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Fos-Tonkin Open Season

Information Memorandum (Version
submitted to the CRE for approval)

14 January 2010

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Introduction

This document (“Information Memorandum”) sets out the terms and conditions applicable to the invitation to subscribe for capacity at the Fos-Tonkin terminal (“Fos-Tonkin Open Season” or “Open Season”). It supersedes and replaces all the information previously communicated by Elengy concerning the Fos-Tonkin Open Season, including in particular the Preliminary Information Memorandum and the Information Note published by Elengy on its website¹. The French language version shall prevail over the English language version.

In the context of the ongoing operation of the fleet of Med-max class LNG tankers and growth in the production of Liquefied Natural Gas (“LNG”) on the Southern Mediterranean coast, Elengy proposes to market up to 7 Bcm/year of regasification capacity in the period from 1 October 2014 to 30 September 2034 (“Subscription Period”) under the Fos-Tonkin Open Season procedure.

This project represents a very attractive opportunity for stakeholders wishing to have long-term regasification capacity at their disposal and to gain access to the strategic market of the southern region with a major operator and at a competitive rate.

This Information Memorandum provides information on the following aspects:

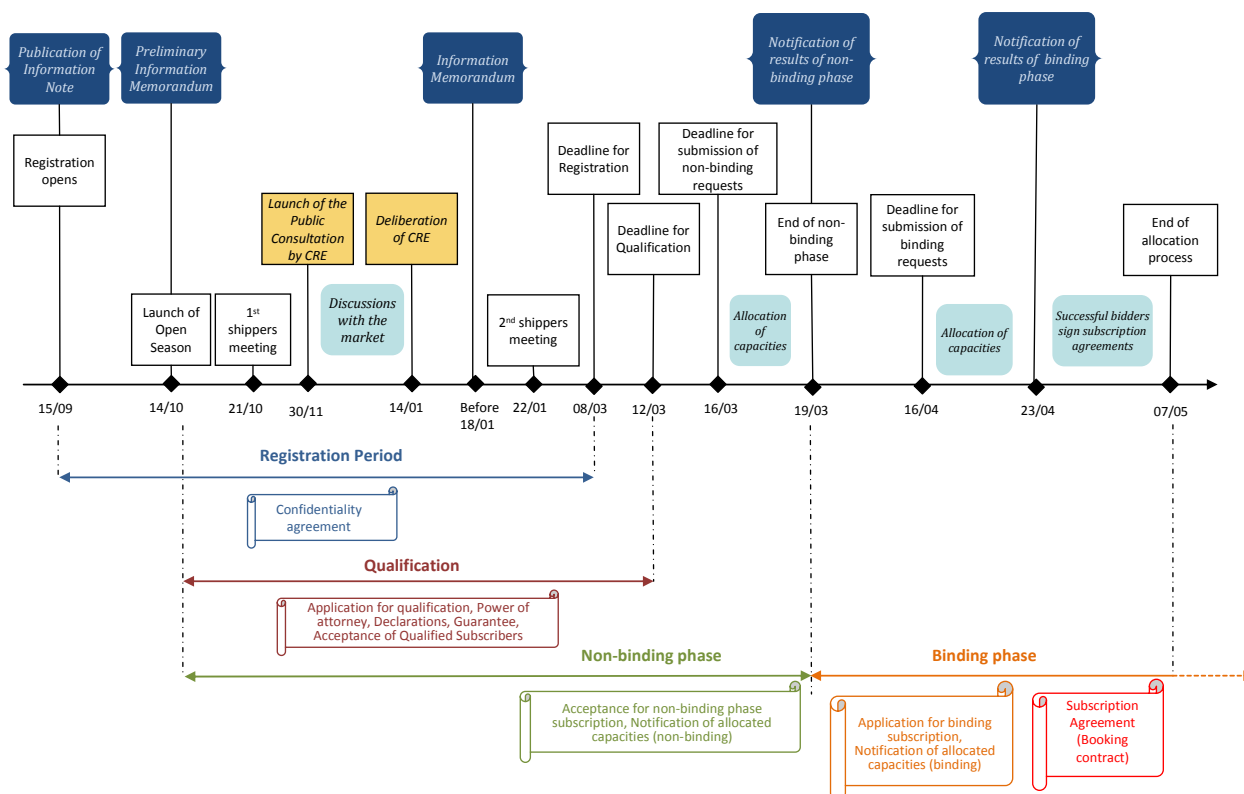
- Elengy and its know-how;
- The Fos-Tonkin terminal, including the existing installations and their future extension planned in the framework of the Open Season;
- The proposed regasification capacities and services, the characteristics of the LNG and the vessels authorised to access the Fos-Tonkin terminal, and the contract setting out the conditions for access to the allocated capacities in the framework of the Open Season;
- The applicable regulatory framework, including, in particular, the modalities to determine the tariffs for access to the Fos-Tonkin terminal;
- The transmission capacities and the rules for allocation of said capacities downstream from the Fos-Tonkin terminal;
- The modalities to subscribe for capacities: qualifying for the Open Season and rules governing the allocation of the capacities planned in the framework of the Open Season (“Allocation Rules”);
- The main stages to be completed by interested parties and the Open Season Indicative Timetable.

Furthermore, it should be noted that the information provided in this document is intended solely as an introduction rather than as a detailed presentation of the documents to which it refers. Interested parties should therefore consult all the relevant reference documents, including those comprising the Annexes to this document.

Lastly, we wish to draw the attention of interested parties to the fact that the provisions presented in this Information Memorandum have been developed by Elengy with a view to submitting them to the French Energy Regulatory Commission (CRE) for approval at its meeting of 14 January 2010 concerning the Open Season.

¹ www.elengy.com

Key stages of the Fos-Tonkin Open Season (new Updated version)





Elengy, operator of the GDF SUEZ Group's LNG terminals

Elengy is a wholly owned subsidiary of GDF SUEZ and is in charge of the operation and expansion of the GDF SUEZ Group's LNG terminals in France. It can rely on over 40 years' experience to meet the needs of its customers (13 to date) and it intends to continue its ambitious development programme.

Elengy owns and operates the terminals of Montoir-de-Bretagne and Fos-Tonkin, which are located respectively on the Atlantic and Mediterranean coasts and have been functioning with a high level of reliability and safety since the terminals were built.

Elengy's current proposal for regasification capacity is 17 Bcm/year. Under the regulatory framework, third parties are guaranteed transparent, non-discriminatory access to this capacity.

Key figures

Regasification capacity	17 Bcm
Storage capacity	510,000 m ³
Vessels received in 2008	233
Customers	13 as at 31/08/2009
Capital	€105,797,420

Terminal	Regasification capacity	Year of commissioning	End of subscriptions	Maximum size of vessels
Fos-Tonkin	7 Bcm/year ²	1972	2014	75,000 m ³
Montoir de Bretagne	10 Bcm/year	1980	2035	216,000 m ³

Elengy is also the operator of the Fos-Cavaou LNG terminal currently under construction. The Fos-Cavaou terminal is owned by Société du Terminal Méthanier de Fos-Cavaou, a subsidiary in which Elengy has a share of 71.2%. The LNG terminal will offer a regasification capacity of 8.25 Bcm/year from the day it is commissioned.

² Capacity reduced to 5.5 Bcm/year as from the commissioning of the Fos-Cavaou terminal

Fos-Tonkin terminal: existing and future installations

Existing installations

The commercial operation of the Fos-Tonkin terminal, which was commissioned in 1972, is currently planned until the end of the year 2014.

At present, the Fos-Tonkin terminal comprises the following main installations:

- A tanker berth and unloading installations for tankers with a capacity of up to 75,000 m³;
- Two LNG metallic storage tanks with a capacity of 35,000 m³ each (RV01 and RV02);
- One LNG concrete storage tank with a capacity of 80,000 m³ (RV03);
- Water-type and submerged combustion vaporizers and equipment for managing the vaporizers and other installations.

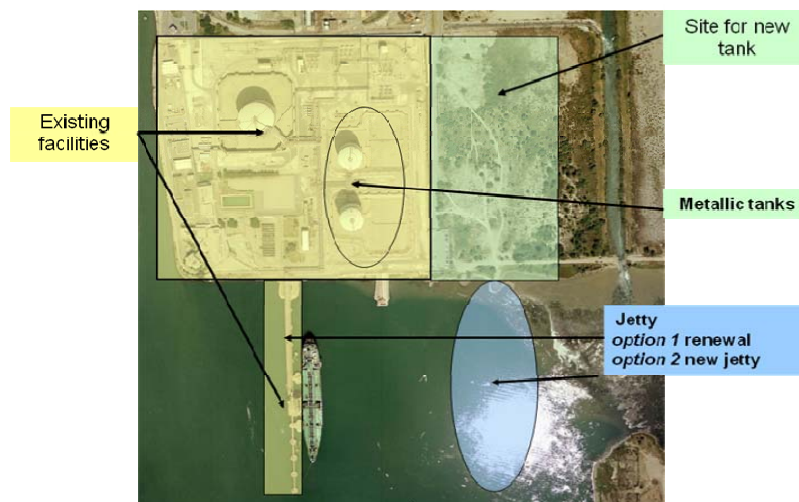
Long-term renewal project

In order to develop the capacities planned in the framework of the Open Season, Elengy intends to take the necessary steps to enable an extension of the Fos-Tonkin terminal's commercial operation beyond 2014 for a period of 20 years. While demand is sufficient for expanding the operation of the terminal in the long term, two different scenarios are currently being considered:

- A Higher-Capacity Project, enabling Elengy to offer capacities of up to 7 Bcm/year ;
- A Lower-Capacity Project, enabling Elengy to offer capacities of up to de 5.5 Bcm/year.

These Projects will require, in particular:

- Renewing the existing equipment at the terminal.
- Possibly a new jetty.
- Building a new tank to replace the existing RV01 and RV02 tanks.





Details of renewal of equipment

As ascertained by LNG terminal operators in different parts of the world, cryogenic equipment has a long useful life, provided it is properly maintained and refurbished. LNG terminal operators therefore carry out major refurbishment programmes with the aim of continuing to operate sites approved by the authorities and effectively integrated in the industrial and human environment. The useful life of such installations can thus be extended beyond the conventional 40-year period.

All renewal or refurbishment actions are decided bearing in mind the paramount aim of continuing to operate the terminal safely and efficiently. A detailed survey of the installations makes it possible to predict their future performance. On the basis of a given performance target, a risk analysis is carried out to develop, firstly, an operational action plan (strengthened monitoring and maintenance) and, secondly, a major replacement/refurbishment action plan, which constitutes the Long-Term Renewal Project as such.

Refurbishment actions have different timeframes. Thus, for the Fos-Tonkin terminal, two refurbishment periods have been planned: an initial period from 2010 to 2016 and a second period towards 2020.

These renewal and refurbishment programmes are designed not to interfere with the commercial operation of the site.

Summary of planned investments

At this stage of the project, the total amount of required investments for the period 2010-2016, for the Higher-Capacity Project, is estimated at approximately €350M, while the investments planned for the additional renewal of equipment towards 2016-2020 amount to about €80M³, i.e. €430M (current value) in total between now and 2020

The required investments for the Lower-Capacity Project over the same period would amount to €340M (current value).

These estimates are those calculated at the feasibility stage of the project.

The main characteristics of the Higher-Capacity and Lower-Capacity Projects are listed in the following table:

Project	Lower-Capacity Project		Higher-Capacity Project	
	2010-2016	Towards 2016-2020	2010-2016	Towards 2016-2020
<i>Performance target</i>	5.5 Gm ³ / year		7 Gm ³ / year	
<i>Renewal timetable</i>	2010-2016	Towards 2016-2020	2010-2016	Towards 2016-2020
<i>New RV04 tank</i>	€160M (80,000 m ³ LNG)		€210M (160,000 m ³ LNG)	
<i>Dismantling of RV01 and RV02 tanks</i>	€120M	€60M	€140M	€80M
<i>Overall renewal of unloading installations, RV03 tank and facilities</i>				
<i>Overall renewal and new materials for outlet installations</i>				
<i>Overall renewal and expansion of equipment for managing the vaporizers</i>				
Total investments	€340M		€430M	

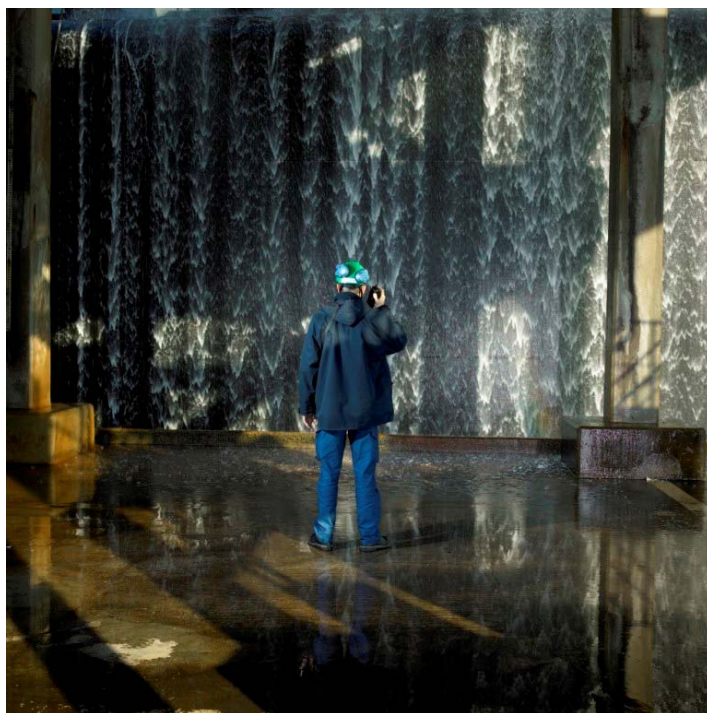
³ A renewal action will also be done around 2030. It has not been clearly defined yet and will depend on the foreseeable position of the terminal after 2035 and the observed aging of the installation.

Planned regasification capacities

Depending on the project implemented, Elengy will be able to offer regasification capacities of up to 5.5 Bcm/year or 7 Bcm/year as of 1 October 2014 for a 20-year period. These capacities will be allocated to tenderers in accordance with the Allocation Rules.

The following sections describe the main characteristics of:

- The regasification services offered;
- The types of LNG unloaded and types of vessels authorised to operate at the Fos-Tonkin terminal;
- The contract to be concluded with the parties to which capacity has been allocated in the framework of the Open Season.



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Planned regasification services

In accordance with the Order of 20 October 2009 approving the new tariffs for using LNG terminals, which was published in the Official Gazette of the French Republic ("JORF") of 11 November 2009, Elengy will offer its customers the following services as of 1 January 2010:

- the "continuous" service, offered to shippers unloading an average of at least 10 cargoes at the terminal over the year. Within the scope of this service, Elengy ensures that the send-out is managed over the contractual period as continuously and regularly as possible for the subscriber, according to the terminal's overall unloading schedule;
- the "uniform" service, offered to shippers unloading an average of no more than 12 cargoes at the terminal, over the year. Within the scope of this service, the send-out is fixed for thirty days on a flat daily basis starting from the unloading end date.

On the assumption that the regulatory framework remains stable, Elengy will offer these services to subscribers for capacities at the Fos-Tonkin terminal. Elengy will continue nonetheless to analyse possible developments of its services in partnership with customers in order to take into account its customers' changing needs. The proposed services may therefore be adapted in consultation with the customers and the regulator.

Characteristics of the unloaded LNG and authorised vessels

Since it was commissioned, the Fos-Tonkin terminal has been receiving LNG from various origins – mainly from Algeria and Egypt.

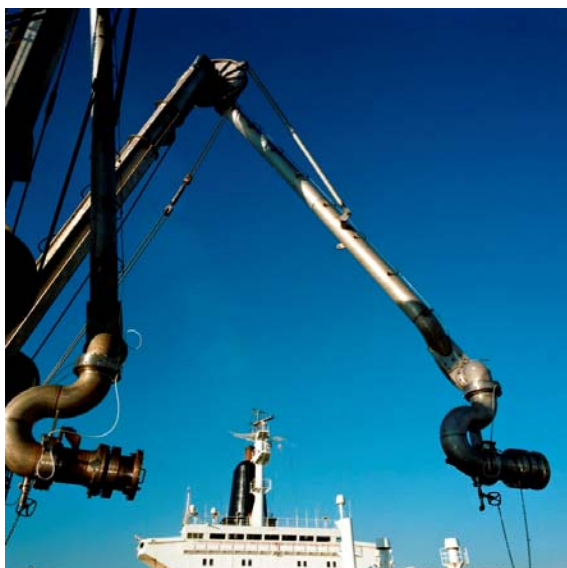
The Fos-Tonkin terminal is ready to receive any type of LNG whose characteristics comply with the specifications detailed in the following table, as published on Elengy's website:

Property	Unit	Minimum	Maximum
GCV	kWh/m(n)3	10.70	12.75
Wobbe Index	kWh/m(n)3	13.40	15.65
"S" of RSH	mg of S/m(n)3		6
"S" of COS+H2S	mg of S/m(n)3		5
S total	mg/m(n)3		30
Hg	ng/m(n)3		50
O2	ppmv		100

However, Elengy will consider the possibility of accepting for unloading any cargo whose LNG characteristics do not comply with the above specifications.

The Fos-Tonkin terminal built on a privileged location (sheltered and not subject to tides) can cater round the clock for LNG vessels unloading up to 75,000 m³ of LNG.

The vessels authorised to access the Fos-Tonkin LNG terminal – as listed on Elengy’s website – can be automatically scheduled to unload their cargo at the terminal. Any request for access concerning a vessel that does not appear on this list will be considered on the basis of criteria of size and safety.



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Subscription Agreement (Booking Contract)

Bidders who are allocated capacities under the Open Season procedure must conclude a Subscription Agreement (Booking Contract) with Elengy. Said agreement shall be drawn up in accordance with:

- the general conditions for access to Elengy’s LNG terminals (“General Conditions”), which are available on the Elengy website;
- the special conditions set out in Annexe C of the Allocation Rules (“Special Conditions”).

The Subscription Agreement shall include a “ship-or-pay” clause and the modalities for the annual and monthly scheduling as well as the intra-monthly rescheduling of loading operations, in accordance with the General Conditions.

The General Conditions for access to Elengy’s LNG terminals can be downloaded from the following link:

<http://www.elengy.com/en/commercial-services/access-to-terminals/contracts.html>

Regulatory framework

Access to LNG facilities is mainly governed by law No. 2003-8 of 3 January 2003, amended and completed – among other provisions – by law No. 2004-803 of 9 August 2004⁴.

In this framework, Elengy offers third parties a proposal for regulated access to its LNG terminals in the extent Elengy has not applied for exemption from this regulated system.

Terminal access tariffs

Article 7 of Law No. 2003-8 of 3 January 2003 lays down that *“the decisions concerning tariffs are taken jointly by the ministers in charge of the economy and energy, further to a proposal by the French Energy Regulatory Commission (CRE), in particular at the request of operators, for the tariffs for the use of gas transmission and distribution systems and liquefied natural gas facilities”*.

Furthermore, Decree No. 2005-1616 of 20 December 2005, relating to the rules for fixing the tariffs for the use of liquefied natural gas facilities, stipulates that the tariffs for the use of liquefied natural gas facilities are to be determined on the basis of all the operating costs and the operator’s investment costs. The expenses necessary for the management, maintenance and safety of the facilities are taken into account in the operating costs. The depreciation of fixed assets and the return on invested capital are taken into account in the capital expenditure.

The tariff is redefined in this way at periodic intervals to update operating expenses and capital expenditure.

The new tariffs that will come into force on 1 January 2010 were published in the JORF of 11 November 2009.

These new tariffs incorporate a system to individualise the tariffs for access to LNG terminals in order to ensure that the costs specific to each terminal are only passed on to the customers of the terminal in question.

The order dated 20 October 2009 concerning the tariffs for the use of LNG terminals introduce a new “tariff visibility principle” to facilitate the development of new capacity on the LNG terminals. The main characteristics of said principle are the following:

- rate of return on regulated assets based on rate applicable to transmission operations, augmented by +2% for a period of 20 years;
- an additional 2% increase of the rate of return on assets for 10 years.

The order dated 20 October 2009 concerning the tariffs for the use of LNG terminals stipulate that these principles shall apply to *“extensions of existing LNG terminals and to new terminals, provided that the increase in regasification capacity accounts for at least 20% of the initial capacity of the infrastructure and provided that the new capacity created is allocated in accordance with the conditions approved by the CRE.”*

⁴ French legislation has transposed the relevant EU regulations, including Directive 2003/55/EC of 26 June 2003, which has just been superseded by Directive 2009/73/EC of 13 July 2009.

Currently, the rate applicable to transmission operations is 7.25% (real before-tax return).

The applicable regulatory framework for determining tariffs does not allow fixing a long-term tariff formula in advance. However, this regulatory framework is also intended to maintain properly functioning markets, particularly by ensuring that conditions for access to the LNG terminals do not prevent the development of competition.

According to Elengy's estimates, the average tariff for the Higher-Capacity Project – if it is fully subscribed – could be less than €1.3/MWh⁵ in current euro, and therefore less in constant euro. For the Lower-Capacity Project, the projected average tariff in the same scenario would be approximately €1.4/MWh. It will therefore be a competitive tariff, on the assumption of a significant average subscription rate.



Allocation of access capacities at the terminal

The capacities available at the Fos-Tonkin terminal up until 30 September 2014⁶ will be allocated according to the “first come, first served” rule.

The capacities offered under the Open Season procedure will be allocated according to transparent and non-discriminatory modalities and in accordance with the relevant rules of good practice. Said modalities are defined in the Allocation Rules summarised below. The Allocation Rules will be validated by the CRE.

Following the Open Season, any capacity that remains available after 1 October 2014 will be allocated according to the “first come, first served” rule or according to whatever rules are applicable under the provisions in force at the time, on the basis of the Special Conditions of the Subscription Agreement which are attached to the Allocation Rules.

⁵ Assuming an identical renewal of the parameters used to establish the current tariff (e.g. the applicable return rates, the periods for depreciation, the level of “ship or pay”, etc.) and long-term growth in the price index of 1.8% per annum, as this index is used to value the RAB and to extrapolate long-term OPEX levels.

⁶ As published on the Elengy website

Transmission capacities downstream from the Fos-Tonkin terminal

Elengy and GRTgaz coordinate their investments in order to offer shippers consistent capacities at the LNG terminals and the transmission system. Elengy has thus informed GRTgaz of its intention to launch an invitation to subscribe for capacity.



Capacity allocation and development at the PITTM

Currently, capacities for access to the transmission system from LNG terminals are attributed automatically to shippers in accordance with the principles laid down in the Order of 6 October 2008 approving the tariffs for the use of the natural gas transmission systems.

GRTgaz will conduct the necessary studies in order to develop, as and when required, additional capacities to supplement the existing capacities at the Fos Transport LNG Terminal Interface Point (PITTM), provided that GRTgaz obtains sufficient commitments to reserve capacity to cover its investment costs and the cost of launching a joint development process.

The current interconnection between the Fos-Tonkin terminal and the core of the transmission system (Saint Martin de Crau) does not require additional development. However, depending on the result of the Open Season, some development might be necessary in future. Elengy has therefore requested, on behalf of Fos-Tonkin subscribers, that GRTgaz make available a long-term, firm annual capacity of 197 GWh/d for the Lower-Capacity Project and 248 GWh/d for the Higher-Capacity Project, as from the end of 2014.



The order dated 6 October 2008 concerning the tariffs for the use of natural gas transmission systems establishes that:

“The holding of regasification capacities in LNG terminals entail the right and the obligation to subscribe for entry capacities on the corresponding transmission systems for the same duration and the level.”

It is the duty of LNG terminal operators and the GRT to coordinate their investments so as to offer shippers coherent capacities on the LNG terminals and on the transmission systems.

Consequently, any shipper subscribing for regasification capacity in connection with the Fos-Tonkin Open Season will be required, provided that the project is completed, to subscribe for capacity equivalent to the Fos PITTM with GRTgaz.

The modalities of the capacity commitments made by subscribers at the Fos PITTM to GRTgaz, which is the operator of the gas transmission system downstream from Fos-Tonkin, shall be those described in the contractual documents currently in force.

GRTgaz is also awaiting the results of the process of commercialisation of the Fos-Tonkin Open Season project before finalising the decision to implement its plans to increase entry capacity on the GRTgaz transmission system at the Fos PITTM.

In order to facilitate this decision, the qualification of subscribers to the current Open Season shall be subject to their commitment to reserve daily entry capacity on the GRTgaz transmission system at the Fos PITTM by means of an ad hoc subscription agreement for the capacity that will be allocated to them each year.

For further information about the GRTgaz transmission system, the concerned parties may consult the following website:

www.grtgaz.com



Allocation rules: qualification and capacity allocation

In accordance with the Information Note, potential subscribers to whom the Confidentiality Agreement is returned duly signed by Elengy will be deemed to be registered with the Fos-Tonkin Open Season ("Registered Subscribers").

Registered Subscribers who wish to reserve regasification capacities offered under the Fos-Tonkin Open Season procedure are invited to follow the commercialisation procedure established for the Open Season.

Said procedure, governed by the Allocation Rules attached to this document, comprises three main stages:

1. Qualification of Registered Subscribers;
2. Allocation of capacities:
 - Submission and simulated allocation of non-binding subscription requests
 - Submission and allocation of binding subscription requests
 - Allocation of capacities and conclusion of Subscription Agreements
3. Decision to implement the long-term renewal project.

The following sections describe only the main aspects of these three stages, as set out in the Allocation Rules. Potential subscribers wishing to qualify for the Open Season are invited to examine the attached Allocation Rules directly.

Qualifying for the Open Season

Any Registered Subscriber may submit a request for qualification to take part in the Open Season.

In order to qualify, Registered Subscribers must submit the appropriate qualifying documents (specified in Annexe A of the Allocation Rules) to Elengy by the deadline for qualification, which is currently 12 March 2010. Said documents, which must be duly signed or certified as appropriate, include:

- A Qualification Request;
- A Power of Attorney;
- A Declaration; and
- A Deposit Guarantee.

The amount of the Deposit Guarantee must be equivalent to at least €150 per GWh/year of capacity which the Registered Subscriber wishes to acquire. This amount will determine the maximum capacity which the Registered Subscriber may request and obtain at the end of the allocation process, independently of the duration of the requested capacity profiles.

Once it has received all the above-mentioned documents, Elengy will contact each of the Registered Subscribers to confirm that the relevant Subscriber qualifies for the Open Season or, as the case may



be, to reject its request for qualification. A Registered Subscriber whose qualification has been confirmed by Elengy is termed a Qualified Subscriber.

Where several associated parties wish to qualify jointly for the Open Season, they must coordinate their action in order to appoint one of them to act as Qualified Subscriber representing all the associated parties for the purposes of the Open Season.

The commitments made in the Declaration include a clause to the effect that, in the event that no capacity has been allocated by the end of the Open Season, Qualified Subscribers that submit a Binding Subscription Request which is significantly different from the Non-Binding Subscription Request previously submitted to Elengy undertake to pay Elengy a €100,000 contribution to the costs of the Fos-Tonkin Open Season, on condition that the Allocation Rules have not changed significantly between the Non-Binding Phase and the Binding Phase. A Binding Subscription Request will be deemed to differ significantly from a Non-Binding Subscription Request once the absolute value of the difference between the total volumes of gas to be unloaded⁷ under the Binding Subscription Request accounts for more than 30% of the total volume of gas to be unloaded under the Non-Binding Subscription Request.

Capacity allocation

The process of allocation of capacities to Qualified Subscribers includes an initial phase during which non-binding requests for capacity are submitted and subjected to simulated allocation ("Non-Binding Phase"), followed by a phase during which binding requests for capacity are submitted and allocated ("Binding Phase"). Only Qualified Subscribers that have submitted a non-binding request will be entitled to submit a binding request.

Elengy has decided that the allocation of non-binding and binding requests for capacity should take place according to the same modalities unless, after analysing the results of the Non-Binding Phase, it is deemed necessary to modify the offer of capacity or the allocation modalities.

Non-Binding Phase

Qualified Subscribers are invited to submit a Non-Binding Subscription Request by the deadline for non-Binding Submissions, which is currently 16 March 2010. The submission must be made by means of the Subscription Request Form included in Annexe B of the Allocation Rules.

A Subscription Request consists of a maximum of 10 requests for capacity ("Profiles"), which concern all or only part of the overall capacity which the Qualified Subscriber wishes to obtain.

The Profiles, which are processed independently under the allocation process, are characterised by:

- A start date, which is set at 1st October 2014 for all Profiles;
- A Duration, which is expressed in one-year periods and which is strictly positive and must be less than or equal to 20 one-year periods;
- A Capacity, which is expressed in GWh/year, and which may not be less than 5,000 GWh/year ("Base Capacity");
- An Annual Number of Unloaded Cargoes.

⁷ Defined as the sum of the products of the Durations (expressed in years) of the Profiles multiplied by their Capacities (expressed in GWh/year).

In order to be valid, a Subscription Request must contain at least one valid Profile and be such that the sum of the capacities of the requested Profiles is less than or equal to the level of the Deposit Guarantee provided by the Qualified Subscriber.

Following receipt and approval of the Subscription Requests, Elengy will rank the Profiles according to the following priorities:

- Level-1 priority: Profiles are initially ranked according to their duration, with the longest ones having the highest priority;
- Level-2 priority: Where at least two Profiles have the same duration, the Profiles are ranked according to their Average Unloading Level⁸, with the Profiles showing an Average Unloading Level higher than or equal to 400 GWh having priority over Profiles with a lower level;
- Level-3 priority: In the event that – after applying the two above-mentioned priority criteria – at least two Profiles are ranked equally, the level of priority attributed to the Profiles will be established as follows:
 - o Profiles relating to capacities greater than or equal to twice the Base Capacity will have priority over Profiles relating to capacities of less than twice the Base Capacity, while all Profiles relating to capacities of at least twice the Base Capacity will have the same priority;
 - o Profiles relating to capacities of less than twice the Base Capacity will be ranked according to the capacity requested, with Profiles relating to greater capacity having priority over other Profiles.

In the event that – after applying the three above-mentioned priority criteria – several Profiles are ranked equally, Elengy will decide between the Profiles by lot under the supervision of a Court Clerk.

Elengy will then allocate the capacity relating to the Higher-capacity Project to the various Profiles on the basis of their respective rankings.

In the event that – in the course of the allocation process – a Qualified Subscriber is allocated more than two-thirds⁹ of the total capacity offered (“Maximum Assignable Capacity”) and should Profiles with the same duration not have been allocated all the capacity requested, the Profile of the subscriber exceeding the Maximum Assignable Capacity shall be given lower priority among those Profiles with the same duration.

Where it is impossible to allocate all the capacity requested under a given Profile, Elengy will inform the Qualified Subscriber of the capacity that may be allocated to it in respect of:

- The Subscriber’s Profiles that have been allocated all the requested capacity;
- The Profile that has only been allocated part of the total requested capacity (“Rationed Profile”). The Qualified Subscriber is free to accept all or just one part of the capacity allocated to the Rationed Profile.

Should the Qualified Subscriber decide to renounce all or just one part of the capacity allocated to the Rationed Profile, Elengy will allocate the remaining capacity to the next Profile in the ranking and will inform the Qualified Subscriber which has submitted the Profile in question of the available capacity that

8 Ratio, for a given Profile, between the requested capacity and the requested number of unloaded cargoes.

9 Estimated on the basis of 66.7% of the total capacity offered. The Summary Report of the working group on the regulation of LNG terminals in France (April 2008) suggest to restrict the allocation to 2/3 for new LNG terminals which have granted exemption. Elengy is not in this situation but took a leaf out of this Summary Report for this proposal.



can be allocated to it. This process will continue until all the capacity offered under the Open Season procedure has been allocated or until there are no more Profiles to which the capacity can be allocated.

Thus, at the end of the process, Elengy will have either allocated all the capacity on offer or will have proposed allocating available capacity to all the Profiles submitted by the Qualified Subscribers.

Elengy will then carry out an economic test to check that the projected maximum average tariff for the Subscription Period has not been exceeded following the allocation of capacities ("Economic Test").

If the Economic Test applied to the Higher-Capacity Project is satisfactory, Elengy will:

- Notify all Qualified Subscribers of the capacities that have been allocated to them;
- Initiate the Binding Phase on the basis of the Higher-Capacity Project.

In the event that the Economic Test applied to the Higher-Capacity Project is unsatisfactory, Elengy will allocate the available capacities according to the modalities described above, albeit turning to examine the Lower-Capacity Project.

Elengy will then carry out the same Economic Test on the Lower-Capacity Project. If this time the Economic Test is satisfactory, Elengy will:

- Notify all Qualified Subscribers of the capacities that have been allocated to them;
- Initiate the Binding Phase on the basis of the Lower-Capacity Project.

In the event that the Economic Test applied to the Lower-Capacity Project is unsatisfactory, Elengy shall inform the Qualified Subscribers of the results of the Economic Test and shall initiate the Binding Phase on the basis of the Lower-Capacity Project.

At the end of the Non-Binding Phase, Elengy will:

- Communicate the results to all Qualified Subscribers;
- Carry out an analysis of the results of the Non-Binding Phase in order to determine the possible need to modify the capacity offered or the Allocation Rules.

Binding Phase

If required, Elengy - on the basis of the feedback from the Non-Binding Phase will define the capacity allocation rules that will apply to Qualified Subscribers during the Binding Phase.

Where appropriate, said rules will be detailed in a new version of the Information Memorandum and a new version of the Allocation Rules applicable during the Binding Phase of the Open Season. These new versions will be submitted to the CRE for approval.

As mentioned above, at present Elengy expects the Binding Phase to take place according to the same modalities as those planned for the Non-Binding Phase.

The Qualified Subscribers will then be invited to submit a Binding Subscription Request by the Deadline for Binding Submissions, which is currently 16 April 2010, the submission modalities being the same – *mutatis mutandis* – as those applicable to the Non-Binding Phase.

Elengy will then validate, rank and allocate capacities to the Subscription Requests and Profiles, these procedures being identical to those applied during the Non-Binding Phase, except for the fact that only the Subscription Requests submitted by Qualified Subscribers that have previously submitted a non Non-Binding Subscription Request will be validated during the Binding Phase.



The Profiles relating to Binding Subscription Requests will then be ranked according to the priority criteria used during the Non-Binding Phase¹⁰, and Elengy will then allocate the capacity on offer under the Open Season procedure to the various Profiles, on the basis of their respective rankings.

Thus, Qualified Subscribers who have submitted a Binding Subscription Request will be allocated either all or just one part of the requested capacity. As in the case of the Non-Binding Phase, should it prove impossible to allocate all the capacity requested under a given Profile, Elengy will inform the Qualified Subscriber of the capacity that may be allocated to it under the Profile concerned, and the Qualified Subscriber will be entitled to accept all or just one part of this capacity.

Elengy will then proceed to perform the Economic Test on the basis of said capacity allocations.

If the project considered is the Higher-Capacity Project, and should the Economic Test:

- be satisfactory, Elengy will close the Binding Phase and further consider the Higher-Capacity Project;
- be unsatisfactory, Elengy will proceed to allocate the capacities according to the modalities described above, albeit turning to consider the Lower-Capacity Project. Elengy will then perform the same Economic Test on the Lower-Capacity Project. If this time the Economic Test is satisfactory, Elengy will close the Binding Phase and further consider the Lower-Capacity Project.

If the project considered is the Lower-Capacity Project, and assuming furthermore that there remain Profiles for significant volumes whose requests have not been met, Elengy will allocate additional capacities – associated with the Higher-Capacity Project – to said Profiles, in accordance with the same priority criteria. Elengy will then close the Binding Phase on this basis.

Elengy expects to complete the allocation process of the Binding Phase by 23 April 2010.

In the event that the Economic Test is unsatisfactory, and should the average sum of the allocated Profiles represent a capacity above 36,000 GWh/year, Elengy will consult the Qualified Subscribers who have submitted Binding Subscription Requests to discuss how best to plan, through the two proposed projects, the long-term renewal of capacities of the Fos-Tonkin terminal, particularly by considering the possibility of fixing a higher maximum average tariff than originally proposed.

If the sum of the allocated Profiles represents on average a capacity less than 36,000 GWh/year, Elengy will close the Fos-Tonkin Open Season and will return to the market later with a new project when the circumstances are more favourable.

Following the completion of the Binding Phase, Qualified Subscribers who have been allocated capacities at the end of this process (i.e. successful tenderers) shall be designated as capacity holders at the Fos-Tonkin terminal (“Capacity Holders”) and will have an obligation to conclude a Subscription Agreement.

As previously mentioned, the Subscription Agreement will be drawn up in accordance with the General Conditions for access to Elengy’s LNG terminals as well as the Special Conditions set out in Annexe C of the Allocation Rules. Elengy expects to complete the process of conclusion of the Subscription Agreements by 7 May 2010.

Elengy will inform all Capacity Holders (successful tenderers) of the capacities allocated to them. These capacities will be made available subject to implementation of the project considered, as indicated in the following section.

10 Provided that the allocation process has not been modified following the analysis of the results of the Non-Binding Phase



Elengy will also inform all Qualified Subscribers of the total amount of capacities allocated at the Fos-Tonkin terminal at the end of the Binding Phase.

Decision to implement the long-term renewal project

Following completion of the Binding Phase, Elengy will perform an analysis of the results of the Binding Phase. This analysis will serve as the basis for deciding whether or not to implement the long-term renewal project ("Commitment Decision").

With a view to preparing the Commitment Decision and during a period of two months prior to reaching said decision, Elengy shall update the total amount of investments in the Project over the 2011-2020 period. Should this amount exceed the amount provided for in this Information Memorandum by more than 25%, then:

- Elengy shall notify this fact and the attendant adjustment of the projected average tariff to the Capacity Holders;
- Within a maximum period of two (2) weeks of the date of said notification, Capacity Holders shall be entitled to rightfully terminate the Subscription Agreement without any kind of compensation whatsoever being required of either Party;
- Should one or more Capacity Holders terminate their Subscription Agreements, Elengy shall iteratively – and as long as necessary – notify the remaining Capacity Holders of the adjusted projected average tariff. Capacity Holders shall retain their right to terminate their Subscription Agreement.

Provided that Elengy has one or more valid Subscription Agreements, the project will be presented to the Board of Directors of Elengy to obtain the approval thereof.

Elengy expects the Commitment Decision to be taken by the end of October 2010. This Commitment Decision will require the following ::

- the administrative permits are obtained for the long-term project;
- GRTgaz reaches a positive investment decision with regard to the capacity increases that will be required at the Fos PITTM for gas send-out downstream from the Fos-Tonkin terminal as a result of implementation of the long-term project.



Next steps and indicative timetable

Potential participants in the Open Season are invited to register and to take part in an information meeting on the Open Season.

Details about how to register in the Open Season and take part in said meeting as well as an indicative timetable of the main stages of the Open Season procedure are given below.

Registration in the Fos-Tonkin Open Season

To register in the Fos-Tonkin Open Season, the companies planning to subscribe for capacities at the Fos-Tonkin terminal ("Potential Subscribers") must sign the Confidentiality Agreement (which is attached to the Information Note) and send it in duplicate to Elengy at the following address ("registration Address"):

Elengy
Fos-Tonkin Open Season
Direction Stratégie Développement Commercialisation
2-6 rue Curnonsky 75 017 Paris

The Potential Subscribers to whom the Confidentiality Agreement is returned duly signed by Elengy will be deemed to be registered in the Fos-Tonkin Open Season ("Registered Subscribers").

Confidentiality Agreements received by Elengy after the Deadline for Registration, which is currently 8 March 2010, will not be taken into account by Elengy.

Information meetings on the Open Season

On 22 January 2010, Elengy will be holding a second information meeting, which Registered Subscribers are invited to attend.

Indicative timetable

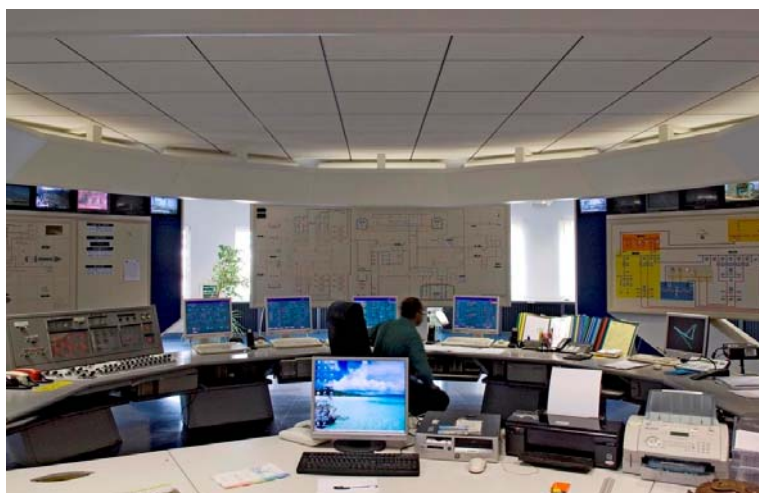
Key stages	Dates
Information Note and launch of invitation to subscribe	15 September 2009
Publication of first Information Memorandum and beginning of qualifying period	14 October 2009
First information meeting	21 October 2009
<i>Public consultation by the CRE</i>	<i>From 30 November 2009 to 24 December 2009</i>
<i>Decision by the CRE</i>	<i>14 January 2010</i>
Information Memorandum	By 18 January 2010
Second information meeting	22 January 2010
Deadline for Registration	8 March 2010
Deadline for Qualification	12 March 2010
Deadline for Non-Binding Submissions	16 March 2010
Notification of results of Non-Binding Phase	19 March 2010
Deadline for Binding Submissions	16 April 2010
Notification of results of Binding Phase	23 April 2010
Signature of Subscription Agreements	By 7 May 2010
Commitment decision	October 2010
First proposed capacities	1 October 2014



Contact

For any question or correspondence concerning the Fos-Tonkin Open Season, the contact point is the following:

Elengy
Fos-Tonkin Open Season
Direction Stratégie Développement Commercialisation
2-6 rue Curnonsky 75 854 Paris Cedex 17
E-mail: fostonkin-development@elengy.com



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Additional information

For any additional information, please connect to our website, as well as to the websites of the CRE and of the ERGEG at the following addresses:

www.elengy.com

www.cre.fr

www.ceer-eu.org





This Information Memorandum is intended to present the market with the new regasification capacities which are offered by Elengy within the scope of a Fos-Tonkin LNG terminal renewal project.

The publication of this Information Memorandum may in no way be considered as a contractual proposal for subscription to regasification capacities.

Any party interested in this operation is required to make inquiries and identify, in its capacity as a professional, the elements necessary for assessing its interest in answering the invitation to subscribe.

Elengy may not be held liable for any assessment or interpretation that might be made of the information contained in this document by the parties concerned.

Elengy reserves the right to modify or stop the Fos-Tonkin Open Season procedure at any time.