Grain LNG, Isle of Grain – E.ON Global Commodities SE Secondary Capacity Access

Auction of Secondary Capacity



Access through Web Portal

- Please follow the link to start initial registration: http://www.eon.com/lng
- Initial registration starts process of qualification
- After successful qualification, direct access to the web portal is granted to the interested party
- Access to the web portal and to information about available secondary capacity at http://www.eon.com/lng



Secondary Capacity Product in detail

- All interested parties have to pass a qualification process first
- Secondary access to capacity is made available by a sealed bid auction
- Delivery of LNG ex-ship by secondary shipper at terminal Isle of Grain
- Redelivery of natural gas at NBP as flat band product during a specified time frame
- Secondary shipper pays auction bid (if winning bidder) and is liable for regasification costs (variable costs only, including costs for nitrogen ballasting and power) plus transportation costs (entry commodity charges, variable costs only)
- A reserve price has to be exceeded by the auction bid in order to become winning bid



Secondary Access Procedure with two steps

Qualification

Shall enable potential shippers and E.ON Global Commodities SE to transfer relevant business data. execute inhouse checks and exchange Confidentiality Agreements, Auction Rules and General Terms and Conditions (GTCs)

Post-qualification/Auctioning

Represents the announcement of available slots and the subsequent auction process including the exchange of necessary specific documentation in order to form a binding contract



Qualification

Registration of interest

- Visit web portal
- Provide contact address
- Receive Bidder's Guide and CA by email
- Send back signed CA and transmit registration fee

On receipt of fee and CA...

Send detailed forms, Auction Rules and GTCs

Fill in and submit detailed application

- Provide credit details (eg. external rating, financial statements, letter of credit), experience etc...
- Send back signed forms and transmit documentation fee

Assess application Accept/Decline/Notify

- In-house checks
- Request further information, if applicable
- If requirements are fulfilled, notify third party and accept as Registered User
- Grant access to internal part of web portal

>Post-Qualification

E.ON Global Comm Applicant



Information exchanged for Qualification

- Bidder's Guide
 - High level guide setting out product and procedure
- Confidentiality Agreement
 - required to be able to receive subsequent confidential information
- Company details
 - enabling the know-your-client checks
- General Terms and Conditions (GTCs)
 - includes necessary terms and conditions to be able to unload cargo and accept redelivery at NBP
- Auction Rules
 - Detailed rules setting out product and procedure
- Bid Form
 - detailing form of placing a bid during auctioning
- Power of Attorney, Letter of Credit



Announcing available slots and auctioning

Publish Slot Place Cargo Auction Place Bid Award slot Bring cargo On Website Information Notice **Process** Place Bid for Award slot to Perform Inform all Place Cargo Open all Registered Information sealed bid sealed bids winning bidder agreement Inform other Users about **Notice** auction Assess validity **Bring LNG** available slot Provide of bids bidders on Receive natural process Confirm Check if their rank gas at NBP via Auction approval of Invitation LNG vessel qualification position reserve price criteria and Inform non-Notice (via by Terminal is met valid bidders email and Operator If reserve price warrants web portal) Give cargo about nonis met, rank Detail dates details and bids as follows validity and duration warrant that 1. highest bid 2. if equal: cargo is compliant highest E.ON Global Comm **Transmit** volume Bidder/Shipper **Auction Fee** 3. if still equal: drawing lots