



ASSIGNMENT AND NOVATION AGREEMENT

THIS AGREEMENT made as of the ____ day of _____, 20__.

AMONG:

a body corporate, registered to carry on business in the Province of Saskatchewan
(hereinafter referred to as the "Assignor")

OF THE FIRST PART

a body corporate, registered to carry on business in the Province of Saskatchewan
(hereinafter referred to as the "Assignee")

OF THE SECOND PART

TRANSGAS LIMITED

a body corporate, having its head office in the City of Regina, in the Province of Saskatchewan
(hereinafter referred to as "TransGas")

OF THE THIRD PART

WHEREAS the Assignor and TransGas are parties to or successors in interest to parties to certain TransGas Service Agreement described in Part I of Schedule "A", which Schedule is attached to and incorporated into this Assignment and Novation Agreement; and

WHEREAS the Assignor has agreed to assign to the Assignee, all of the Assignor's right, title, and interest in and to the said TransGas Service Agreement;

NOW THEREFORE in consideration of the premises hereto and the mutual covenants and agreements herein set forth, the parties hereto agree as follows:

Definition of Terms

1. All capitalized terms referred to in this Assignment & Novation Agreement shall have the meaning ascribed thereto in the TransGas Comprehensive Tariff.

Assignment of Benefits to Assignee

2. The Assignor does hereby assign and novate, transfer, set over and convey unto the Assignee all of the interest of the Assignor in and under the said TransGas Service Agreement, and all benefit and advantage derived or to be derived therefrom, to have and to hold the same unto the Assignee absolutely, from and after the Effective Date, subject to the performance and observance by the Assignee of the terms, conditions and obligations contained in the said TransGas Service Agreement.

Assumption of Liabilities by Assignee

3. The Assignee hereby accepts the Assignment set forth in Clause 2 hereof and covenants and agrees with the Assignor and TransGas that it shall, at all times, from and after the Effective Date, be bound by, observe and perform all the terms and provisions to be observed and performed by the Assignor under the said TransGas Service Agreement to the same extent as if the Assignee had been originally named as a party thereto in the place and stead of the Assignor.

TransGas' Covenants:

4. TransGas does hereby:
 - (a) consent to the Assignment and novation by the Assignor to the Assignee of all of the interest and obligations of the Assignor in and under the said TransGas Service Agreement;
 - (b) release and discharge the Assignor of and from the observance and performance of the covenants, agreements and obligations on the part of the Assignor to be observed and performed under the said TransGas Service Agreement from and after the Effective Date, however, nothing herein contained shall be construed as a release of the Assignor from any obligation or liability which may have accrued prior to the Effective Date, except the obligation to give prior notice of proposed disposition to TransGas; and
 - (c) covenant and agree that from and after the Effective Date the Assignee shall be entitled to hold and enforce all of the privileges, rights and benefits of the Assignor under the said TransGas Service Agreement to the same extent as though and to the intent and purpose that the Assignee had been a party thereto in the place and stead of the Assignor.

Relationship Between TransGas and Assignee

5. Notwithstanding anything contained in this Assignment and Novation Agreement, the Assignor and Assignee agree as follows in favour of TransGas:
 - (a) Any Energy imbalance in Shipper's Imbalance Account, specific to the said TransGas Service Agreement as of the Effective Date, shall be transferred to and accepted by Assignee and the Assignee shall be entitled to the benefit of any positive balance and be responsible for any negative balance that exists as of that date; and
 - (b) TransGas shall, from and after the Effective Date, pay to the Assignee any refund or repayment of capital, Customer or other contributions made under the said TransGas Service Agreement.

The provisions of this clause describe the relationship between TransGas and the Assignee only and the ultimate entitlement to any benefit or ultimate responsibility for any liability vis a vis the Assignor and Assignee shall be determined by any relevant agreement between those parties.

Interim Time Period Between the Effective Date and Execution Date

6. Assignee acknowledges that in all matters relating to the said TransGas Service Agreement subsequent to the Effective Date and prior to the execution of this Assignment and Novation Agreement by TransGas, including but not limited to all accounting and conduct of operations thereunder, the Assignor has been acting as a trustee for and duly authorized agent of the Assignee, and the Assignee does hereby expressly ratify, adopt and confirm all acts or omissions of the Assignor in its capacity as trustee and agent to the end that all acts or omissions shall for the purposes be construed as having been made or done by the Assignee.

Further Assurances

7. The Assignor covenants and agrees with the Assignee that it shall and will, from time to time and at all times hereafter, at the request of the Assignee, execute such further assurances and do all such further acts as may be reasonably required for the purpose of vesting in the Assignee all of the interest of the Assignor in and under the said TransGas Service Agreement.

Effective Date

8. The Effective Date of this Assignment and Novation Agreement shall be the date referred to in Part II of Schedule "A" (the "Effective Date").

Assignee's Address

9. The address of the Assignee for notices under the said TransGas Service Agreement shall be the address referred to in Part III of Schedule "A".

Binding or Successors and Assigns

10. This Assignment and Novation Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

Sealing of Documents

- 11.1 In the event the corporate seal of the Assignor is not affixed to this Assignment and Novation Agreement, I/we, the signatories on behalf of Assignor hereby confirm and warrant in favour of the Assignee and TransGas that I/we have authority to execute this Assignment and Novation Agreement on behalf of the Assignor.
- 11.2 In the event the corporate seal of the Assignee is not affixed to this Assignment and Novation Agreement, I/we, the signatories on behalf of the Assignee hereby confirm and warrant in favour of the Assignor and TransGas that I/we have authority to execute this Assignment and Novation Agreement on behalf of the Assignee.

Counterparts

12. This Assignment and Novation Agreement may be executed in counterparts and will be deemed to be fully executed and accepted upon all parties having signed this Assignment and Novation Agreement in counterparts.

IN WITNESS WHEREOF the parties hereto have executed this Assignment and Novation Agreement as of the date first above written.

"ASSIGNOR"

"ASSIGNEE"

PER: _____

PER: _____

PER: _____

PER: _____

TRANSGAS LIMITED

PER: _____
Key Account Manager

PER: _____
Vice President,
General Counsel and Corporate Secretary

This is page 4 of the Assignment and Novation Agreement dated the ____ day of _____, 20__, among _____ (Assignor), _____ (Assignee), and TransGas Limited.

SCHEDULE "A"

Attached to and forming part of this Assignment and Novation Agreement dated as of the ____ day of _____, 20__, among _____ (Assignor), _____ (Assignee), and TransGas Limited.

PART I TransGas Service Agreement

_____ TransGas Service Agreement dated the ____ day of _____, 20__, between _____ and TransGas Limited, and all amendments thereto, if any, and any Contract Briefs.

PART II Effective Date

The Effective Date of this Assignment and Novation Agreement shall be _____, 20__.

PART III Assignee's Address for Notices