

Elengy offers for subscription an additional capacity of 1000 GWh at the Fos Tonkin LNG terminal in 2024 (normatively 2 unloadings of a unit size of 500 GWh¹):

- **1 unloading from 1st January to 28 February 2024 ('Capacity 1');**
- **1 unloading in 1st November to 31st December 2024 ('Capacity 2').**

As per Public Decision 2023-281 from CRE dated 23 September 2023, these capacities are offered according to an auction mechanism.

A specific auction is organised for each Capacity on the PRISMA platform, via an ascending clock mechanism ('**Auction**')

- For the Capacity 1, the Auction will start on **Thursday 12 October 2023 ('day D') at 10.00 am** (Paris time);
- For the Capacity 2, the Auction will start on **Thursday 12 October 2023 ('day D') at 02.00 pm** (Paris time).

Each Auction is independent of each other, and the allocation of each Capacity takes place at the end of each specific Auction.

1.1 Registration

In order to participate, shippers must register until the day before day D (day D-1) at 10.00 am (Paris time):

- With Elengy by returning the duly completed and signed Registration Form downloadable at the following address: <https://www.elengy.com/en/media/news>, by e-mail to the following address: Fostonkin-Development@elengy.com.
- With PRISMA platform to the following address: <https://app.prisma-capacity.eu/platform/#/start>

The registration will be valid for all the Auctions above.

Once their registration has been validated by Elengy, the shipper has the status of **Participant**.

1.2 Process of auction

The Auction consists of a phase of one or more rounds ('**Round**') of successive bids ('**Ascending Phase**') followed, if necessary, by a phase of a Round in Pay-as-Bid ('**Pay-as-Bid Phase**').

Whatever the phase, any request registered at the end of each Round is binding and the Participant cannot withdraw his request.

The parameters of the Auction (Large Price Step, Small Price Step, duration of Rounds) will be communicated to Participants only, no later than the day before the Auction (day D-1).

The sale price of the Capacity is expressed in Euros.

¹ Access to the Fos Tonkin terminal is suitable for LNG vessels of a length equal to or less than 220 m, a width equal to or less than 35 m and a draught of less than 9.75 m, such limitations corresponding to the specifications of Medmax-class LNG vessels transporting up to 75 000 m³ of LNG.

1.2.1 Process of the Ascending Phase

During each Round of the Ascending Phase, the Participant is asked to confirm or not his request to acquire the Capacity at the price of the Round (P_T). The absence of a response from the Participant within the time limits results in the waiver of its request for Capacity at the P_T price. A Participant who has waived his Capacity request during a given Round is not authorized to participate in the following Round.

During the first Round (Round 1), the sale price P_{T_1} of the Capacity is its regulated price, i.e. 484 000 Euros.

After the first Round, the price of the Capacity increases in successive increments, if applicable.

- **'Large Price Step'**: price increase level set by the Operator.
- **'Small Price Step'**: Large Price Step divided by 'N', N being defined by the Operator. The number of Small Price Step may not exceed (N-1).

'Demand' is the number of Participants requesting the Capacity at the price of the Round in force.

'Offer' is the proposed Capacity, i.e. one (1) non-divisible lot.

The Ascending Phase proceeds as follows:

- In case Demand is strictly lower than the Offer in Round 1:
 - The Ascending Phase stops.
 - The Auction ends and is declared unsuccessful. Capacity is not allocated.
- In case Demand equals the Offer for a Round T ($T \geq 1$):
 - The cleared price is the price of that Round P_T .
 - The Ascending Phase stops.
 - The Auction stops and the Operator proceeds with the allocation of the Capacity to the Participant having confirmed its acquisition request during Round T.
- In case Demand is higher than the Offer for a Round T ($T \geq 1$):
 - There is no allocation.
 - The Ascending Phase goes to another Round T+1 whose price P_{T+1} is equal to: $P_T + \text{Large Price Step}$.
 - And so on.
- In case Demand is strictly lower than the Offer after a given Round T ($T > 1$):
 - There is no allocation
 - The Ascending Phase goes to another Round T+1 whose price P_{T+1} is equal to $P_{T-1} + \text{Small Price Step}$. Then, if the Demand is greater than the Offer during Round T+1, with Round T+2 whose price P_{T+2} is equal to $P_{T+1} + \text{Small Price Step}$, and so on until that, during a Round K ($T+1 \leq K \leq T+N-1$):
 - The Demand equals the Offer:
 - ✓ In this case, the Ascending Phase stops.

- ✓ The Auction stops and the Operator proceeds with the allocation of the Capacity at the price of Round K (P_K) to the Participant having confirmed its acquisition request during the said Round.
- The Demand is strictly lower than the Offer
 - ✓ In this case, the Ascending Phase stops.
 - ✓ The Auction goes to the Pay-as-Bid Phase.
- $K=T+N-1$ and during this one the Demand is always strictly Superior to the Offer:
 - ✓ In this case, the Ascending Phase stops.
 - ✓ The Auction goes to the Pay-as-Bid Phase.

1.2.2 Process of the Pay-as-Bid Phase

During the Pay-as-Bid Phase, a final bidding Round is organized during which the Participant is asked to indicate an acquisition price for the Capacity.

To be authorized to participate in the Pay-as-Bid Phase, the Participant must have confirmed their acquisition request in the last Round of the Ascendant Phase for which a Demand has been expressed.

The price offered by the Participant must be greater than or equal to the price of the last Round of the Ascending Phase for which a Demand has been expressed.

Capacity is allocated to the Participant who submits the highest price, at that price.

In the event that several Participants submit the same price, the Operator shall conduct a random draw to decide between the said Participants.

If no Demand is expressed during the Pay-as-Bid Phase, the Operator shall proceed to a random draw to decide between the Participants of the last Round of the Ascending Phase for which the Demand expressed was higher than the Offer, the Capacity being allocated at the price of the said Round.

1.3 Capacity allocation

If the Auction for Capacity 1 is still in progress on day D at 1.30 pm, the Auction for Capacity 2 will be delayed by one hour, i.e. day D at 3.00 pm.

If the Auction for Capacity 1 is still in progress on day D at 2.30 pm, the Auction for Capacity 2 will be delayed by one hour, i.e. day D at 4.00 pm, and so on.

If the Auction for Capacity 1 or for Capacity 2 is still in progress on day D at 6.00 pm, the process will stop and resume the next day from 10.00 am, i.e. day D+1, and so on for the following working days.

Capacity allocation by Elengy is binding for both parties.

The results will be transmitted to the Participants, as soon as possible, at the end of the process on PRISMA.

If no Demand is expressed within the framework of this procedure for a Capacity, it will be published by Elengy and accessible on a first-come/first-served basis, according to the usual procedures.

1.4 Precisions on the contractual modalities

It is specified that, due to the technical specificities of the terminal, the following provisions of the access contract do not apply to Fos Tonkin: Uniform Option (article 21.3), Inventory Extension Option (article 21.4), Weekly Send-Out Flexibility (article 23.4), Dedicated Storage Space (article 25).

The principle of minimum payment obligation defined in article 30 of the access contract to Fos Tonkin LNG Terminal shall apply to the price at which the Capacity is allocated.

A Guarantee must be put in place as per article 29.1 of the access contract to Fos Tonkin LNG Terminal.