-TERM SPAS IN A SELLER'S MARKET - THE AUSTRALIAN VIEW**
 This session will address key issues for the parties in the radically changed LNG market in the Asia-Pacific region, with particular emphasis on recent contracts in the Asia-Pacific region for LNG supply from Australia, and also provide some background on the current status and challenges of Greenfield and Brownfield Australian LNG projects.
Steve Bird, Principal Legal Counsel, North West Shelf Australia LNG Pty Ltd, Perth, Australia
- 5:15 **ADJOURN**
- 5:30 **BUS DEPARTS HOTEL LOBBY FOR THE PETROLEUM CLUB OF HOUSTON**

6:00-8:30

HOSTED RECEPTION AND DINNER

The Petroleum Club of Houston
800 Bell St., Suite 4300

Featuring

DICK JEFFERIS

Managing Director, Merrill Lynch Commodities, Inc., Houston, Texas

Sponsored by

Chevron Global Gas

Exxon Mobil Corporation

WEDNESDAY, SEPTEMBER 19

- 9:00 **RECENT TRENDS IN NORTH ATLANTIC SPAs INCLUDING TITLE TRANSFER AND RISK OF LOSS**
The session will address the developing trends in LNG SPAs resulting from evolving LNG markets. In particular, attempt to assess the possible evolution of LNG sales contracts, focusing on contract models, title transfers, ownership and risk allocation. An attempt will also be made to predict changes in trends and models in the future.
Ramu P. Ramaswamy, Freshfields Bruckhaus Deringer LLP, London, United Kingdom
- 9:45 **CASE STUDY: QATAR SHIP ACQUISITION PROGRAM**
This presentation will discuss the principal elements of the process QSAT employed in securing what will be, upon completion, the world's largest fleet of LNG carriers. In describing the ship acquisition program employed for the procurement under long-term time charter of fifty-three conventional, Q-Flex and Q-Max vessels, Mr. Keenan will also describe the contract structures employed and QSAT's unique approach to shipyard slot reservation and tender process evaluation and administration.
Kevin D. Keenan, Akin Gump Strauss Hauer & Feld LLP, Houston & London
- 10:30 **BREAK**

DOWNSTREAM

- 10:45 **SHELLLNGTIME1: WILL IT EVOLVE INTO "THE" LNG TIME CHARTER FORM?**
This presentation will examine the ShellLNGTime1 form of charter which is currently the only printed form of LNG Time Charter in the public domain. The presentation will look at the issues from the perspective of both Shipowners and Charterers and consider what additions or amendments might be appropriate for short and medium term LNG charters. Comparison will be made to long term project charters and the extent to which terms found in such project charters are relevant in the context of short and medium term contracts. Consideration will also be given as to whether there is any appetite in the market to carry LNG on voyage charter terms and the issues that this might give rise to.
Robin Byron, Holman Fenwick & Willan, London, United Kingdom
- 11:30 **LEGAL RAMIFICATIONS OF LNG MULTI-USER TERMINALS (INCLUDING OPERATIONS AND COOPERATION AGREEMENTS BETWEEN CUSTOMERS)**
This presentation will focus on an analysis of capacity sharing arrangements at Multi-User LNG Terminals. The sharing of capacity at LNG terminals has become increasingly common in the industry. These contractual arrangements, whether implemented by the operator, the shippers or in combination, differ greatly from terminal to terminal and can be exceedingly complex. This segment focuses on the theoretical and practical issues involved in designing and implementing a multi-shipper sharing arrangement that addresses berth access, storage rights, send-out availability and other concerns of the operator and the shippers.
Chad E. Mills, Sutherland Asbill & Brennan LLP, Houston, Texas, USA
- 12:00 **CURRENT MARITIME LAW ISSUES IN MARINE SERVICES CONTRACTS**
Marine Services Contracts are maritime contracts subject to the unique impacts of admiralty and maritime law, including maritime standards of care, remedies such as maritime attachment, shipowner's rights to limitation of liability, maritime jurisdictional and arbitration issues, the potential for hidden maritime liens, and the effect of protection and indemnity club insurance rules on maritime risk allocation. The impact of maritime law can sometimes be dramatic; in a string of recent cases, U.S. courts have upheld the attachment of electronic fund transfers through New York banks based on the maritime nature of the underlying dispute, without regard to forum selection clauses or the customary limits of personal jurisdiction. Those and other recent cases have highlighted the importance of recognizing and addressing key maritime concerns in tug contracts and marine services contracts.
H. Allen Black, III, Winston Strawn LLP, Washington, D.C., USA
- 12:45 **ADJOURN**

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PAYMENT MUST ACCOMPANY REGISTRATION

GENERAL INFORMATION

CANCELLATION POLICY: Tuition less a \$50 cancellation fee will be refunded upon receipt of written cancellation received by September 7, 2007. Email cburkel@cailaw.org. After this date, no refunds, but substitution of attendees for this program will be permitted. Registrants not entitled to a refund will receive the course materials.

HOUSING: The cost of housing is not included in the tuition. However, rooms (in limited number) have been reserved at The Westin Galleria Hotel 5060 West Alabama, Houston, TX 77056. Phone: 713-960-8100 or 1-800-228-3000 and advise them that you are attending the Law of LNG Conference. A reduced room rate of \$179.00 + 17% occupancy tax is available if you advise the hotel that you are attending this program. The last day to obtain this special rate is August 18, 2007. Make your room reservation online at www.cailaw.org/iel.

NONDISCRIMINATION POLICY: The Center for American and International Law does not discriminate on the basis of race, color, sex, religion, national origin, age, disability, veteran status or any other protected status in educational activities, scholarship programs or admissions.

MCLE CREDIT: This course has been approved by the State Bar of Texas for 10.25 hrs, including 0 hours of ethics. Course ID Number: 900025617. Sign-in sheets and/or certificates of attendance will be available for ALL states.

REGISTRATION

4th Annual LAW OF LNG CONFERENCE September 18-19, 2007

Westin Galleria Hotel • Houston, Texas

Registration includes the 1-1/2 day program, course materials on CD as well as the traditional printed binder, the networking luncheon on Tuesday and the Reception and Dinner at the Petroleum Club on Tuesday night.

REGISTRATION FEE	Received by 9/7/07	Received after 9/7/07
Regular Tuition	<input type="checkbox"/> \$495	<input type="checkbox"/> \$545
Advisory Board Member	<input type="checkbox"/> \$395	<input type="checkbox"/> \$445
Other Member Employee (Supporting & Sustaining members only)	<input type="checkbox"/> \$395	<input type="checkbox"/> \$445

I plan to attend the Reception and Dinner at the Petroleum Club (included in registration).

I will bring a guest to the Reception and Dinner and I am including the guest ticket price of \$100.00 in my registration payment.*

Name _____

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*Please complete the following Dinner Event information (if applicable)

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*"Detailed, precise and particularly useful
legal information on the LNG chain."*

- 2006 Participant

