



SERVICE AGREEMENT

BETWEEN

THE LEBANESE MINISTRY OF ENERGY AND WATER (LMEW)

AND

TECHNICAL GAS PIPELINES OPERATION SERVICES CO. (TGS)

**RELATING TO THE PROVISION OF TECHNICAL SERVICES
FOR REHABILITATION OF LEBANON
GAS PIPELINE SYSTEM**

Date: Mar, 2026

TABLE OF CONTENTS

SERVICE AGREEMENT

1	GENERAL.....	4
1.1	Appointment.....	4
1.2	Term of Agreement.....	4
2	REMUNERATION.....	4
2.1	Fee for Services.....	4
2.2	Expenses.....	4
2.3	Invoices.....	4
2.4	Taxes.....	5
3	OBLIGATIONS OF TGS.....	5
3.1	Services.....	5
3.2	Instructions and Directions.....	5
3.3	Time of Services.....	5
3.4	Confidentiality.....	6
4	INDEPENDENT CONTRACTORS.....	7
4.1	TGS is not an Employee.....	7
4.2	TGS shall not contract on behalf of LMEW.....	7
5	TERMINATION.....	7
5.1	Termination by LMEW or TGS for Cause.....	7
5.2	Termination on Insolvency.....	8
5.3	Provisions Surviving Termination.....	8
5.4	Entitlement of TGS Following Termination.....	8
6	INTERPRETATION AND ENFORCEMENT.....	8
6.1	Annexes and Contract Documents.....	8
6.2	Sections and Headings.....	8
6.3	Extended Meanings.....	8
6.4	Benefit of Agreement.....	9
6.5	Entire Agreement.....	9
6.6	Amendments and Waivers.....	9
6.7	Assignment.....	9
6.8	Severability.....	9
6.9	Notices.....	9
6.10	Governing Law.....	10
6.11	Dispute Resolution.....	10

6.12 Commercial Nature of the Contract.....	10
6.13 Waiver of Immunity.....	11
ANNEX 1 –SERVICES	12
ANNEX 2 – FEES & EXPENSES.....	14

SERVICE AGREEMENT

THIS AGREEMENT is made on this day of 2026

BETWEEN:

A) THE LEBANESE MINISTRY OF ENERGY AND WATER (LMEW)
(hereinafter referred to as “LMEW”).

AND

B) TECHNICAL GAS PIPELINES OPERATION SERVICES CO.
a company duly organized and existing under and by virtue of the laws of Jordan (hereinafter referred to as “TGS”).

RECITALS

- (1) LMEW wishes to execute rehabilitation, repair, and operational readiness works for the Lebanon Gas Pipeline System, including pipelines, stations, and associated facilities which consists of two pipelines, 24”/ 30 Km, 10”/ 1.4 km, N. Gas receiving terminal at Syrian Border, Filter /Meter station at Tripoli Oil Installations (TOIL), and PRMS at Deir Ammar Combined Cycle Power Plant (DACCPP).
- (2) TGS has responded to LMEW’s invitation and submitted an offer to undertake the requested services; and
- (3) LMEW and TGS agreed that TGS will undertake the rehabilitation services in accordance with the terms and conditions herein contained;

THIS AGREEMENT WITNESSES that, in consideration of the covenants, obligations, and agreements herein contained, the parties hereto agree as follows:

1 GENERAL

1.1 *Appointment*

Subject to the terms and conditions hereof, LMEW appoints TGS to carry out the Services as described in **Annex 1** (the “**Services**”).

1.2 *Term of Agreement*

1.2.1 This Agreement shall come into effect on [...., ...,2026] (the “**Effective Date**”) and shall continue thereafter in full force and effect until the Services are accomplished or until its earlier termination or expiration in accordance with the terms therein.

1.2.2 Retrospective Application. The Parties acknowledge and agree to be bound by this Agreement from the Effective Date, irrespective of whether this Agreement is executed prior to or after the Effective Date.

2 REMUNERATION

2.1 *Fee for Services*

Subject to the terms of this Agreement, LMEW shall pay TGS the Lump Sum Fee set out in **Annex 2** in accordance with the payment schedule specified therein.

2.2 *Expenses*

Each Party shall be responsible for all the costs, charges, and expenses incurred by it in connection with the preparation of this Agreement. LMEW shall not be responsible for reimbursing TGS for any expenses incurred by TGS in the performance of the Services unless such expenses are set out in **Annex 2** or if they fall outside the scope of this Agreement.

Any verified additional costs incurred by TGS due to Force Majeure events beyond either Party’s control shall be reimbursed by LMEW through an approved variation order.

2.3 *Invoices*

Payment shall be made to TGS with respect to the Services performed and expenses referred to in Sections 2.1 and 2.2 within the times specified in **Annex 2**, provided that TGS has furnished LMEW with the relevant invoices together with any report(s) and documentation (if expressly required under this Agreement).

2.4 *Taxes*

2.4.1 The Lump Sum Fee is exclusive of VAT, customs duties, and any other taxes or official charges applicable in Lebanon, which shall be paid by LMEW.

3 **OBLIGATIONS OF TGS**

3.1 *Services*

3.1.1 TGS shall carry out the Services upon the terms and conditions set out in this Agreement, and the Offer submitted by TGS as set out in **Annex 3**

3.1.2 TGS shall exercise reasonable skill, care, diligence, efficiency, and economy, in accordance with generally accepted professional techniques and practices, and shall observe sound management practices, and employ appropriate advanced technology and safe methods in accordance with its expertise for the performance of the Services.

3.2 *Instructions and Directions*

TGS shall comply with the reasonable instructions and directions in relation to the Services, and/or this Agreement, which are issued to TGS by LMEW from time to time in accordance with the Offer submitted by TGS and the terms of this Agreement.

3.3 *Time of Services*

3.3.1 TGS shall commence the Services on the Start Date (as defined in Clause 3.3.2 below), and tasks shall be performed and accomplished within the time table provided in TGS Offer as set out in **Annex 3**.

3.3.2 The Start Date shall occur on the date of which all of the following conditions precedent are fulfilled:

3.3.2.1 This Agreement is duly signed by the Parties and is in full force and effect.

3.3.2.2 **Phase 1** start date, fifteen days after the phase 1 first payment of USD (448,860) is made by LMEW to TGS

- 3.3.2.3 Phase 2 start date, after 30 days from the Phase 1 start date, and Phase 2 first payment of USD (614,600 is made by LMEW to TGS.
- 3.3.2.4 The Bank Guarantee referred to in **Annex 2** is duly delivered to TGS in form and substance satisfactory to TGS.
- 3.3.2.5 All necessary governmental and regulatory permits and consents in Lebanon required for TGS to carry out the Services are granted.
- 3.3.3 TGS shall devote sufficient time and attention to perform the Services throughout the term of this Agreement in a professional manner, and to meet the milestones and schedule as set out in the TGS Offer in **Annex 3**.
- 3.3.4 LEMW shall take responsibility for any delay that is due to the action or inaction of TOIL, DACCPP, or any other supplier or person (whether natural person, legal entity, or public administration).
- 3.3.5 Any delay in customs release and/ or for the parts and/or equipment ordered/required for the project shall cause a corresponding extension in completion of the Services as set out in the Time Schedule; TGS may issue a modified Time Schedule accordingly.
- 3.3.6 Any delay in performing any of the works that are falling under LMEW responsibility, as mentioned in Annex 1, shall cause a corresponding extension in completion of the Services as set out in the Time Schedule; TGS may issue and submit a modified Time Schedule accordingly.
- 3.3.7 Any delay in payments as set out in Payment Terms in **Annex 2** shall cause a corresponding extension in completion of the Services as set out in the Time Schedule; a modified Time Schedule may be issued and submitted accordingly.
- 3.3.8 Force Majeure events beyond either Party's control (e.g., natural disasters, war, or government actions) excuse the delay, allow a time extension, and prevent penalties or liability for the affected Party.

3.4 ***Confidentiality***

- 3.4.1 Each Party shall not, and shall ensure that its affiliates, officers, employees, agents, subcontractors, suppliers, consultants, and professional and other advisors shall not, divulge or dispose of or part with possession, custody or control of or use for any other purpose other than the

performance of obligations under this Agreement, any material or information designated in writing as confidential which was:

3.4.1.1 Provided by one Party to the other pursuant to this Agreement; or

3.4.1.2 Prepared or obtained by either Party pursuant to this Agreement;

3.4.1.3 (together and separately "Confidential Information") except with the prior written consent of the other Party.

3.4.2 The obligations contained in this Clause (Confidentiality) shall not apply to any Confidential Information which:

3.4.2.1 on the date of this Agreement or at any time after the date of this Agreement comes into the public domain other than through a breach of this Agreement by the receiving Party, or

3.4.2.2 was disclosed to either Party by a third party who did not have an apparent confidentiality obligation towards the non-disclosing Party.

4 INDEPENDENT CONTRACTORS

4.1 *TGS is not an Employee*

4.2 *TGS shall not contract on behalf of LMEW*

TGS shall not, without the prior written consent of LMEW, enter into any contract or commitment in the name of or on behalf of LMEW or bind LMEW towards any third party.

5 TERMINATION

5.1 *Termination by LMEW or TGS for Cause*

LMEW or TGS may terminate this Agreement at any time in the event of a breach imputable to the other Party of any term or condition of this Agreement, where (i) such breach has a material adverse effect on the Party invoking termination, and (ii) the other Party has failed to remedy such breach within 30 days of receiving notice of the same.

5.2 *Termination on Insolvency*

This Agreement shall be terminated upon the insolvency of TGS.

5.3 *Provisions Surviving Termination*

Notwithstanding any termination of this Agreement for any reason whatsoever and with or without cause, the provisions of Section 5.4 and any other provisions of this Agreement necessary to give efficacy thereto shall continue in full force and effect following any such termination.

5.4 *Entitlement of TGS Following Termination*

Upon termination of this Agreement in accordance with Article 5, TGS shall be entitled to be paid all amounts due to it under the law and/or amounts due for the Services prior to the effective date of termination.

6 INTERPRETATION AND ENFORCEMENT

6.1 *Annexes and Contract Documents*

6.1.1 In interpreting the provisions of the Agreement, terms and conditions of the Clauses of this Agreement shall take precedence over the Annexes unless expressly stated otherwise.

6.1.2 The following contract documents shall form the Agreement and constitute an integral part hereof, and in case of ambiguity or conflict between any of the contract documents, precedence shall be applied in the following priority order:

- a. The Agreement; and
- b. The Offer submitted by TGS in **Annex 3**

6.2 *Sections and Headings*

The division of this Agreement into Articles and Sections and the insertion of headings are for the convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof and include any agreement or instrument supplemental or ancillary hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Agreement.

6.3 *Extended Meanings*

In this Agreement, words importing the singular number only include the plural and *vice versa*, words importing any gender include all genders, and words

importing persons include individuals, corporations, or similar limited liability entities, partnerships, associations, trusts, unincorporated organizations, and *vice versa*.

6.4 *Benefit of Agreement*

This Agreement shall be to the benefit of and be binding upon the heirs, executors, administrators, legal personal representatives, successors, and permitted assigns of TGS and the LMEW, respectively.

6.5 *Entire Agreement*

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the Parties hereto with respect thereto. There are no representations, warranties, forms, conditions, undertakings, or collateral agreements, express, implied, or statutory between the Parties other than as expressly outlined in this Agreement.

6.6 *Amendments and Waivers*

No amendment to this Agreement shall be valid or binding unless set forth in writing and duly executed by both of the Parties hereto. No waiver of any rights relating to any breach of any term or provision of this Agreement shall be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided in the written waiver, shall be limited to the specific breach waived.

6.7 *Assignment*

Except as may be expressly provided in this Agreement, neither party hereto may assign his or its rights or obligations under this Agreement without the prior written consent of the other party hereto.

6.8 *Severability*

If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof, and the remaining part of such provision and all other provisions hereof shall continue in full force and effect.

6.9 *Notices*

Any demand, notice, or other communication to be made or given in connection with this Agreement shall be made or given in writing and may be made or given by personal delivery, registered mail (or by Fax or E-mail if receipt is acknowledged) addressed to the recipient as follows:

To LMEW:

P.O Box:

Attention:

Fax:

E-mail:

To TGS:

P.O Box : 33 Amman – Al Jizah - 16010 Jordan

Attention : Eng. Ahmed Yousef

Fax : 00962 6 4711190

E-mail : ayousef@tgs.com.jo

or such other address or individual as may be designated by notice by either party to the other. Any demand, notice, or other communication made or given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof.

6.10 *Governing Law*

This Agreement shall be governed by and construed in accordance with the laws of Lebanon.

6.11 *Dispute Resolution*

Any dispute which cannot be amicably settled between the Parties shall be referred to arbitration in accordance with the Rules of Arbitration of Cairo Regional Centre for International Commercial Arbitration. The Arbitration place shall be in Cairo, Egypt, and the award shall be final and binding upon the Parties.

6.12 *Commercial Nature of the Contract*

Each of the Parties irrevocably represents, warrants and agrees that this Agreement is of a commercial nature and entered into for commercial purposes only, that the signing and performance of the Agreement by such Party

constitutes private and commercial acts rather than governmental and public acts, and that both of the Parties are subject to civil and commercial law with respect to its obligations under the Agreement.

6.13 Waiver of Immunity

Each Party irrevocably waives and agrees not to claim any immunity from arbitral or legal proceedings with respect to itself or any of its assets and/or any immunity from any forms of execution, enforcement, or attachment to which it or its property is now or may hereafter become entitled under the laws of any jurisdiction.

IN WITNESS WHEREOF, the Parties have executed this Agreement.

**For and on behalf of LMEW
The LEBANESE MINISTRY OF ENERGY AND
WATER**

**For and on behalf of TGS
TECHNICAL GAS PIPELINES OPERATION
SERVICES CO.**

Name:
Title:

Name: Hesham Hussein
Title: CEO

ANNEX 1 –SERVICES

TGS shall perform the following rehabilitation activities ('Services'):

1. Technical supervision of the activities required for the pipeline rehabilitation Phase 1, including sub-contractors, vendors, technical studies, procurements, etc., for the following tasks:

1.1. Pipeline:

- Repair the known 24" pipeline damage (material supplied by TOIL), taking into account Section 3, Item 3.1.1.1 of the Technical and Financial Offer.
- Nitrogen pressure test (leak test) for the 24" pipeline line after permanent repair at the pipeline.
- ILI inspection of the 24" pipeline after safe gas-in is.

1.2. Station Mechanical System:

- CLT for the three stations.
- Functional testing of Filters, Isolation valves, and Actuators.
- Modification of tubing arrangements for line break override systems.
- Supervision of sandblasting and painting activities of exposed piping and steel structures at all 3 stations.

1.3. Cathodic protection for pipeline:

- Replacement of the faulty TR-REC unit at the border station with another one from the TOIL store.
- Adjustment and optimization of transformers' output current levels.
- Adjustment and optimization of cathodic protection effectiveness along 10" and 24" pipelines.
- Measurement and documentation of CP readings.
- Documentation and drawings for the new TR-REC unit

1.4. Electrical system

- Replacement of faulty UPS modules and fast chargers at the Border station.
- Replacement of the faulty UPS module at Deir Ammar station.
- Replacement of degraded battery banks at 3 stations.
- Clear all units' alarms.
- Documentation for the replaced UPS

1.5. Metering system:

- Restoration and configuration of the Flow Computer configuration parameters in the TOIL station.
- Replace metering spools on metering stream #1 with the calibrated Turbine Meters in both TOIL and DIR AMMAR stations.
- Install and calibrate PT and TT for the new metering stream.
- Perform all electrical connections at the field and inside the control panel.
- Make all programming and configuration modifications on the flow computers to read the new turbine meters.
- Dismantle the turbine meters on metering stream #2 and replace them with spools, and prepare them for sending to calibration.
- Preparation of calibration certificates.

- Instruments sheets , P&ID and calibration certificates

- Flow computer data sheets and calibration certificate

1.6. Pressure Reduction line and water bath heater:

Execution of full inspection and repair for the reduction lines, including:

- Replacement of regulator repair kits.
- Inspection of internal regulator components.
- Functional testing of pressure regulators after gas-in.
- Lock-up pressure testing.
- Verification of redundancy and automatic takeover logic.
- functional testing of reduction lines.
- Water bath heater 1 manual startup, tuning, and operational optimization after gas-in.

- Drawings and Documentation of replaced parts

1.7. Control, PLC, SCADA & Communication Systems:

- Restoration and configuration of PLC systems in TOIL and border stations.
- Software licensing and system activation in the TOIL station.
- Repair of optical distribution frames (ODF) in the TOIL station.
- Testing of primary and backup communication systems
- Replace the backup battery for the PLC at 3 stations.
- PLC software source code
- SCADA License and access rights

ANNEX 2 – FEES & EXPENSES

LMEW shall pay to TGS the following Lump Sum Fee for Services performed in accordance with the Agreement:

(A) Lump Sum Fee:

The total Lump Sum Fee for rehabilitation tasks performed by TGS under this Agreement (Phase 1 activities) is US\$ 748,100 (Seven Hundred Forty-Eight

Item	Task	Cost (USD)
Mechanical Activities	Repair the 24-inch pipeline damage and leak test before gas to determine any critical points, then perform CLT for the three Stations (Border, TOIL, DACCPP)	197,500
Sandblasting and Painting	TOIL team execution with TGS supervision.	35,700
Cathodic protection and UPS	UPS system maintenance & replace Battery bank in 3 stations (Border, TOIL, DACCPP) and replacing Aboudiya Transformer unit, hence readjust all transformers' output	96,400
Reduction and WBH	Inspection, maintenance, and start-up for Reduction lines and WBH 1	79,200
Metering Stations	Install calibrated flow meters, calibrate PTs and TTs in metering stream #1, finish all required field connections, reconfigure flow computers accordingly, hence dismantle meters on stream #2, and prepare them for shipping to calibration	32,600
Control and SCADA System	Repair ODF at TOIL station, reactivate operating system, and retrieve data on TOIL SCADA client, fix and reprogram PLC at 3 stations (Border, TOIL, DACCPP). In addition to reconfigure and test the communication backup system in 3 stations (Border, TOIL, DACCPP).	31,200
ILI	In Line Inspection after gas in for the 24-inch pipeline.	275,500
Total		\$748,100

(B) Expenses

Save as otherwise provided under this Agreement, or TGS Offer (set out in Annex 3), LMEW shall not reimburse TGS for any expenses incurred by TGS in relation to the provision of the Services. All such expenses are included in the Lump Sum Fee.

(C) Lump Sum Fee is exclusive of:

- (i) VAT, customs duties, or any other taxes, duties, or official charges applicable in Lebanon.
- (ii) any tasks that are not explicitly provided in Section 1 of Annex 1.
- (iii) The decision to perform the In-Line Inspection (ILI) activity for the 10inch pipeline shall be taken at a later stage, following mutual agreement between the parties.

(D) Invoices

- (i) TGS shall, upon signing of this Agreement, deliver to LMEW an invoice for the 1st payment.
- (ii) TGS shall deliver to LMEW the invoices for progress payments (2nd & 3rd payments) together with progress reports.
- (iii) TGS shall deliver to LMEW the invoice for final payment (4th payment) together with the closing report.

Payment Terms:

(1) Payments will be made by LMEW to TGS over 4 installments as detailed in the table below. Payments shall be made by LMEW within 7 days from receipt of the relevant invoice together with the relevant reports and documents, but in any case, no later than the payment due dates set out below:

<u>Sr.</u>	<u>Payment % of Lump Sum Fee</u>	<u>Payment Amount USD</u>	<u>Payment Due Date</u>
1st	60%	448,860	Two weeks before the start date of the rehabilitation tasks
2nd	20%	149,620	After finishing the activities, Mechanical Activities, Cathodic protection, Metering Stations & Control, and SCADA System
3rd	10%	74,810	After finishing the Installation of UPS & Painting Activities supervision
4th	10%	74,810	Two weeks after gas-In, or 75 days from phase 1 start date in case of no gas-in.

ANNEX 3 - TECHNICAL & FINANCIAL OFFER