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July 27, 2009

Attention: Secretary

Commodity Futures Trading Commission
Three Lafayette Centre
1155 - 21st Street, N.W.
Washington, D.C. 20581

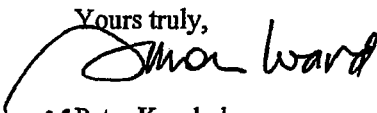
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OFFICE OF THE SECRETARIAT
C.F.T.O.

Re: **Natural Gas Exchange Inc. - Notification and self-certification of rule changes**

1. **SUBMISSION**
In accordance with Regulation 40.6(a), Natural Gas Exchange Inc. ("NGX") hereby submits amendments to its rulebook (the "Contracting Party's Agreement" or "CPA").
2. **TEXT OF RULE CHANGE**
The text of the rule amendments is attached as Appendix "A", with additions underlined and deletions struck out.
3. **DATE OF IMPLEMENTATION/EFFECTIVE DATE**
The amendments will become effective as of August 1, 2009.
4. **OPPOSING VIEWS**
There were no substantive opposing views to the amendments.
5. **APPLICATION OF THE ACT AND REGULATIONS**
An officer's certificate is attached as Appendix "B".

Please do not hesitate to contact myself (403-974-1705) or our Chief Legal Counsel, Cheryl Graden (416-947-4359) for any further information the Commission or its staff may require in connection with this rule amendment.

Yours truly,


per Peter Krenkel
President, Natural Gas Exchange Inc.

cc: Cheryl Graden, NGX
CFTC Southwestern Regional Office

**CONTRACTING PARTY'S AGREEMENT ("CPA")
WITH NATURAL GAS EXCHANGE INC. ("NGX")**

**NOTICE OF AMENDMENTS TO CPA EFFECTIVE ON AUGUST 1, 2009
(NOTICE DATE: JULY 23, 2009)**

This notification, pursuant to the terms of the CPA, relates to amendments to the CPA (the "CPA Revisions"). These revisions are to Articles 1, 3 and 4, and to Schedules C, D, E and I, and shall become effective on August 1, 2009.

The following chart summarizes the CPA Revisions. Please refer to the NGX website at www.ngx.com under the heading "News and Notices", which links to the members' section "CPA and Other Documents", for additional details and the specific text of the CPA Revisions.

ARTICLE OR SCHEDULE	AMENDED ARTICLES
Article 1 - Interpretation	Article 1 has been revised to clarify defined terms
Article 3 - General	Article 3 has been revised to: - move bilateral trading provisions to a separate schedule (s. 3.1(g)) - change terminology from Eligible Credit Support to Eligible Collateral Support (s. 3.2)
Article 4 - Physical Transactions and Physical Products	Article 4 has been revised to clarify a defined term (Physical Settlement Date)
Schedule C - Risk Management Policy	Schedule C has been revised to: - change terminology from Eligible Credit Support to Eligible Collateral Support throughout - set a minimum collateral amount for oil and electricity transactions (s. 3.7(e))
Schedule D - NGX Product List	The NGX Product List has been revised to add 2 new Ontario electricity products, 3 new U.S. products and 1 crude oil product that will become available for trading and/or clearing on the NGX trading system and/or NGX clearing system.
Schedule E - Natural Gas, Oil and Electricity Swaps and Options	Clarified payment dates for Swap Invoices and Option Invoices (s. 6)
Schedule I - Bilateral Transactions	Schedule I contains the provisions for bilateral products, which were formerly found in Article 3

Appendix "A"

PRIVATE AND CONFIDENTIAL

The Agreement has been prepared for participants in the NGX Trading System and NGX Clearing System and contains private and confidential information in respect of the business of Natural Gas Exchange Inc. Natural Gas Exchange Inc. has made applications to the Alberta Securities Commission and other similar regulatory authorities in other provinces of Canada in respect of such business and has received exemptions from the application of various provisions of such legislation. This documentation has not been approved by any regulatory authority.

RISK DISCLOSURE STATEMENT

The risk of loss in entering into Transactions pursuant to the Agreement can be substantial. Consideration should be given to numerous factors, including the fact that Collateral may be applied against losses. Failure to provide additional Eligible ~~Credit~~Collateral Support when required may result in the liquidation of a position reflected by any Transaction. Under certain market conditions, it may be difficult or impossible to liquidate a position. The use of leverage can lead to large losses as well as gains. This brief statement is not intended to disclose all significant risks of the natural gas, oil and electricity markets and Contracting Parties should carefully study commodity and derivative market trading and seek advice from their advisor(s).

(May 1, 2009 or such later date as may be designated
by Exchange on notice to the Contracting Parties)

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SCHEDULES:

Schedule "A"	-	Fee Schedule
Schedule "B"	-	Mediation and Arbitration
Schedule "C"	-	Risk Management Policy
Schedule "D"	-	NGX Product List
Schedule "E"	-	Natural Gas, Oil and Electricity Swaps and Options
Schedule "F"	-	Physical Gas Transactions – Canadian Delivery Points
Schedule "G"	-	Physical Gas Transactions – U.S. Delivery Points with Mediated Delivery Nominations
Schedule "H"	-	Physical Oil Transactions
Schedule "I"	-	<u>Bilateral Transactions</u>

(May 1, 2009 or such later date as may be designated August 1, 2009)

by Exchange on notice to the Contracting Parties)

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TERMS AND CONDITIONS

ARTICLE 1 - INTERPRETATION

1.1 General

- a. Incorporation into Agreement - The Terms and Conditions have been incorporated as part of the Agreement between the Contracting Party and Exchange. The following Schedules attached hereto are also incorporated as part of the Agreement:

Schedule "A"	-	Fee Schedule
Schedule "B"	-	Mediation and Arbitration
Schedule "C"	-	Risk Management Policy
Schedule "D"	-	NGX Product List
Schedule "E"	-	Natural Gas, Oil and Electricity Swaps and Options
Schedule "F"	-	Physical Gas Transactions – Canadian Delivery Points
Schedule "G"	-	Physical Gas Transactions – U.S. Delivery Points with Mediated Delivery Nominations
Schedule "H"	-	Physical Oil Transactions
Schedule "I"	-	<u>Bilateral Transactions</u>

To the extent that any Schedule (including, without limitation, any appendices thereto) conflicts with these Terms and Conditions, these Terms and Conditions shall prevail.

(~~May 1, 2009~~ or such later date as may be designated August 1, 2009)

~~by Exchange on notice to the Contracting Parties~~

- b. Revision of Agreement - The Terms and Conditions and Schedules may be revised from time to time by Exchange upon notice to the Contracting Parties, such revisions to be effective for the purpose of this Agreement on the following basis:

- i. notwithstanding any other provision contained herein, orders active on the NGX Trading System at the time the Physical Oil Trading Specifications are revised by Exchange shall, if applicable, be automatically amended to be consistent with the revised Physical Oil Trading Specifications;
- ii. other than as set forth above, revisions will be effective six (6) Business Days following receipt of notice by the Contracting Parties of such revision or (a) at such later date as may be designated as the Revision Effective Date (defined in Section 1.1(c)), or as may be otherwise designated in such notice, or (b) at such earlier date as may be required for compliance with applicable laws or regulations, to protect the integrity of the NGX Trading System or NGX Clearing System or for the correction of errors,

provided that any such revisions which alter adversely any rights, benefits, liabilities or Obligations of any Contracting Party shall not be effective in respect of Transactions which are not then fully performed. Revisions to this Agreement result in the Contracting Party having certain rights of termination of this Agreement as more particularly set forth in Section 9.1.

(June 8, 2009)

- c. Revision Date – Any section of the Agreement which is revised from time to time will contain a revision date set forth below the applicable section which will be the effective date of such revision(s) (the "Revision Effective Date") having accounted for the notice requirements in Section 1.1(b). A Revision Effective Date may be deleted from copies of the Agreement which are distributed ninety (90) days following any such Revision Effective Date.

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(May 1, 2009 or such later date as may be designated by Exchange on notice to the Contracting Parties)

1.2 Definitions

Capitalized words and phrases used herein shall for all purposes of this Agreement (unless there is something in the subject matter or context inconsistent therewith) have the meanings set out below or the meanings set forth in the specific section in which they are used herein:

- a. "Administrator" means such person(s) designated by each Contracting Party in accordance with Section 3.1(b) who are (i) authorized to designate employees, consultants and agents who are authorized to enter into Transactions for trading and/or clearing on behalf of the Contracting Party and thus bind the Contracting Party to their respective Obligations and (ii) are designated as an "Administrator" for this purpose;
- b. "Agreement" means, collectively, the Execution Page, the Terms and Conditions and all Schedules, each as may be amended, restated or replaced from time to time in accordance with this Agreement;
- c. "Application" means the application and supporting financial and any other information provided to Exchange by a Contracting Party at Exchange's request as a precondition to becoming qualified by Exchange prior to entering into this Agreement;
- d. "Approved Financial Institution" has the meaning ascribed thereto in Schedule "C";
- e. "Arbitration" means the procedure described in Schedule "B";
- f. "Authorized Representatives" has the meaning ascribed thereto in Section 3.1(b);
- g. "Available Margin Limit" has the meaning ascribed thereto in Schedule "C";
- h. "Bank Collateral Agreement" means the agreement between Exchange and Exchange's Principal Banker dated July 30, 2004, as may be amended, modified, restated or replaced from time to time and as posted on Exchange's Website in a secured access section;
- i. "Bilateral Product" means any product that: (i) is listed on the NGX Product List; and (ii) is offered for trading on the NGX Trading System;
- j. "Bilateral Transaction" means a trade entered into from time to time directly between two Contracting Parties through the NGX Trading System, pursuant to ~~Section 3.1(g)~~ Schedule L, for the purchase or sale of any Bilateral Product, which trade is cleared and settled in accordance with the terms and conditions of the bilateral agreement between the two Contracting Parties and not cleared and settled through the NGX Clearing System;
- k. "Business Day" means any day except Saturday, Sunday and statutory holidays in the Province of Alberta;
- l. "Buyer" means a Contracting Party or Exchange that has entered a Physical Transaction that has been entered: (i) on the NGX Trading System; or (ii) into the ICE Trading Platform, with an obligation to take gas or Oil, as applicable;
- m. "Call Option" means an option obligating the Option Buyer to cause an Underlying Transaction to become effective if the relevant Option Exercise Conditions have, or deemed to have, been met (the "Exercise") such that the Option Buyer becomes the buyer in the Underlying Transaction (the Buyer if a Physical Transaction and the Fixed Price Payer if a Swap Transaction) and, as of the

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Exercise, the terms and conditions applicable to such Underlying Transaction govern, all of which shall correspond to, have the particulars and will be referred to in all trading and other information generated on the NGX Trading System and NGX Clearing System by one of the designations set forth in Schedule "E", and which option may be available on the NGX Trading System or NGX Clearing System from time to time;

- n. "Canadian Dollar" or "\$" means the lawful currency of Canada;
- o. "Cleared Only Product" means any Product on the NGX Product List that: (i) is designated as "Cleared Only"; and (ii) is not available for trading on the NGX Trading System or the ICE Trading Platform; but (iii) is cleared through the NGX Clearing System;
- p. "Close-out Procedure" means the procedure outlined in Section 8.3 pursuant to which Exchange may enter into Swap Transactions or Option Transactions, as the case may be, to Set-Off, in whole or in part, the Obligations of the Defaulting Swap Party under Swap Transactions or of the Defaulting Option Party under Option Transactions, as the case may be;
- q. "Collateral" has the meaning set forth in Section 3.2(b);
- r. "Confirmation" means any Physical Confirmation, Swap Confirmation or Option Confirmation;
- s. "Contract Quantity" means the total quantity of gas or Oil to be delivered or taken during the term of a Physical Transaction;
- t. "Contracting Party" means the party, other than Exchange, which has entered into this Agreement, and "Contracting Parties" means all parties, including the Contracting Party, which have entered into a Contracting Party Agreement;
- u. "Contracting Party Affiliate" means, in relation to the Contracting Party (the "First Contracting Party"), any other Contracting Party (an "OCP") that is controlled, directly or indirectly, by the First Contracting Party, any OCP that controls, directly or indirectly, the First Contracting Party or any OCP directly or indirectly under common control with the First Contracting Party, except as may be waived by Exchange pursuant to Exchange's written consent; or any other OCP affiliated with the Contracting Party that does not otherwise qualify under this definition if agreed to in writing by Exchange, the OCP and the First Contracting Party. For this definition, "control" of any OCP or the First Contracting Party means ownership of a majority of the voting power of the OCP or the First Contracting Party;
- v. "Contracting Party Affiliate Default" means a Default by a Contracting Party Affiliate under a Contracting Party Agreement;
- w. "Contracting Party Agreement" has the meaning set forth in Section 1.6;
- x. "Contracting Party Suspension" means one or more of the cancellation of any or all Orders of the Contracting Party regarding a Product and the termination of access to the NGX Trading System and the NGX Clearing System of the Contracting Party in relation to any or all Products;
- y. "Credit Support Document" means any agreement or instrument provided by the Contracting Party or any Credit Support Provider as, or in relation to, Collateral, including, without limitation, in relation to the provision of Eligible ~~Credit~~ Collateral Support or the establishment or maintenance of any Lien;
- z. "Credit Support Provider" means any person other than the Contracting Party which provides Collateral for the Obligations of the Contracting Party;

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- aa. "Critical NGX Trading System Issue" means any event or events that cause the NGX Trading System to be unavailable to multiple Contracting Parties, or an action by Exchange to make the NGX Trading System unavailable to all Contracting Parties, for a consecutive three minute period during any Trading Day, and a "Non-Critical NGX Trading System Issue" means any NGX Trading System issue that is not a Critical NGX Trading System Issue;
- bb. "Current Month Accounts Net Payable" has the meaning ascribed thereto in Schedule "C";
- cc. "Cushing Exchanges" means Physical Oil Transactions entered through the Oil Trading Platform which the initiating Contracting Party simultaneously offers to sell and purchase Oil as "Cushing Exchanges" in accordance with (and as further described in) Schedule "H" and Appendix 2 thereto;
- dd. "Daily Contract Quantity" or "DCQ" means the quantity of gas to be delivered or taken during each Delivery Day of a Physical Gas Transaction;
- ee. "Default" means, with respect to a Contracting Party, any one or more of a Failure to Deliver, Failure to Pay, Failure to Take, Event of Default, Failure to Provide Eligible ~~Credit~~Collateral Support, Swap Party's Default or Option Party's Default of such Contracting Party or a Contracting Party Affiliate Default of any of its Contracting Party Affiliates;
- ff. "Default Rate" means a fluctuating interest rate equal to the Prime Rate (for Canadian dollar Invoices) or U.S. Base Rate (for U.S. dollar Invoices) from time to time plus two percent (2%) per annum; provided, however, that the Default Rate shall never exceed the maximum lawful rate;
- gg. "Defaulting Option Party" means the Contracting Party in respect of which an Option Party's Default or other Default has occurred under this Agreement;
- hh. "Defaulting Party" means a Contracting Party in respect of which a Default has occurred;
- ii. "Defaulting Swap Party" means the Contracting Party in respect of which a Swap Party's Default or other Default has occurred under this Agreement;
- jj. "Delivery Day" means a day, commencing at a particular time on one day and ending at a particular time on the next day, such time being dependent upon the applicable Transportation System at the Delivery Point on which gas is to be delivered or taken as required by a Physical Gas Transaction;
- kk. "Delivery Period" means, for a Physical Oil Transaction, the period during which deliveries and takes of Oil are to occur under such Physical Oil Transaction;
- ll. "Delivery Point" means, for a Physical Transaction, the location at which the parties to such Transaction have agreed to transfer title to, deliver and take the gas or Oil subject to such Transaction, being the transfer point as designated by the applicable Transportation System for the Delivery Point;
- mm. "Deposit Agreement" means the agreement amended and restated as of December 11, 2008 between Exchange and the Escrow Agent;
- nn. "Electricity Products" has the meaning ascribed thereto in Section 5.13(b);
- oo. "Eligible ~~Credit~~Collateral Support" has the meaning ascribed thereto in Section 3.2(a);
- pp. "Escrow Agent" means the trustee under the Deposit Agreement;

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- qq. "Event of Default" means the occurrence of any of the events set forth in Section 3.9;
- rr. "Exchange" means Natural Gas Exchange Inc., a body corporate with offices, and carrying on business, in Calgary, Alberta and any successors thereto;
- ss. "Exchange Bankruptcy Event of Default" means the occurrence of any of the events set forth in Section 3.10;
- tt. "Exchange Default" means the failure by Exchange to perform any of its Obligations in respect of any Swap Transaction or Option Transaction with the Contracting Party;
- uu. "Exchange Letter of Credit" means the letter of credit provided for the benefit of Contracting Parties who have entered into Transactions, which has been deposited with the Escrow Agent pursuant to the provisions of the Deposit Agreement;
- vv. "Exchange's Principal Banker" means The Toronto-Dominion Bank;
- ww. "Exchange's Website" means a site owned and maintained by Exchange available on the internet at www.ngx.com;
- xx. "Excise Tax Act" means the *Excise Tax Act* (Canada);
- yy. "Execution Page" means the execution page executed and delivered by the Contracting Party and Exchange pursuant to which the Contracting Party becomes a party to this Agreement;
- zz. "Failure Amount" means the difference between the amount payable on any Invoice and the amount actually paid on account of any such Invoice;
- aaa. "Failure Quantity" means the difference between the Contract Quantity (or any portion thereof) to be delivered or received in accordance with a Physical Transaction and the quantity of gas or Oil actually delivered or taken in accordance with such Physical Transaction;
- bbb. "Failure to Deliver" means the failure of a Seller or Exchange to make delivery of any portion of the Contract Quantity to be delivered in accordance with a Physical Transaction as determined by the applicable Transportation System and as more particularly set forth in Schedules "F", "G" or Schedule "H", as applicable;
- ccc. "Failure to Pay" means the failure of a Contracting Party or Exchange to make payment of any amount under any Invoice issued in accordance with this Agreement or under Section 5.13;
- ddd. "Failure to Provide Eligible ~~Credit~~Collateral Support" means the failure of a Contracting Party to provide Eligible ~~Credit~~Collateral Support when required in accordance with Section 3.2(a);
- eee. "Failure to Take" means the failure of a Buyer or Exchange to take delivery of any portion of the Contract Quantity to be received in accordance with a Physical Transaction as determined by the applicable Transportation System and as more particularly set forth in Schedules "F", "G" or Schedule "H", as applicable;
- fff. "Fixed Price Payer" means, in respect of a Swap Transaction, the party which is obligated to make payments of amounts calculated by reference to a Fixed Price, Notional Quantity and Calculation Period (all as defined in Schedule "E"), as more particularly set forth in Schedule "E";
- ggg. "Floating Price" has the meaning ascribed thereto in Schedule "E";

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- hhh. "Floating Price Payer" means, in respect of a Swap Transaction, the party which is obligated to make payments from time to time of amounts calculated by reference to a Floating Price, Notional Quantity and Calculation Period (all as defined in Schedule "E"), as more particularly set forth in Schedule "E";
- iii. "Gas Products" has the meaning ascribed thereto in Section 5.13(b);
- jjj. "GST" means the goods and services tax imposed under the Excise Tax Act;
- kkk. "General Suspension" means the termination of access to the NGX Trading System and/or NGX Clearing System for all Contracting Parties in relation to some or all Products, whether on a temporary or longer basis;
- lll. "Guarantee" has the meaning ascribed hereto in Section 3.2(e);
- mmm. "ICE" means IntercontinentalExchange, Inc. or any successors thereto;
- nnn. "ICEBlock" has the meaning ascribed thereto in Section 3.1(d);
- ooo. "ICEBlock Error Notice" means a notice received by Exchange from ICE with respect to an Off-Exchange Transaction submitted through ICEBlock, which requires Exchange to correct an error in the trade details or which requires the cancellation of the applicable Off-Exchange Cleared Transactions in each case such correction or cancellation arising under, and in accordance with, the terms of the applicable ICE agreements and procedures applicable to Off-Exchange Transactions submitted through ICEBlock;
- ppp. "ICE Trading Platform" means ICE's trading platform as defined in the ICE Participant Agreement in respect of all products other than NGX Products but, for greater clarity, excludes ICEBlock;
- qqq. "ICE Participant Agreement" means the standard form agreement entered into between IntercontinentalExchange, Inc. and a Contracting Party, as amended, restated or replaced from time to time;
- rrr. "Invoice" means the invoice or statement as to the net amount payable by or owing to a Contracting Party as more particularly described in ~~Section 3.1(g),~~ Section 4.1, Section 4.2, Section 4.3, Section 4.4, Section 5.1, Section 5.2, Section ~~8.1 or~~ 8.1, Section 8.4 or Schedule I;
- sss. "Lien" means a security interest, lien, mortgage, charge, pledge, hypothecation, right of Set-Off or assignment or transfer by way of security;
- ttt. "Linked Deal" means up to four linked Physical Oil Transactions entered through the Oil Trading Platform as a "Linked Deal" in accordance with (and as further described in) Schedule "H";
- uuu. "Liquidation Procedure" means the procedure outlined in Section 5.6 pursuant to which Exchange may enter into Physical Transactions to Set-Off, in whole or in part, the Obligations of the Contracting Party under Physical Transactions;
- vvv. "Margin Limit" has the meaning ascribed thereto in Schedule "C";
- www. "Market Price Band" means, for any NGX Product, the amount expressed in dollars that is above or below the current market price for any such NGX Product as determined by Exchange and as disclosed by Exchange through the NGX Trading System from time to time;
- xxx. "Mediation" means the procedure described in Schedule "B";

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- yyyy. "Option Premium Payment Date" means a date that is ~~threetwo~~ two Business Days from the Transaction Date that Exchange entered an Option Transaction into the NGX Trading System or NGX Clearing System on behalf of the Contracting Party;
- zzzz. "Option Product" means a Put Option or a Call Option;
- aaaaa. "Option Seller" means, in respect of an Option Transaction, the Contracting Party who has entered into an Option Transaction as the seller of the relevant Option Product;
- bbbbb. "Option Transaction" means a transaction in respect of an Option Product, excluding Bilateral Transactions, that is entered into by an Option Party and Exchange for the purchase or sale of such product, the terms of which shall include this Agreement and for greater certainty also includes the particulars applicable to such Option Product as set forth in Schedule "E";
- ccccc. "Order" means an order to buy or sell any Product entered into the NGX Trading System or ICE Trading Platform by a Contracting Party, or by Exchange acting on behalf of a Contracting Party pursuant to Sections 3.1(d) or (e);
- dddd. "Park and Loan Service" means such service referred to as Park and Loan in the applicable Transportation System's tariff or terms and conditions for the applicable U.S. Delivery Point;
- eeeee. "Physical Confirmation" means any Physical Gas Confirmation or Physical Oil Confirmation, as applicable;
- ffff. "Physical Gas Confirmation" means the notification by Exchange as to any Physical Gas Transactions entered into by the Contracting Party on a day, which will include particulars of the respective Physical Gas Transaction including the Purchase Price, Daily Contract Quantity, Delivery Point, and Physical Gas Product;
- ggggg. "Physical Gas Product" means a physical product for the purchase or sale of natural gas that is designated as "Phys" in the NGX Product List and may be made available on the NGX Trading System, ICE Trading Platform and/or NGX Clearing System from time to time with such further particulars as may be applicable in Schedules "F" or "G";
- hhhhh. "Physical Gas Transaction" means a transaction for the purchase or sale of a Physical Gas Product, excluding Bilateral Transactions, the terms of which shall include this Agreement and for greater certainty also includes the particulars applicable to such Physical Gas Product as set forth in the NGX Product List and Schedules "F" or "G";
- iiii. "Physical Oil Confirmation" means the notification by Exchange as to any Physical Oil Transactions entered into by the Contracting Party on a day, which will include particulars of the respective Physical Oil Transactions including, without limitation, the Purchase Price, Contract Quantity, Delivery Period, Delivery Point and Physical Oil Product;
- jjjj. "Physical Oil Product" means a physical product for the purchase and sale of Oil that is designated as "Phys" in the NGX Product List and as may be made available on the NGX Trading System and/or NGX Clearing System from time to time with such further particulars as may be applicable in Schedule "H";
- kkkkk. "Physical Oil Trading Specifications" means the fixed and variable terms applicable to different types of Physical Oil Transactions which are further described in Schedule "H";
- llll. "Physical Oil Transaction" means a transaction for the purchase and sale of a Physical Oil Product, excluding Bilateral Transactions, the terms of which shall include this Agreement and, for greater

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- that must be provided to any person, and in particular to any governmental authority or regulatory body;
- yyyyy. "Risk Management Policy" means the risk management policies and procedures of Exchange as set forth in Schedule "C";
- zzzzz. "Schedules" means all schedules to this Agreement;
- aaaaa. "Seller" means a Contracting Party or Exchange that has entered a Physical Transaction that has been entered: (i) on the NGX Trading System; or (ii) into the ICE Trading Platform, with an obligation to deliver gas or Oil, as applicable;
- bbbbb. "Services" means the services that Exchange provides to the Contracting Party in connection with this Agreement but excluding, for greater clarity, Exchange's obligations to deliver, take or pay for gas or Oil as required under any Transaction and Exchange's obligations to pay any amount under any Swap Transaction or Option Transaction;
- ccccc. "Set-Off" means set-off, offset, combination of accounts, right of retention or withholding or similar right or requirement to which a party is entitled or subject (whether arising under this Agreement, any Transaction, applicable law or otherwise) that is exercised by, or imposed on, such party;
- ddddd. "Specified Entity" means in relation to the Contracting Party or a Credit Support Provider, any entity that controls, directly or indirectly, the Contracting Party or Credit Support Provider, as the case may be. For this definition "control" means ownership of a majority of the voting power of the Contracting Party or Credit Support Provider;
- eeeee. "Straddle Option" means the simultaneous purchase or sale of a Put Option and a Call Option by a Contracting Party;
- fffff. "Swap Clearing Amount" means the amount payable on the Swap Settlement Date as more particularly described in Schedule "E";
- ggggg. "Swap Confirmation" means the notification by Exchange as to any Swap Transactions entered into by the Contracting Party on a day, which will include particulars of the Swap Product, including the Calculation Period, Effective Date, Fixed Price, Floating Price and Notional Quantity (all as defined in Schedule "E"), as more particularly set forth in Schedule "E";
- hhhhh. "Swap Party" means a Contracting Party which has entered into a Swap Transaction with Exchange as either a Fixed Price Payer or a Floating Price Payer, as the case may be, of the relevant Swap Product;
- iiiiii. "Swap Party's Default" means the occurrence of a material breach of a representation or warranty made herein by the Contracting Party or failure by the Contracting Party to perform any of its Obligations under a Swap Transaction;
- jjjjj. "Swap Product" means a swap product that is designated as "Fin" in the NGX Product List and may be made available on the NGX Trading System and/or NGX Clearing System from time to time with such further particulars as may be applicable in Schedule "E";
- kkkkk. "Swap Settlement Date" means ~~the 6th Business Day of each calendar month as posted on Exchange's Website or if the 6th Business Day falls on a day that is a recognized holiday by major Canadian and/or United States banks, then such date as may be determined by Exchange and notified to the Contracting Party from time to time in accordance with industry practice for such Swap Transaction,~~ for each Swap Transaction, the Business Day falls on a day that is a recognized holiday by major Canadian and/or United States banks, then such date as may be determined by Exchange and notified to the Contracting Party from time to time in accordance with industry practice for such Swap Transaction, as posted on Exchange's Website not less than

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wwwwww. "U.S. Base Rate" means the annual rate of interest established by The Toronto-Dominion Bank from time to time as the reference rate it will use to determine the rates of interest on U.S. dollar loans made in Canada and designated by it as its U.S. base rate;

xxxxxx. "U.S. dollar or "\$U.S." means the lawful currency of the United States of America; and

yyyyyy. "Variation Margin" has the meaning ascribed thereto in Schedule "C".

(~~May 1, 2009~~ or such later date as may be designated (August 1, 2009)

by Exchange on notice to the Contracting Parties)

1.3 Interpretation

- a. Headings and the provision of a table of contents are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement.
- b. All terms defined in this Agreement shall have the above-defined meanings when used in any certificate, report or other document made or delivered pursuant to this Agreement, unless otherwise defined in such other certificate, report or document. Any definition of or reference to any agreement, instrument or other document in this Agreement shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated or replaced (subject to any restrictions on such amendments, restatement or replacement set forth herein or in any other such document). Any reference to any Regulation in this Agreement shall be construed as referring to such Regulation, as amended, restated, replaced or re-enacted from time to time.
- c. Defined terms used in the singular shall import the plural and *vice versa*.
- d. In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including;" the words "to" and "until" each mean "to but excluding;" and the word "through" means "to and including".
- e. Unless otherwise indicated, "Section" references are to the section in the Terms and Conditions or the Schedules in which such reference appears.

(May 1, 2009 or such later date as may be designated
by Exchange on notice to the Contracting Parties)

1.4 Miscellaneous

- a. This Agreement shall be governed by and construed in accordance with the laws in force in the Province of Alberta and the federal laws of Canada applicable therein. Reference to such laws shall not, by the application of conflicts of law rules, or otherwise, require the application of any laws other than the laws of the Province of Alberta and the federal laws of Canada applicable therein. Each of the Contracting Party and Exchange hereby attorns to the non-exclusive jurisdiction of the courts of the Province of Alberta. Each of the Contracting Party and Exchange hereby agrees that the U.N. Convention on Contracts for the International Sale of Goods shall not apply to this Agreement or any Physical Transaction.
- b. Each party waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any Proceeding relating to this Agreement or any Credit Support Document. Each party (i) certifies that no representative, agent or attorney of the other party or any Credit Support Provider has represented, expressly or otherwise, that such other party would not, in the event of such a Proceeding, seek to enforce the foregoing waiver and (ii) acknowledges that it and the other party have been induced to enter into this Agreement and provide for any Credit Support

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- g. ~~Bilateral Trading – It is acknowledged and agreed by Exchange and the Contracting Party that on the conditions outlined in this Section 3.1(g), a Contracting Party may enter into a Bilateral Transaction. In addition, for clarity, the following Terms and Conditions and Schedules of this Agreement also apply. All terms and conditions applicable to a Bilateral Transaction: Articles 6 and 7, Sections 3.1, 3.3, 3.9, 3.10, 5.8, 5.9, 5.10, 5.12 and 5.13 and Schedules "A", "B", Section 9 of Schedule "C" and Schedule "D" are set forth in Schedule I.~~

~~Once the Contracting Party receives a Confirmation from the NGX Trading System that a Bilateral Transaction has occurred, the clearing and settlement of a Bilateral Transaction is governed solely by the terms and conditions of the bilateral agreement between the two Contracting Parties. In the event that there is a conflict between the Terms and Conditions and Schedules of this Agreement listed above that apply to Bilateral Transactions and the bilateral agreement between the Contracting Parties, the applicable Terms and Conditions and Schedules of this Agreement shall govern.~~

~~A Contracting Party that:~~

- ~~i. has been enabled by its Administrator on the NGX Trading System for the minimum number of Contracting Parties and has been enabled by the minimum number of Contracting Parties on the NGX Trading System for bilateral trading, such minimum number being determined by Exchange in its sole discretion from time to time, may post bids and offers and accept posted bids and offers in Bilateral Products; or~~
- ~~ii. has not been enabled by its Administrator on the NGX Trading System for the minimum number of Contracting Parties and/or has not been enabled by the minimum number of Contracting Parties on the NGX Trading System for bilateral trading may only accept posted bids and offers in Bilateral Products that are posted by those Contracting Parties it has been enabled to enter into Bilateral Transactions with.~~

~~In the event that a Contracting Party has entered into a Bilateral Transaction in error, Exchange will not cancel the Bilateral Transaction in error until such time that Exchange has been notified that both Contracting Parties to the Bilateral Transaction in error have consented to the cancellation of the Bilateral Transaction in error. If such consent cannot be reached by both Contracting Parties to the Bilateral Transaction by the earlier of: (i) 120 minutes following the entering of the Bilateral Transaction; or (ii) 60 minutes following the close of trading on the NGX Trading System on the Trading Day on which the Bilateral Transaction was entered, the Bilateral Transaction will continue in full force and effect.~~

~~Notwithstanding any other provision of this Agreement, Exchange will post on Exchange's Website for sole access by the Contracting Party (or will provide the Contracting Party, upon request with) an Invoice on or before the 15th day of each calendar month for physical gas Bilateral Transactions during the prior calendar month and before the Physical Settlement Date for physical Oil Bilateral Transactions during the prior calendar month, setting forth any amounts payable for fees to Exchange and any amounts payable on account of GST.~~

~~Subject to any amount hereunder becoming due and payable at an earlier time pursuant to the provisions hereof, the amount of the Invoice owed by the Contracting Party to Exchange will be due and payable on the Physical Settlement Date. In determining the net amounts payable or receivable on each Invoice by the Contracting Party, Exchange will Set-off the amounts payable or receivable in the same currency. The Contracting Party will be obligated to pay or entitled to receive only such net amounts. On the Physical Settlement Date, Exchange will not remit any amounts payable from Exchange to the Contracting Party until all amounts payable from the Contracting Party to Exchange have been received by Exchange. Any items on any Invoice disputed by any Contracting Party will be noted to Exchange at least five Business Days prior to the Physical Settlement Date with respect to physical gas Bilateral Transactions and prior to the~~

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~~Physical Settlement Date with respect to physical Oil Bilateral Transactions. Payments by the Contracting Party will be made payable to Exchange and may be made by wire payment or electronic funds transfer. The Contracting Party shall notify Exchange of its banking information and represents and warrants that the information provided to Exchange is accurate and current. Exchange is entitled to accept this information via email or facsimile. Late payments will bear interest after the due date at the Default Rate to and including the date of payment to Exchange of all such amounts. Interest will be payable only on the amount of any Invoice remaining unpaid from time to time.~~

~~The Contracting Party and Exchange agree that any Invoice payable on any Physical Settlement Date with respect to a Bilateral Transaction will be final and binding, absent manifest error, for all purposes 120 days after such Physical Settlement Date unless the Contracting Party has then advised Exchange of any error in, or dispute in respect of, such Invoice.~~

~~(May
August 1, 2009 or such later date as may be designated~~

~~by Exchange on notice to the Contracting Parties)~~

- h. ~~Non-clearable Transactions – The Contracting Party acknowledges and agrees that Exchange may determine, in its sole discretion that it is unable to clear certain transactions where transactions have been submitted in error into the NGX Clearing System. In the event that Exchange makes this determination, the transaction will be cancelled and the Contracting Parties to the transaction will be notified of the cancellation as soon as reasonably practicable by either phone, fax or email.~~

~~(May 1, 2009 or such later date as may be designated
by Exchange on notice to the Contracting Parties)~~

- i. ~~Fees – The Contracting Party will pay the fees to Exchange in such amounts as are set forth in the Fee Schedule or as otherwise agreed to by the Contracting Party with Exchange, and as required by any correct Invoice.~~

3.2 ~~Eligible Credit~~Collateral Support and Collateral

- a. ~~Eligible Credit~~Collateral Support and Collateral – In accordance with the Risk Management Policy, the Contracting Party shall be obligated to provide from time to time, as security for the Contracting Party's Obligations, credit support consisting of: (i) irrevocable letters of credit issued by Approved Financial Institutions in favour of Exchange in a form acceptable to Exchange; or (ii) cash delivered by a Contracting Party to Exchange and held by Exchange in a segregated bank account specified by Exchange, which will be subject to a registered security interest in favour of Exchange (collectively, "~~Eligible Credit~~Collateral Support"). In addition, Exchange may, in its discretion, withhold and the Contracting Party hereby consents to such withholding, payables owing to the Contracting Party from Exchange as additional Collateral. The Contracting Party agrees and acknowledges that upon any failure by such Contracting Party to provide ~~Eligible Credit~~Collateral Support to Exchange in the amounts and manner set forth under the Risk Management Policy, Exchange shall have the rights and remedies set forth in this Agreement including, without limitation, the rights to cause a Contracting Party Suspension, effect the Close-out Procedure and/or effect the Liquidation Procedure with respect to the Contracting Party's Transactions. Exchange agrees that it shall be obligated to (i) return any ~~Eligible Credit~~Collateral Support to the Contracting Party, to the extent and pursuant to the terms provided under the Risk Management Policy and (ii) require all Contracting Parties to comply with the provisions of the Risk Management Policy.

~~(May 1, 2009 or such later date as may be designated~~August 1, 2009)

~~by Exchange on notice to the Contracting Parties)~~

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- b. Grant of Security – As security for the payment and performance of its Obligations, the Contracting Party does hereby assign, pledge and grant to Exchange a security interest in and lien on all estate, right, title and interest of the Contracting Party in and to:
- i. any and all cash (including, without limitation, any cash delivered as Eligible ~~Credit~~Collateral Support), monies and interest bearing instruments contemplated by Section 3.2(k) delivered to, deposited with, or held by or on behalf of Exchange;
 - ii. any rights to payment or performance owing from Exchange including, without limitation:
 - (A) any Previous Month Accounts Net Payable for such Contracting Party;
 - (B) any Current Month Accounts Net Payable owed by Exchange to the Contracting Party;
 - (C) any Swap Settlement Net Payable for such Contracting Party; and
 - (D) any Variation Margin for such Contracting Party; and
 - iii. all proceeds (as such term is defined in the *Personal Property Security Act (Alberta)* of any of the foregoing,

(collectively, and together with any letter of credit constituting Eligible ~~Credit~~Collateral Support, the "Collateral").

Upon any of the Collateral being returned or paid to the Contracting Party, the said Collateral shall be released from the Liens granted to Exchange by the Contracting Party hereunder. Any Lien granted as contemplated above attaches upon execution and delivery of this Agreement or, in the case of Collateral delivered to, deposited with, or held by or on behalf of Exchange, upon the delivery, deposit or holding of such Collateral to, with, by or on behalf of Exchange, or in the case of rights to payment or performance in favour of the Contracting Party under any Transaction, at the time such Transaction is entered into.

Exchange may file or record this Agreement or any financing statement, security notice or similar instrument in any public office as may be necessary to establish, perfect or maintain the interests of Exchange as a secured party. The Contracting Party hereby waives any requirement of the applicable personal property security legislation or similar legislation to provide a verification statement to the Contracting Party upon registration of any such Agreement, financing statement, security notice or similar instrument. Upon the full, final and indefeasible satisfaction of all Obligations, and termination of this Agreement, the Lien shall cease and determine, all rights and interests in the Collateral granted hereunder and hereby will revert to and revest in the Contracting Party without further act or formality whatsoever, whereupon Exchange shall, at the request and cost of the Contracting Party, execute such releases or discharges of the Lien or of such filings or recordations, prepared by or on behalf of the Contracting Party and acceptable to Exchange, without recourse to or warranty by Exchange. Exchange shall not have any duty or obligation in respect of any Collateral except the obligation to keep the same with the same degree of care as it keeps its own property of a similar type, and in particular shall not be responsible for or by reason of any loss arising from any failure of Exchange's Principal Banker (whether as a result of bankruptcy, insolvency or otherwise) with which any amount paid by or on behalf of the Contracting Party as Collateral will have been deposited or placed for safekeeping. No Obligation shall be considered to have been discharged by reason of the existence of the Lien or the rights herein provided

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unless (and then only to the extent that) Exchange has finally and indefeasibly collected and applied to such Obligation any amount held as or obtained in respect of Collateral or the net proceeds (after satisfying any costs of realization) of realization of any Collateral or has drawn down upon any letter of credit and applied the same to such Obligation or has applied any amount owing by Exchange to the satisfaction thereof and so advised the Contracting Party in writing. The Contracting Party hereby represents and warrants that all Collateral provided to Exchange from time to time is and will be free and clear from any Liens ranking in priority to or equally with the rights of Exchange to such Collateral and that the Lien herein provided to Exchange is and will be a valid first ranking Lien on the Collateral. Exchange and the Contracting Party agree that all Eligible ~~Credit~~ Collateral Support and all Collateral shall constitute "financial collateral" as that term is used in section 11.1 of the CCAA; section 66.34 of the BIA; section 22.1 of the WRA and any successor or like Canadian statutory provisions.

(May 1, 2009 or such later date as may be designated August 1, 2009)

by Exchange on notice to the Contracting Parties)

- c. Upon a Default with respect to any Contracting Party, Exchange shall also be entitled to:
- i. exercise all rights and remedies of a secured party under applicable law with respect to the Collateral provided by the Contracting Party or any of its Contracting Party Affiliates;
 - ii. sell, retain, liquidate, apply, collect on and, except as Exchange may otherwise agree, set off any or all Collateral against any outstanding Obligations owed to Exchange by the Contracting Party or any of its Contracting Party Affiliates;
 - iii. instruct any bank that has issued a letter of credit held by Exchange in the name of the Contracting Party or any of its Contracting Party Affiliates to pay under the letter of credit up to the amount of the Obligations that are due;
 - iv. exercise any other remedies provided under this Agreement or any other remedies available at law, in equity or otherwise.

(May 1, 2009 or such later date as may be designated
by Exchange on notice to the Contracting Parties)

- d. Set-Off – The Contracting Party hereby agrees that Exchange shall be entitled to Set-Off all Obligations payable or to be performed by Exchange to the Contracting Party or, except as Exchange may otherwise agree, any of its Contracting Party Affiliates, under any Transaction or this Agreement (or any Transaction or any Contracting Party Agreement entered into between Exchange and any Contracting Party Affiliate), whether under Sections 5.5(c), 5.6, 8.2 or 8.3 or otherwise and whether or not matured or contingent and irrespective of the currency or place of payment, against any Obligations payable or to be performed by the Contracting Party or any of its Contracting Party Affiliates to Exchange under any Transaction or this Agreement (or any Transaction or any Contracting Party Agreement entered into between Exchange and any Contracting Party Affiliate). The contractual right of Set-Off hereby granted is in addition to any legal or equitable right of set-off granted at law, and does not require for its exercise any mutuality or connection, other than that hereby created, between the Obligations Set-Off. If an obligation or right is unascertained at the time of any such Set-Off, Exchange may in good faith estimate the amount or value of such obligation or right, in which case Set-Off will be effected on the basis of such estimate and the relevant party shall account to the other party if such obligation or right at any time thereafter is ascertained.

(May 1, 2009 or such later date as may be designated
by Exchange on notice to the Contracting Parties)

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- e. **Guarantee of Contracting Party Affiliate and Letter of Credit** – Except as Exchange may otherwise agree, the Contracting Party agrees that all Collateral provided by it to Exchange hereunder (including without limitation all letters of credit) is provided not only to secure the performance of the Contracting Party's Obligations hereunder, but also to secure the performance of the Obligations of all of its Contracting Party Affiliates to Exchange under the Contracting Party Agreements entered into by such Contracting Party Affiliates. Except as Exchange may otherwise agree, for the purpose of allowing Exchange to realize on the Collateral provided by it to Exchange hereunder (including without limitation all letters of credit) to pay any of its Contracting Party Affiliates' Obligations, the Contracting Party hereby unconditionally guarantees (the "Guarantee") the prompt and complete payment and performance when due, whether in the ordinary course, by termination, acceleration or otherwise, of all Obligations of its Contracting Party Affiliates. This Guarantee is one of payment and not of collection. This Guarantee is irrevocable and shall remain in full force and effect and be binding upon the Contracting Party, its successors and assigns during the term of this Agreement and until all of the Obligations of its Contracting Party Affiliates have been satisfied in full. Upon the occurrence of a Default with respect to any Contracting Party or, except as Exchange may otherwise agree, any Contracting Party Affiliate, Exchange shall be entitled to draw upon any letter of credit provided to it by the Contracting Party up to the amount of the Obligations that are due.

(May 1, 2009 or such later date as may be designated
by Exchange on notice to the Contracting Parties)

- f. **Suretyship Waiver** – The Obligations of Contracting Party and its Contracting Party Affiliates and the grant of security in respect of this Agreement under Section 3.2(b) shall not be affected by any circumstance of any kind, including circumstances which might otherwise constitute a legal or equitable discharge of or defence of a guarantor or surety (other than payment in full).

(May 1, 2009 or such later date as may be designated
by Exchange on notice to the Contracting Parties)

- g. **Separate Bank Account** – Exchange will deposit all amounts consisting of cash transferred as ~~Eligible Credit~~Collateral Support in an interest bearing bank account at Exchange's Principal Banker separate from the corporate funds of Exchange or that of any affiliates or subsidiaries of Exchange. Exchange will keep all such amounts of ~~Eligible Credit~~Collateral Support from each Contracting Party in a separate bank account in trust and agrees to hold all of such amounts as trustee in accordance with the provisions of this Agreement. Exchange shall not be liable to the Contracting Party for any loss incurred as a result of any such depositing of amounts, and the Contracting Party shall be bound by the accounts and records of Exchange in determining and allocating the amount of any such loss.

(May 1, 2009 or such later date as may be designated August 1, 2009)

by Exchange on notice to the Contracting Parties)

- h. **Bank Collateral Agreement** – Exchange hereby confirms that the Bank Collateral Agreement is in full force and effect and has provided Exchange's Principal Banker with the Contracting Party's name and address for the purpose of providing any notice under, and the undertaking of Exchange's Principal Banker set forth in the Bank Collateral Agreement.

(May 1, 2009 or such later date as may be designated
by Exchange on notice to the Contracting Parties)

- i. **Collateral of Contracting Party Affiliate** – Except as Exchange may otherwise agree in writing with the Contracting Party, any Collateral provided by any Contracting Party and any Contracting Party Affiliate will be allocated between the Contracting Party and such Contracting Party Affiliate at any time and from time to time by Exchange to the extent required by the Risk Management Policy, the Liquidation Procedure pursuant to Section 5.6, the Close-out Procedure

Appendix "A"

pursuant to Section 8.3, or as may be otherwise necessary to comply with the terms and conditions of this Agreement.

(May 1, 2009 or such later date as may be designated
by Exchange on notice to the Contracting Parties)

- j. Interest on Eligible ~~Credit~~Collateral Support – The Contracting Party agrees that Exchange will, upon request by the Contracting Party, account monthly to the Contracting Party for all daily interest earned on Eligible ~~Credit~~Collateral Support consisting of cash deposited in an interest bearing bank account which exceeds \$100,000 Canadian or U.S. \$100,000 on any day by having credited to such bank accounts all amounts of interest earned on such Eligible ~~Credit~~Collateral Support up to Exchange's Principal Banker's posted "TD CDN overnight money market rate" less 0.25% for Canadian dollar accounts or up to Exchange's Principal Banker's posted "TD U.S. overnight money market rate" less 0.20% for U.S. dollar accounts, as applicable. Daily interest earned on Eligible ~~Credit~~Collateral Support consisting of cash will be remitted to the Contracting Party quarterly unless otherwise requested by the Contracting Party or unless all such Eligible ~~Credit~~Collateral Support has been returned to the Contracting Party or applied to invoice settlement prior to the quarter. In order for the Contracting Party to earn daily interest on Eligible ~~Credit~~Collateral Support consisting of cash for the day such Eligible ~~Credit~~Collateral Support is deposited with Exchange, such Eligible ~~Credit~~Collateral Support must be received by Exchange in accordance with the Risk Management Policy no later than 12:30 p.m. (Mountain time) for Canadian funds and 1:30 p.m. (Mountain time) for U.S. funds.

(May 1, 2009 or such later date as may be designated August 1, 2009)

by Exchange on notice to the Contracting Parties)

- k. Investment of Eligible ~~Credit~~Collateral Support – At the direction of the Contracting Party, instead of depositing Eligible ~~Credit~~Collateral Support consisting of cash as required by Section 3.2(g), Exchange will invest the Contracting Party's Eligible ~~Credit~~Collateral Support consisting of cash in an interest bearing instrument offered by Exchange's Principal Banker and approved by Exchange, it being understood that all such instruments shall be registered in the name of Exchange. Exchange shall not be liable to the Contracting Party for any loss incurred as a result of any such investment, and the Contracting Party shall be bound by the accounts and records of Exchange in determining and allocating the amount of any such loss.

(May 1, 2009 or such later date as may be designated August 1, 2009)

by Exchange on notice to the Contracting Parties)

3.3 Agreements of Exchange

- a. Confidentiality – Exchange hereby agrees to use its commercially reasonable efforts to keep confidential any and all financial or other information received from the Contracting Party from time to time, including pursuant to the Application, and information in respect of any Transaction entered into by the Contracting Party and any and all information about the trading patterns, prices and accounts. Exchange will not use the name of the Contracting Party to endorse or advertise the NGX Trading System or NGX Clearing System. Nothing in this paragraph shall prevent Exchange from disclosing any information as may be required or allowed pursuant to the terms of this Agreement, to ICE or to any other service provider of Exchange in connection with the performance of any Transaction or as may be required to be disclosed by either Exchange or ICE by law or any regulatory authority, or as may be disclosed in the course of securing, or pursuant to, any order, consent or approval signifying, any Regulatory Approval.

(May 1, 2009 or such later date as may be designated
by Exchange on notice to the Contracting Parties)

reasonable steps to prevent fraud and breaches of security. Upon learning of or suspecting any such fraud or breaches of security, that could affect the Contracting Party, Exchange will immediately notify the Contracting Party and take all commercially reasonable steps to remedy the situation, including without limitation halting the Contracting Party's access to the NGX Trading System and NGX Clearing System and withdrawing all of the Contracting Party's Orders from the NGX Trading System.

3.4 NGX Power Auction System

Exchange may from time to time during the term of this Agreement conduct NGX Power Auctions using the NGX Power Auction System. Any and all resulting Transactions are governed by the terms and conditions of this Agreement.

3.5 Open Position Limits

The Contracting Party agrees that Exchange may set and vary from time to time the Open Position Limit for the Contracting Party. In the event the Contracting Party exceeds the Open Position Limit, Exchange will review the Open Position Limit and may cancel some or all Orders of the Contracting Party upon giving 24 hours notice of such cancellation to the Contracting Party where reasonably practicable to do so.

3.6 Margin Limit

The Contracting Party agrees that Exchange will initially determine the Margin Limit and may vary the Margin Limit from time to time in accordance with the Risk Management Policy by notice to the Contracting Party. In the event the Margin Requirements (as defined in Schedule "C") of the Contracting Party approaches, equals or exceeds the Margin Limit, Exchange will advise the Contracting Party and may request additional Eligible ~~Credit~~ Collateral Support, may cause a Contracting Party Suspension or may invoke the Liquidation Procedure and the Close-out Procedure.

(May 1, 2009 or such later date as may be designated August 1, 2009)

by Exchange on notice to the Contracting Parties)

3.7 Trades in Error

The following trade in error provisions apply only to Transactions involving NGX Products. For greater clarity, these provisions do not apply to Bilateral Transactions or to Transactions involving NGX Cleared ICE Products. Trades in error for NGX Cleared ICE Products are dealt with exclusively through the ICE Participant Agreement. In the event that Exchange is notified by ICE that a trade in error has occurred in an NGX Cleared ICE Product, Exchange is entitled to rely solely on this notification with regard to taking any and all appropriate and necessary action on the NGX Clearing System and has no liability whatsoever for any resulting claims, losses, damages, expenses or costs, regardless of whether the claim arises in contract, tort, negligence, strict liability or otherwise.

(May 1, 2009 or such later date as may be designated
by Exchange on notice to the Contracting Parties)

- a. Notice by Contracting Party – Whenever a Contracting Party has entered into a Transaction in error through the NGX Trading System or an Off-Exchange Cleared Transaction has been entered into the NGX Clearing System in error, such Contracting Party may bring such error to the attention of Exchange within ten (10) minutes after such error occurs.

(May 1, 2009 or such later date as may be designated
by Exchange on notice to the Contracting Parties)

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the delivery or taking of the Contract Quantity to or from Exchange, as the case may be, on a net basis in accordance with this Agreement.

(May 1, 2009 or such later date as may be designated
by Exchange on notice to the Contracting Parties)

- f. The obligations of Exchange and the Contracting Party under any Physical Oil Transaction will be fully performed upon the payment of all amounts by the Buyer and the corresponding Seller.

(May 1, 2009 or such later date as may be designated
by Exchange on notice to the Contracting Parties)

4.4 Invoices for Physical Oil Transactions

- a. Invoices for Physical Oil Transactions – Notwithstanding any other provision of this Agreement, Exchange will post on Exchange's Website for sole access by the Contracting Party (or will provide the Contracting Party, upon request, with) an Invoice before the Physical Settlement Date for such Physical Oil Transactions, which are payable in the same currency, setting forth a net amount owing by or to the Contracting Party itemizing and applying Set-off to each Purchase Amount payable or receivable in respect of any such Physical Oil Transactions, any amounts payable for fees to Exchange and any amounts payable on account of GST.

To the extent practicable, Invoices shall be based on actual accounting information. If actual accounting information is not available, Exchange will be entitled to prepare Invoices based on reasonable estimates and will reconcile accounts as soon as reasonably practicable in Invoices for following months. Upon written request by the Contracting Party, Exchange shall provide the rationale for the use of estimated amounts to be reconciled hereunder.

Exchange will also be entitled to deduct an amount equal to any shortfall in the provision by the Contracting Party of Collateral as at the Physical ~~Oil~~ Settlement Date that has been requested in accordance with the Risk Management Policy and to hold such amount as Collateral until any such shortfall has been rectified to the satisfaction of Exchange. The payment or receipt by the Contracting Party of such net amount in accordance with this Agreement to or from Exchange will constitute full satisfaction of the payment or receipt of any Purchase Amount, payable to or receivable by the Contracting Party and Exchange.

(~~May 1, 2009~~ or such later date as may be designated August 1, 2009)

~~by Exchange on notice to the Contracting Parties~~

- b. Terms – Subject to any amount hereunder becoming due and payable at an earlier time pursuant to the provisions of this Agreement, the amount of the Invoice owed by the Contracting Party to Exchange or to the Contracting Party by Exchange will be due and payable on the Physical Settlement Date. Any items on any Invoice disputed by any Contracting Party will be noted to Exchange prior to the Physical Settlement Date. Payments by the Contracting Party will be made payable to Exchange and may be made by wire payment or electronic funds transfer. The Contracting Party shall notify Exchange of its banking information and represents and warrants that the information provided to Exchange is accurate and current. Exchange is entitled to accept this information via email or facsimile. Late payments will bear interest after the due date at the Default Rate to and including the date of payment to Exchange or the Contracting Party, as the case may be, of all such amounts. Interest will be payable only on the amount of any Invoice remaining unpaid from time to time.

(May 1, 2009 or such later date as may be designated
by Exchange on notice to the Contracting Parties)

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Exchange or Time Trade notwithstanding there may have been a Failure to Deliver or Failure to Take under more than one Physical Oil Transaction forming such Linked Deal, Cushing Exchange or Time Trade.

Exchange will deliver to the Buyer a separate Invoice in respect of the Physical Transaction which is the subject of the Failure to Take itemizing separately the amounts payable under (i), (ii) and, if applicable, (iii).

(May 1, 2009 or such later date as may be designated
by Exchange on notice to the Contracting Parties)

- b. By Exchange – In the event of a Failure to Take by Exchange, Exchange will pay to the Seller an amount equal to:
- i. the reasonable direct costs, claims, expenses and damages suffered or incurred by the Seller as a result of Exchange's failure to take the Failure Quantity including, without limitation or duplication, (w) any excess of that portion of the Purchase Amount payable with respect to the Failure Quantity over the proceeds from the sale of the Failure Quantity, if any, (x) the cost of storing or selling a quantity of gas or Oil, as applicable, equal to the Failure Quantity, (y) the costs or charges levied by the Transportation System as a result of such Failure to Take, and (z) transportation, storage and other costs, if any, related to the Failure to Take the Failure Quantity; plus
 - ii. interest from the date of the occurrence of the Failure to Take at the Default Rate to and including the date of payment to the Seller of all such amounts.

The Seller will deliver to Exchange a separate Invoice in respect of the Physical Transaction which is the subject of the Failure to Take itemizing separately the amounts payable under (i) and (ii).

(May 1, 2009 or such later date as may be designated
by Exchange on notice to the Contracting Parties)

5.4 Failure to Provide Eligible ~~Credit~~Collateral Support

Without limitation to any other rights or remedies of Exchange under this Agreement, at law, in equity or otherwise, if a Failure to Provide Eligible ~~Credit~~Collateral Support by any Contracting Party occurs, Exchange may exercise any of its rights under Section 5.5 and Section 8.2.

(May 1, 2009 or such later date as may be designated August 1, 2009)

~~by Exchange on notice to the Contracting Parties)~~

5.5 Rights of Exchange in Physical Transactions

On the occurrence of a Default with respect to the Contracting Party, or in the event of a dispute over a Transaction entered into pursuant to Sections 3.1(d) or (e), Exchange will notify the Defaulting Party (except that no notice is required where such Defaulting Party becomes insolvent or is unable to pay its debts or institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy) and thereafter without further notice or formality prescribed by law or otherwise, all of which are hereby waived by the Defaulting Party to the extent permitted by applicable law, may exercise any combination of the rights and remedies contained in this Section 5.5 or Sections 5.6, 8.2 or 8.3 and any rights or remedies under this Agreement or at law, equity or otherwise including, without limitation, its rights to:

(May 1, 2009 or such later date as may be designated
by Exchange on notice to the Contracting Parties)

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- a. pursuant to Subsection 3.2(a) and Schedule "C", request an additional amount of Eligible ~~Credit~~Collateral Support from the Defaulting Party;

~~(May 1, 2009 or such later date as may be designated)~~August 1, 2009)

by Exchange on notice to the Contracting Parties)

- b. pursuant to Section 6.6, cause a Contracting Party Suspension for a period, which may be in excess of the period during which the Defaulting Party is in Default, or permanently;

(May 1, 2009 or such later date as may be designated
by Exchange on notice to the Contracting Parties)

- c. declare any amounts for Oil or gas delivered, or any unpaid Invoices immediately due and payable and to withhold payments under this Agreement (including, without limitation, under any Transaction) and withhold such payments as if paid or provided to Exchange as Collateral;

(May 1, 2009 or such later date as may be designated
by Exchange on notice to the Contracting Parties)

- d. notwithstanding Section 3.4. of Section "H", suspend deliveries of Oil to Contracting Party or takes of Oil from Contracting Party under one or more Physical Transactions, by amending the applicable notices of shipment, reallocating volumes or otherwise;

(May 1, 2009 or such later date as may be designated
by Exchange on notice to the Contracting Parties)

- e. without limitation to any other right hereunder, offset any deliveries or takes of Oil under this Agreement; or

(May 1, 2009 or such later date as may be designated
by Exchange on notice to the Contracting Parties)

- f. terminate any Transaction, or declare immediately payable or to be performed any Obligations in respect of any Physical Transaction, any NGX Liquidation Transaction or this Agreement and, in connection therewith, exercise any of the following rights:

- i. pursuant to Section 3.2(d) or Section 8.3, Set-Off, in whole or in part (including by entering into Offsetting Transactions), any Obligations payable or to be performed by Exchange (to the Defaulting Party or to any Contracting Party Affiliate of the Defaulting Party) against Obligations payable or to be performed by the Defaulting Party (or by any Contracting Party Affiliate of the Defaulting Party) to Exchange, which Obligations may extend to periods beyond the periods during which the Contracting Party is in Default;
- ii. demand payment under or in respect of, sell, realize upon, use or drawdown the Collateral and apply such Collateral to the Contracting Party's Obligations; or
- iii. terminate this Agreement by notice to the Defaulting Party to be effective upon the date of receipt or deemed receipt (which notice may be the same as that delivered under this Section 5.5 or under Section 8.2 or 8.3); provided, this Agreement shall remain in effect for Transactions entered into prior to the date of termination until all Obligations to Exchange in respect of such Transactions have been paid and performed.

(May 1, 2009 or such later date as may be designated
by Exchange on notice to the Contracting Parties)

6.4 Consequences of General Suspension

The consequences of a General Suspension will be that Exchange may refuse access to the NGX Trading System and/or NGX Clearing System by the Contracting Parties for any or all Products. The Contracting Party must perform its Obligations to make delivery or take receipt of gas and Oil under the applicable Physical Transactions during any period of General Suspension. Exchange will use its commercially reasonable efforts to provide alternative trading capabilities within three Business Days in the event that access to the NGX Trading System and/or NGX Clearing System cannot be resumed.

(May 1, 2009 or such later date as may be designated
by Exchange on notice to the Contracting Parties)

6.5 Procedures on General Suspension

In the event of a General Suspension, Exchange would immediately notify all Contracting Parties as to the reason and expected duration of the General Suspension by phone, fax, email or if possible by access through the NGX Trading System. All communications by Exchange with Contracting Parties would be undertaken by phone, with fax confirmations until such time as access to the NGX Trading System is resumed or alternative trading facilities are available.

6.6 Contracting Party Suspension

In addition to its rights under this Agreement or under law, equity or otherwise including, without limitation, Section 6.2, Exchange, in its sole discretion exercised in a commercially reasonable manner, may cause a Contracting Party Suspension for such periods as it believes necessary or advisable if Exchange believes any of the following events or conditions are occurring or have occurred in respect of: (a) marketing irregularities, including any marketing irregularities caused by the Contracting Party whether, directly or indirectly, alone or in association with others, including, but not limited to any manipulative activity or activity aimed at manipulation of prices, including, without limitation, by spreading inaccurate information, reporting false transactions, or otherwise performing any other act designed or intended to manipulate the price for gas or Oil, or any circumstance or circumstances that might improperly affect the performance of Transactions; (b) financial condition, including any material adverse change in the financial condition of the Contracting Party or an affiliate or any person providing credit support for the Contracting Party each as determined in the sole discretion of Exchange, or Failure to Provide Eligible ~~Credit~~Collateral Support with Exchange when requested to do so; (c) detrimental effect, including circumstances which make the continued access to the NGX Trading System by the Contracting Party detrimental to the existence of an orderly market for gas or Oil, or otherwise detrimentally affects the interests, welfare or integrity of the NGX Trading System or NGX Clearing System; (d) regulatory approvals, including any matter which may, as determined in the sole discretion of Exchange, detrimentally affect the Regulatory Approvals of the Contracting Party in respect of its performance of this Agreement or (e) the occurrence of a Failure to Deliver, Failure to Pay, Failure to Take, Event of Default, a Swap Party's Default, an Option Party's Default or Failure to Provide Eligible ~~Credit~~Collateral Support.

(May 1, 2009 or such later date as may be designated August 1, 2009)

by Exchange on notice to the Contracting Parties)

6.7 Consequences of Contracting Party Suspension

Without limitation to its rights under Section 6.2, in the event that Exchange causes a Contracting Party Suspension, Exchange will provide notice to such Contracting Party and the Contracting Party will not be entitled to enter into some or all Transactions, as identified in such notice, after receipt of such notice. Upon the occurrence of a Contracting Party Suspension, Exchange may exercise any of the rights under Section 5.5 or Section 8.2, with references to the "Defaulting Party" deemed to be references to the suspended Contracting Party, as well as any other rights or remedies granted under this Agreement or under law, equity or otherwise.

- f. Performance of Option Transactions – The Obligations of Exchange and the Contracting Party under any Option Transaction will be fully performed upon the payment of all amounts by the Option Buyer under any such Option Transaction up to and including the Option Exercise Date (as defined in Schedule "E"), at which time, if the relevant Option Exercise Conditions (as defined in Schedule "E") have been met, the Obligations of Exchange and the Contracting Party in association with any Underlying Transaction become effective, which Obligations will be fully performed upon the payment of all amounts by the respective parties to such Underlying Transactions.

(May 1, 2009 or such later date as may be designated by Exchange on notice to the Contracting Parties)

- g. Settlement and Netting of Invoice Amounts – All amounts payable by the Contracting Party or Exchange under any Swap Transaction or Option Transaction are due and are payable and are to be settled pursuant to Section 8.4. In determining the net amounts payable or receivable on each Invoice by the Contracting Party, Exchange will Set-Off the amounts payable or receivable in the same currency on account of the Swap Clearing Amount and fees for the Contracting Party. The Contracting Party and Exchange will be obligated to pay or entitled to receive, as the case may be, only such net amounts. On the Swap Settlement Date, Exchange will not remit any amounts payable from Exchange to the Contracting Party until all amounts payable from the Contracting Party to Exchange have been received by Exchange.

8.2 Rights of Exchange

On the occurrence of a Default with respect to a Contracting Party or in the event of a dispute over a Transaction entered into pursuant to Sections 3.1(d) or (e), Exchange will notify the Defaulting Party (except that no notice is required where such Defaulting Party becomes insolvent or is unable to pay its debts or institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy), and thereafter without further notice or formality prescribed by law or otherwise, all of which are hereby waived by the Defaulting Party to the extent permitted by applicable law, may exercise any combination of the rights and remedies contained in this Section 8.2 or Sections 5.5, 5.6 or 8.3 and any rights or remedies under this Agreement or at law, equity or otherwise including, without limitation, its rights to:

(May 1, 2009 or such later date as may be designated by Exchange on notice to the Contracting Parties)

- a. pursuant to Subsection 3.2(a) and Schedule "C", request an additional amount of Eligible ~~Credit~~Collateral Support from the Defaulting Party;

(May 1, 2009 or such later date as may be designated August 1, 2009)

by Exchange on notice to the Contracting Parties)

- b. pursuant to Section 6.6, cause a Contracting Party Suspension for a period, which may be in excess of the period during which the Defaulting Party is in Default, or permanently;

(May 1, 2009 or such later date as may be designated by Exchange on notice to the Contracting Parties)

- c. declare any amounts for Oil or gas delivered, or any unpaid Invoices immediately due and payable and to withhold payments under this Agreement (including, without limitation, under any Transaction) and withhold such payments as if paid or provided to Exchange as Collateral;

(May 1, 2009 or such later date as may be designated by Exchange on notice to the Contracting Parties)

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- k. "Previous Month Accounts Net Payable" means, for a Contracting Party, the accounts payable owing by Exchange to such Contracting Party less the accounts receivable owing by such Contracting Party to Exchange pursuant to all Physical Transactions delivered during the previous calendar month;
- l. "Recognized Banking Holiday" means any Business Day that is recognized by major Canadian and/or United States banks as a holiday;
- m. "Settlement Price" means, in respect of every Product for each Trading Day, the price as determined by Exchange, in its sole discretion, considering the reasonable estimation of the current Market Price using internal and external sources for each Product, such Settlement Price being determined no later than the end of every Business Day. Should the Contracting Party dispute such determination, Exchange will investigate and determine, in its sole discretion, whether or not a recalculation should be undertaken and will advise the Contracting Party of its decision as soon as reasonably practicable;
- n. "Swap Settlement Net Payable" means, for a Contracting Party, the total Swap Clearing Amounts owing by Exchange to such Contracting Party, less the total Swap Clearing Amounts owing to Exchange by such Contracting Party; and
- o. "Variation Margin" means, in respect of every Product for each Trading Day, a reasonable estimate of the market value of such Product as determined by Exchange, in its sole discretion, considering the reasonable estimation of the current market value using internal and external sources for each Product. Should the Contracting Party dispute such determination, Exchange will investigate and determine, in its sole discretion, whether or not a recalculation should be undertaken and will advise the Contracting Party of its decision as soon as reasonably practicable.

(May 1, 2009 or such later date as may be designated
by Exchange on notice to the Contracting Parties)

2. INITIAL MARGIN RATES

Exchange will determine the Initial Margin Rate applicable to each Product, from time-to-time, and such Initial Margin Rates will be determined at the sole discretion of Exchange.

3. DETERMINATION OF MARGIN LIMITS

- a. Exchange will determine the Margin Limit for each Contracting Party based on Collateral provided by such Contracting Party and available to Exchange in the form and as valued by Exchange pursuant to this Schedule "C".
- b. In the event that a Contracting Party wishes to increase its Margin Limit with Exchange, the Contracting Party will be required to provide additional Eligible ~~Credit~~ Collateral Support with Exchange.

(May 1, 2009 or such later date as may be designated August 1, 2009)

by Exchange on notice to the Contracting Parties)

4. UNSECURED CREDIT

Exchange will not provide unsecured credit to any Contracting Party.

5. ACTIVATION

- a. Prior to any Contracting Party being activated to trade on the NGX Trading System and/or NGX Clearing System, the Contracting Party must provide documentation satisfactory to Exchange that it meets: (i) the Minimum Qualification Requirement, as evidenced by its latest financial statements; and (ii) any other qualification requirements imposed by Exchange having regard to overall integrity and security of

Appendix "A"

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- a. with respect to each letter of credit constituting Eligible ~~Credit~~Collateral Support, the undrawn portion of such letter of credit available to Exchange; provided that, no value shall be allocated to such letter of credit as and from 20 calendar days prior to the expiry of such letter of credit;

(May 1, 2009 or such later date as may be designated August 1, 2009)

by Exchange on notice to the Contracting Parties)

- b. with respect to cash, or interest bearing instruments contemplated by Section 3.2(k) of the Terms and Conditions, the full amount of cash or the face value of the instrument, as applicable;

(May 1, 2009 or such later date as may be designated
by Exchange on notice to the Contracting Parties)

- c. with respect to Previous Month Accounts Net Payable, the amount of such Contracting Party's Previous Month Accounts Net Payable; provided that, no positive value shall be allocated for such Contracting Party for such Previous Month Accounts Net Payable after the 20th day of the current month;

(May 1, 2009 or such later date as may be designated
by Exchange on notice to the Contracting Parties)

- d. with respect to Current Month Accounts Net Payable, the amount of such Contracting Party's Current Month Accounts Net Payable;

(May 1, 2009 or such later date as may be designated
by Exchange on notice to the Contracting Parties)

- e. with respect to Swap Settlement Net Payable, the amount of such Contracting Party's Swap Settlement Net Payable; provided that, no positive value shall be allocated for such Contracting Party for such Swap Settlement Net Payable after the last calendar day of the month immediately preceding the month when such Swap Settlement Net Payable is to be paid; and

(May 1, 2009 or such later date as may be designated
by Exchange on notice to the Contracting Parties)

- f. with respect to Variation Margin, the amount determined for such Contracting Party by Exchange, in its sole discretion; provided that, no positive value shall be allocated for such Contracting Party for such Variation Margin from and after it converts to a Current Month Accounts Net Payable.

(May 1, 2009 or such later date as may be designated
by Exchange on notice to the Contracting Parties)

7. DAILY MARGIN LIMIT MONITORING

- a. During each Trading Day, Exchange will monitor the Margin Requirement of each Contracting Party.
- b. If the Margin Requirement for a Contracting Party is equal to or greater than eighty percent (80%) of such Contracting Party's Margin Limit, Exchange will advise the Contracting Party and may request that additional Eligible ~~Credit~~Collateral Support be provided to Exchange.

(May 1, 2009 or such later date as may be designated August 1, 2009)

by Exchange on notice to the Contracting Parties)

- c. If the Margin Requirement for a Contracting Party is equal to or greater than ninety percent (90%) of such Contracting Party's Margin Limit, Exchange may halt such Contracting Party from entering orders for Products which will increase its Margin Requirement until the Contracting Party provides additional Eligible Collateral Support to the satisfaction of Exchange.

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~~Products which will increase its Margin Requirement until the Contracting Party provides additional Eligible Credit Support to the satisfaction of Exchange.~~

~~(May 1, 2009 or such later date as may be designated August 1, 2009)~~

~~by Exchange on notice to the Contracting Parties)~~

- d. If the Margin Requirement for a Contracting Party is equal to or greater than ninety-five percent (95%) of such Contracting Party's Margin Limit, and Exchange does not have sufficient Collateral with respect to such Contracting Party, Exchange will be entitled to, without limitation to any of its other rights or remedies, invoke the Liquidation Procedure pursuant to Section 5.6 of the Terms and Conditions and the Close-out Procedure pursuant to Section 8.3 of the Terms and Conditions.

(May 1, 2009 or such later date as may be designated
by Exchange on notice to the Contracting Parties)

- e. If the Available Margin for a Contracting Party is less than:

- (i) ~~with respect to a Contracting Party that has access to the Oil Trading Platform~~transacts in Option Products, \$2,000,000;
- (ii) ~~with respect to a Contracting Party that does not transact in Option Products, but transacts in Electricity Products and/or Oil Products, \$1,000,000; or~~
- (iii) ~~with respect to a Contracting Party that does not have access to the Oil Trading Platform~~transact in either Option Products, Electricity Products or Oil Products, \$500,000,

Exchange will advise the Contracting Party and may request that additional Eligible ~~Credit~~Collateral Support be posted with Exchange.

~~(May 1, 2009 or such later date as may be designated August 1, 2009)~~

~~by Exchange on notice to the Contracting Parties)~~

8. REQUEST FOR ELIGIBLE CREDIT COLLATERAL SUPPORT BY EXCHANGE

- a. Upon a request by Exchange for additional Eligible ~~Credit~~Collateral Support from a Contracting Party in accordance with this Agreement, the Contracting Party agrees to provide such additional Eligible ~~Credit~~Collateral Support to Exchange within the next Business Day or, if the next Business Day is a day that is a Recognized Banking Holiday, then on the first Business Day that is not a Recognized Banking Holiday following any such request.

~~(May 1, 2009 or such later date as may be designated August 1, 2009)~~

~~by Exchange on notice to the Contracting Parties)~~

- b. A Contracting Party may request a return of Eligible ~~Credit~~Collateral Support in the form of cash it has provided to Exchange as Collateral ("Cash Collateral") if:
- (i) its Margin Requirement is less than eighty percent (80%) of the value of the Collateral that it has provided and is available to Exchange, all as calculated hereunder (the "Minimum Collateral Amount"); and
- (ii) no Default has occurred with respect to such Contracting Party.

Upon such a request, Exchange agrees to return an amount of Cash Collateral equal to the lesser of:

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- (iii) the full amount of such Cash Collateral; or
- (iv) such portion of such Cash Collateral as would reduce the value of the Collateral of the Contracting Party to be retained by Exchange, as calculated hereunder, to the Minimum Collateral Amount,

such return of Cash Collateral to occur on the next Business Day or, if the next Business Day is a Recognized Banking Holiday, then on the first Business Day that is not a Recognized Banking Holiday, following such request.

(May 1, 2009 or such later date as may be designated August 1, 2009)

by Exchange on notice to the Contracting Parties)

9. RISK TO EXCHANGE

Notwithstanding any provision of this Agreement, Exchange reserves the right at any time to: (a) decline to enter into any Transactions which, in Exchange's sole determination, increases the credit exposure or adds additional risk of loss to or otherwise affects the risk profile of Exchange; or (b) take any other reasonable actions to preserve the integrity and security of Exchange, the NGX Trading System and/or the NGX Clearing System (including, without limitation, making a request of a Contracting Party for additional Eligible ~~Credit~~ Collateral Support), as determined in the sole discretion of Exchange.

(May 1, 2009 or such later date as may be designated August 1, 2009)

by Exchange on notice to the Contracting Parties)

10. ~~10.~~ SETTLEMENT

Exchange will settle all Transactions in accordance with this Agreement and the Risk Management Policy for all Contracting Parties including the payment, deposit or transfer of Collateral to Exchange by the Contracting Parties to ensure the performance of all Transactions by the Contracting Parties.

11. AFFILIATE NETTING

Except as Exchange may otherwise agree, and without limitation to any other provision in this Agreement, Exchange will net the Transactions and related financial obligations of any Contracting Party and its Contracting Party Affiliates under this Agreement as follows:

- a. the Initial Margin will be determined on the aggregate of the Net Open Positions of the Contracting Party and its Contracting Party Affiliates;
- b. the Variation Margin applicable to all Transactions will be netted; and
- c. the accounts payable and accounts receivable for all Transactions will be netted.

The Contracting Party may elect not to continue to have its Physical Transactions, Swap Transactions and Option Transactions with Exchange netted with its Contracting Party Affiliates by agreement with Exchange. Exchange will only agree after the Contracting Party and the Contracting Party Affiliate have provided to Exchange Collateral sufficient to cover the Margin Requirements for each party.

(May 1, 2009 or such later date as may be designated
by Exchange on notice to the Contracting Parties)

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"Platts Gas Daily" has the same meaning as "Gas Daily" as found in Section 15(u) of Schedule "F";

"Platts Inside FERC" means Inside FERC's Gas Market Report as published by Platts, a division of The McGraw-Hill Companies, Inc.

"WTI" has the same meaning as "WTI Index" as found in Section 10(ttt) of Schedule "E";

"XpF" is defined in Section 10(bbb) of Schedule "E";

"Xti3" is defined in Section 10(ccc) of Schedule "E"; ~~and~~

"XtiF" is defined in Section 10(ddd) of Schedule "E"; and

"XtiB" is defined in Section 10(eee) of Schedule "E".

CRUDE TYPES

"AHS" is defined in Appendix 1 to Schedule "H";

"BR" is defined in Appendix 1 to Schedule "H";

"C5" is defined in Appendix 1 to Schedule "H";

"CAL" is defined in Appendix 1 to Schedule "H";

"CLK" is defined in Appendix 1 to Schedule "H";

"DSW" is defined in Appendix 2 to Schedule "H";

"EUG" is defined in Appendix 2 to Schedule "H";

"LLB" is defined in Appendix 1 to Schedule "H";

"LLK" is defined in Appendix 1 to Schedule "H";

"LLS" is defined in Appendix 2 to Schedule "H";

"LSB" is defined in Appendix 1 to Schedule "H";

"M" is defined in Appendix 1 to Schedule "H";

"MAR" is defined in Appendix 2 to Schedule "H";

"POS" is defined in Appendix 2 to Schedule "H";

"SHE" is defined in Appendix 1 to Schedule "H";

"SLE" is defined in Appendix 1 to Schedule "H";

"SO" is defined in Appendix 1 to Schedule "H";

"SW" is defined in Appendix 1 to Schedule "H";

"SYN" is defined in Appendix 1 to Schedule "H";

"WCB" is defined in Appendix 1 to Schedule "H";

"WCS" is defined in Appendix 1 to Schedule "H";

"WH" is defined in Appendix 1 to Schedule "H";

"WTI" is defined in Appendix 2 to Schedule "H"; and

"WTS" is defined in Appendix 2 to Schedule "H".

PRODUCT TYPES

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BS	Physical Basis
FP	Fixed Price
ID	Physical Index
FP Spread	Fixed Price Spread
BS Spread	Physical Basis Spread
DBS	Daily Basis Swap
FP Swap	Fixed Swap
BS Swap	Basis Swap
ID Swap	Index Swap

(This Schedule "D" has been amended as of June 8, August 1, 2009)

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- iii. the Underlying Price becomes the Floating Price in respect of the Alberta-Fixed or Alberta-Basis Swap; and
- iv. the Strike Price becomes the Fixed Price in respect of the Alberta-Fixed or Alberta-Basis Swap.

If an Option Transaction is not exercised, then such Option Transaction shall be deemed to have met the Option Expiry Conditions and such Option Transaction will expire on the respective Option Exercise Date with no further opportunity for the Underlying Transaction to become effective.

In the event that the Underlying Price for any Option Transaction (where the Underlying Transaction is a Swap Transaction) is corrected (the "Correction") by the publication from which the applicable price was derived after the Option Exercise Date, Exchange will post on Exchange's Website for access by the respective Option Buyer and corresponding Option Seller the corrected Underlying Price (the "Corrected Underlying Price"). If such Option Transaction was exercised on the Option Exercise Date but the posting of the Corrected Underlying Price would mean that with the benefit of such information on the Option Exercise Date the respective Option Exercise Conditions would not have been met, then the Underlying Transaction will be cancelled if (a) the Corrected Underlying Price is lower than the Strike Price in the case of a Call Option, or higher than the Strike Price in the case of a Put Option, and (b) the Correction occurs within thirty (30) days (the "Correction Date") of the Option Exercise Date.

If such Option Transaction expired on the Option Exercise Date but the posting of the Corrected Underlying Price would mean that with the benefit of such information on the Option Exercise Date the respective Option Exercise Conditions would have been met, then the expiry will be cancelled and the Underlying Transaction will be deemed to have become effective as of the Option Exercise Date if (a) the Corrected Underlying Price is higher than the Strike price in the case of a Call Option, or lower than the Strike Price in the case of a Put Option and (b) the Correction occurs within the Correction Date.

6. SWAP INVOICES AND OPTION INVOICES

Invoices for the Swap Clearing Amounts and Option Premium Amounts will be determined in accordance with this Schedule "E" and Section 8.4 of the Terms and Conditions. Invoices will be due and payable as follows:

- a. ~~Fixed for Floating Swap Transactions - 6th Business Day of the contract Month of the Calculation Period in accordance with the Swap Settlement Date~~
- b. ~~Basis Swap Transactions - 6th Business Day of the contract Month of the Calculation Period~~
- c. ~~Index and Floating for Floating Swap Transactions - 6th Business Day of the contract Month of the Calculation Period~~
- d. ~~Electricity Swap Transactions - 6th Business Day of the Month following the contract Month of the Calculation Period except for EPCOR RRO which will be the 6th day of the second Month following the contract Month of the Calculation Period, with two additional invoice dates that occur on the 6th day of the 5th Month following the contract Month of the Calculation Period and the 6th day of the 9th Month following the contract Month of the Calculation Period to account for the AESO's final settlement process~~
- e. ~~Heat Rate Swap Transactions - 6th Business Day of the Month following the contract Month of the Calculation Period~~
- f. ~~Swing Swap Transactions - 6th Business Day of the Month following the contract Month of the Calculation Period~~
- g. ~~Options - Option Premium Amount - two (2) Business Days following the transaction date when in accordance with the Option Product was purchased Premium Payment Date; with respect~~

to the Underlying Transaction, if the respective Option Transaction is exercised on the applicable Option Exercise Date, Invoicing will occur as per the Underlying Transaction.

(August 1, 2009)

7. LIABILITY

No Indirect Damages - Other than as specifically set forth in this Agreement, in no event shall Exchange or the Contracting Party be liable under this Agreement or any Swap Transaction or Option Transaction for any special, consequential or indirect damages or claims, including without limitation, loss of profits or revenues, cost of capital or claims of any of the suppliers or customers to the Contracting Party arising out of any Swap Party's Default, Option Party's Default or any Exchange Default or any other matter for which liability may be assessed under this Agreement or any Swap Transaction.

8. ALL OR NOTHING OIL SWAP TRANSACTIONS

In connection with any Swap Transactions entered on the Oil Trading Platform, the "All or Nothing" designation on the Oil Trading Platform must be selected by a Contracting Party if it wishes to purchase or sell only the full notional quantity of the amount offered by such Contracting Party. Otherwise, such offer to purchase or sell such notional quantity of Oil shall be matched with a corresponding offer to sell or purchase the notional quantity of Oil notwithstanding that the proposed Contract Quantities are not the same, and the proposed Contract Quantity for the matched offers shall be the lesser of the two Contract Quantities. In such circumstance and in the event that a Contracting Party's matched Contract Quantity is less than the Contract Quantity offered to be bought or sold by the Contracting Party, the Contracting Party's offer shall remain in effect in accordance with its terms with respect to the residual Contract Quantity.

9. INTERPRETATION

- a. All amounts of money referred to herein or in this Agreement are in Canadian Dollars unless otherwise expressly stated to be in United States dollars.
- b. Capitalized words and phrases used in this Schedule and not defined in this Schedule will have the same meaning as set forth in this Agreement.

10. DEFINITIONS

- a. "Alberta Electric System Operator" or "AESO" means the Alberta Electric System Operator (formerly known as Power Pool of Alberta), a not-for-profit corporation established under the *Electric Utilities Act* (Alberta);
- b. "Alberta Electricity Floating Price" or "AEFP" means the actual hourly price of Electricity as published (in final, not forecast form) by the AESO in the table entitled "Actual/Forecast" reported for the applicable day in the column for "Actual Posted Pool Price" and in the rows for the applicable Calculation Period, on the AESO internet web page currently located at ets.aeso.ca; provided that such Alberta Electricity Floating Price shall be corrected to reflect any "Pool Price Errors" as may be posted on such web page, or otherwise communicated, from time to time by the Power Pool of Alberta;
- c. "Alberta Extended Off-Peak" means the eight (8) hour periods for each day starting at 2300 MPT and ending at 0700 MPT (HE 2400 to HE 0700 inclusive);
- d. "Alberta Extended Peak" means the sixteen (16) hour periods for each day starting at 0700 MPT and ending at 2300 MPT (HE 0800 to HE 2300 inclusive);
- e. "Alberta Flat" means the periods on each calendar day as follows:

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- vv. "Notional Quantity" means the quantity of gas, electricity or oil agreed to by Exchange and the Contracting Party upon entering into a Swap Transaction, which forms the basis of settlement for the Swap Transaction and is referred to in the respective Swap Confirmation as the Notional Quantity;
- ww. "OTP 3-Day Index" means the price indices calculated as specified in the OTP Index Guide over the Crude 3-Day Calculation Period for the Crude Type for each Delivery Period;
- xx. "OTP Full Index" means the price indices calculated as specified in the OTP Index Guide over the Crude Full Index Calculation Period for the Crude Type for each Delivery Period;
- yy. "OTP Index" means any OTP 3-Day Index or OTP Full Index as specified for the applicable Swap Transaction;
- zz. "OTP Index Guide" means the price index guide of Exchange relating to physical and financial Oil transactions entered through the Oil Trading Platform and the manner in which each OTP Index is to be generated, available on the NGX Trading System;
- aaa. "OTP Posting Index (3-Day)" or "Xp3" means a price index calculated by Exchange over the applicable Crude 3-Day Calculation Period from the postings of designated posters, as further specified in this Agreement and in the OTP Index Guide, for the applicable Crude Type;
- bbb. "OTP Posting Index (Full)" or "XpF" means a price index calculated by Exchange over the applicable Crude Full Index Calculation Period from the price postings of designated posters, as further specified in this Agreement and in the OTP Index Guide, for the applicable Crude Type;
- ccc. "OTP WTI Index (3-Day)" or "Xti3" means a price index calculated by Exchange over the applicable Crude 3-Day Calculation Period from basis differentials from CMA, as further specified in this Agreement and in the OTP Index Guide, for the applicable Crude Type;
- ddd. "OTP WTI Index (Full)" or "XtiF" means a price index calculated over the applicable Crude Full Index Calculation Period from basis differentials from CMA, as further specified in this Agreement and in the OTP Index Guide, for the applicable Crude Type;
- eee. "OTP WTI Index (BalMO)" or "XtiB" means a price index applicable to a given trade date, calculated from the day after trade until the end of the applicable Crude Full Index Calculation Period from basis differentials from CMA, as further specified in this Agreement and in the OTP Index Guide, for the applicable Crude Type;
- fff. eee.-"Ontario – Flat" means the periods on each calendar day as follows:
- i. in the case of a Sunday on and from which time is to be one hour in advance of eastern standard time (second Sunday in March), the twenty-three (23) hour period starting at 0000 EPT and ending at 2400 EPT (HE0100 to HE2300 inclusive);
 - ii. in the case of a Sunday on and from which time is no longer to be one hour in advance of eastern standard time (first Sunday in November), the twenty-five (25) hour period starting at 0000 EPT and ending at 2400 EPT (HE0100 to HE2500 inclusive); and
 - iii. for all other calendar days, the twenty-four (24) hour period starting at 0000 EPT and ending at 2400 EPT (HE0100 to HE2400 inclusive);
- ggg. fff.- "Ontario On-Peak" means the sixteen hour (16) periods for each Monday, Tuesday, Wednesday, Thursday and Friday which is not a NERC Holiday, starting at 0700 EPT and ending at 2300 EPT (HE0800 to HE2300 inclusive);

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measurement forms the basis for determining whether the respective Option Exercise Conditions have been met for that particular Option Product;

ttt. ~~sss.~~ "Watt" means the power that produces energy at the rate of one (1) Joule per second; and

uuu. ~~ttt.~~ "WTI Index" means, as applicable, CMA or DNS.

(This Schedule "E" has been amended as of ~~May~~August 1, 2009 or such later date as may be designated by Exchange on notice to the Contracting Parties)

Appendix "A"

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- c. Title Transfer - The Seller, Buyer and Exchange will make all necessary changes to the applicable Delivery Point Operator Title Transfers to reflect the reduced obligations.
- d. Further Notice - Exchange will promptly advise the affected Contracting Parties of any material changes to the Force Majeure Declaration.

13. INVOICE AMOUNTS

Exchange will determine the amounts owing or payable on a monthly basis for the U.S. Delivery Points as follows:

- a. For gas delivered or taken by multiplying:
 - i. the portion of the Contract Quantity of gas delivered or taken at each of the U.S. Delivery Points under all Physical Gas Transactions for each Delivery Day of the given Month expressed in MMBtu's; by
 - ii. the Purchase Price, expressed in U.S. dollars per MMBtu for all Physical Gas Transactions for such Month; plus
- b. All fees as outlined in the Fee Guide Schedule; plus
- c. Any fees charged to Exchange by any of the applicable Delivery Point Operators for the Title Transfers pertaining to the delivery of gas under all such Physical Gas Transactions; plus
- d. Any applicable taxes pursuant to Section 7 of the Terms and Conditions.

14. INTERPRETATION

- a. All times referred to herein are to Central Prevailing Time.
- b. All amounts of money referred to herein or in this Agreement in respect of the U.S. Delivery Points are in U.S. dollars.
- c. Capitalized words and phrases used in this Schedule and not defined in this Schedule will have the same meaning as set forth in this Agreement.

15. DEFINITIONS

- a. "BBtu" means billions (10^9) British thermal units;
- b. "gas" means natural gas as produced in its natural state that meets the quality standards defined in the applicable U.S. Delivery Point Operator's Tariff as outlined in the NGX Product List;
- c. "Gas Daily" means a publication entitled Platts Gas Daily published by Platts, a division of The McGraw-Hill Companies, Inc.;
- d. "Gas Day" means a consecutive twenty-four (24) hour period starting and ending at 9:00 a.m. Central Clock Time;
- e. "Henry Futures Settlement Price" is defined in the NGX Price Index Methodology Guide;
- f. "MMBtu" means 1,000,000 (10^6) British thermal units;

Appendix "A"

SCHEDULE "I" – BILATERAL TRANSACTIONS

Words and phrases capitalized in this Schedule and not defined herein have the same meaning as in this Agreement.

1. QUALIFICATION, ACCESS AND ENABLING

- a. Sections 2.3 and 2.5 of the Terms and Conditions and Sections 5(a), 5(b) and 5(c) of Schedule C apply to a Contracting Party executing a Bilateral Transaction. A Contracting Party will be activated on the NGX Trading System by Exchange after all pre-requisite requirements have been satisfied under Sections 5(a), 5(b) and 5(c) of Schedule C.
- b. Exchange will provide the Contracting Party with access to the NGX Trading System for such periods on each Business Day that Bilateral Products are available for trading, as may be designated by notice to the Contracting Parties from time to time, and may provide access on non-Business Days for trading in some or all Bilateral Products.
- c. A Contracting Party that:
 - i. has been enabled by its Administrator on the NGX Trading System for the minimum number of Contracting Parties and has been enabled by the minimum number of Contracting Parties on the NGX Trading System for bilateral trading, such minimum number being determined by Exchange in its sole discretion from time to time, may post bids and offers and accept posted bids and offers in Bilateral Products; or
 - ii. has not been enabled by its Administrator on the NGX Trading System for the minimum number of Contracting Parties and/or has not been enabled by the minimum number of Contracting Parties on the NGX Trading System for bilateral trading may only accept posted bids and offers in Bilateral Products that are posted by those Contracting Parties it has been enabled to enter into Bilateral Transactions with.

2. CONFIRMATIONS

Exchange agrees to electronically deliver a confirmation as soon as reasonably possible after entering into a Bilateral Transaction. Delivery of such confirmation for Bilateral Transactions in oil Bilateral Products shall be via email or facsimile to the Contracting Party. Delivery of confirmation for Bilateral Transactions in natural gas Bilateral Products shall be via an electronic notification available on the ICE Trading Platform.

August 1, 2009

3. CANCELLED BILATERAL TRANSACTIONS

In the event that a Contracting Party has entered into a Bilateral Transaction in error, Exchange will not cancel the Bilateral Transaction in error until such time that Exchange has been notified that both Contracting Parties to the Bilateral Transaction in error have consented to the cancellation of the Bilateral Transaction in error. If such consent cannot be reached by both Contracting Parties to the Bilateral Transaction by the earlier of: (i) 120 minutes following the entering of the Bilateral Transaction; or (ii) 60 minutes following the close of trading on the NGX Trading System on the Trading Day on which the Bilateral Transaction was entered, the Bilateral Transaction will continue in full force and effect.

4. INVOICES

- a. Notwithstanding any other provision of this Agreement, Exchange will post on Exchange's Website for sole access by the Contracting Party (or will provide the Contracting Party, upon

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request with) an Invoice on or before the 15th day of each calendar month for physical gas Bilateral Transactions during the prior calendar month and before the Physical Settlement Date for physical oil Bilateral Transactions during the prior calendar month, setting forth any amounts payable for fees to Exchange and any amounts payable on account of GST.

- b. Subject to any amount hereunder becoming due and payable at an earlier time pursuant to the provisions hereof, the amount of the Invoice owed by the Contracting Party to Exchange will be due and payable on the Physical Settlement Date. In determining the net amounts payable or receivable on each Invoice by the Contracting Party, Exchange will Set-off the amounts payable or receivable in the same currency. The Contracting Party will be obligated to pay or entitled to receive only such net amounts. On the Physical Settlement Date, Exchange will not remit any amounts payable from Exchange to the Contracting Party until all amounts payable from the Contracting Party to Exchange have been received by Exchange. Any items on any Invoice disputed by any Contracting Party will be noted to Exchange at least five Business Days prior to the Physical Settlement Date with respect to physical gas Bilateral Transactions and prior to the Physical Settlement Date with respect to physical Oil Bilateral Transactions. Payments by the Contracting Party will be made payable to Exchange and may be made by wire payment or electronic funds transfer. The Contracting Party shall notify Exchange of its banking information and represents and warrants that the information provided to Exchange is accurate and current. Exchange is entitled to accept this information via email or facsimile. Late payments will bear interest after the due date at the Default Rate to and including the date of payment to Exchange of all such amounts. Interest will be payable only on the amount of any Invoice remaining unpaid from time to time.
- c. The Contracting Party and Exchange agree that any Invoice payable on any Physical Settlement Date with respect to a Bilateral Transaction will be final and binding, absent manifest error, for all purposes 120 days after such Physical Settlement Date unless the Contracting Party has then advised Exchange of any error in, or dispute in respect of, such Invoice.

5. GENERAL

- a. In addition to this Schedule I, the following Terms and Conditions and Schedules of this Agreement apply to a Bilateral Transaction: Sections 3.1 (a, b, c, f, g, and i); Section 3.3 (a, b, c, h, i, and j); Sections 3.9, 3.10, 5.8, 5.9, 5.12 and 5.13; and Schedules "A", "B", Section 9 of Schedule "C" and Schedule "D" (which, together with this Schedule I, are the "Bilateral Provisions").
- b. With respect to a Bilateral Transaction, in the event that there is a conflict between the Bilateral Provisions and the bilateral agreement directly between the Contracting Parties who are parties to such Bilateral Transaction, the Bilateral Provisions shall govern.
- c. Once the Contracting Party receives a Confirmation from the NGX Trading System that a Bilateral Transaction has occurred, the clearing and settlement of the Bilateral Transaction is governed solely by the terms and conditions of the bilateral agreement directly between the Contracting Parties who are parties to such Bilateral Transaction.

(This Schedule "I" has been implemented as of August 1, 2009)



CERTIFICATE

I **HEREBY CERTIFY** that, to the best of my knowledge as an officer of Natural Gas Exchange Inc. ("NGX"), the rule amendments set out in Appendix "A" to NGX's July 27, 2009 notification to the CFTC of self-certification of rule changes complies with the Commodity Exchange Act and the regulations thereunder as applicable to NGX.

Dated this 27th day of July, 2009.

NATURAL GAS EXCHANGE INC.

Per

A handwritten signature in black ink that reads "Simon Ward". The signature is written in a cursive style with a large, sweeping initial 'S'.

Simon Ward
Vice President, Finance & Administration