



Professor Rosaeg,
LNG Correspondence Group Leader
Scandinavian Institute of Maritime Law,
University of Oslo

Julien RAYNAUT

GIIGNL Commercial Study Group
HNS Convention Working Group
14, rue Fructidor – Colisée IV
75017 Paris
FRANCE

Direct Line: +33 1 41 66 06 72
Julien.raynaut@gaselys.com
Web Site: www.giignl.com

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Dear Erik,

**CORRESPONDENCE GROUP ON CONTRIBUTIONS TO THE LNG ACCOUNT -
HNS CONVENTION – GIIGNL Letter No.2**

Following our first letter dated 8th August 2007 detailing first observations from the LNG importers industry and your last proposal of Resolution on contribution the HNS Fund in respect of LNG cargoes; we are pleased to complete the official position of the LNG industry and notably with regard to such draft IOPC Fund document.

Therefore, as agreed by its Commercial Study Group, GIIGNL would like to express the following proposal and comments:

1. We propose that Point No.1 of the draft resolution reads as follows:

"1. that all States Parties to the HNS Convention should ensure that all contributors in respect of cargoes of LNG discharged on their territory are collectable, in particular if the contributors are not subject to the jurisdiction of a State Party by evaluating different types of securities and their relevant costs for a limited amount to the satisfaction of the HNS Fund Secretariat;"

2. The draft recommendation should not refer to a surety of the obligation to pay contribution on the receiver of a cargo of LNG. This sentence should be deleted and GIIGNL would like to remind the position defended by the LNG industry and other delegations on such issue, notably with regard to the Spanish comments dated 17th September 2007.

3. GIIGNL reminds the constraint of long term agreements for LNG players in the market of sale and purchase of LNG. Any solution should consider that issue, including notably the security of LNG supply.

4. Subject to the here above mentioned elements and as already been expressed in our first letter, GIIGNL will support any solution proposed that could lead to an harmonised regime for LNG contributions to the HNS Fund.



Moreover, we would like to highlight that any security solution will need to be further analysed with the help of the HNS Fund Secretariat and the LNG industry. We are in a position to collaborate on this technical matter and to elaborate future analysis on the potential securities features. As remained by Spain, some issues like feasibility, standardization and cost will have to be taken into account.

Best regards,

Julien RAYNAUT