GAS & LNG CONTRACTS NEGOTIATION



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Introduction

Gas & LNG Contracts Negotiation examines how buyers and sellers negotiate long-term gas and liquefied natural gas agreements that balance price, volume, and risk across decades. This Training Course covers sales and purchase agreements, price review mechanisms, take-or-pay obligations, and destination clauses. Participants study hub indexation, slope pricing, Brent and JKM linkage, GIIGNL practice, and shipping and regasification arrangements. Furthermore, the programme connects commercial theory to negotiation through pricing model labs, contract clause workshops, and live negotiation simulations. As a result, delegates leave able to structure and negotiate gas and LNG deals that hold through market swings.

Gas & LNG Contracts Negotiation Course Objectives

- Define gas and LNG contract structures across the value chain.
- Interpret key terms: contract quantity, ACQ, and DCQ.
- Apply take-or-pay, ship-or-pay, and make-up gas provisions.
- Design price formulas using hubs, indices, and slope pricing.
- Negotiate price review and renegotiation clauses.
- Manage destination clauses and diversion rights.
- Structure shipping, regasification, and terminal agreements.
- Allocate risk through force majeure and change in law clauses.
- Apply credit support, guarantees, and security arrangements.
- Plan and execute negotiation strategy using BATNA and ZOPA.

Course Methodology

- Interactive workshops using real gas and LNG contract precedents.
- Pricing model and indexation lab sessions.

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- Clause analysis workshops on take-or-pay and price review.
- Live negotiation simulations with coached debriefs.
- Shipping and regasification arrangement case studies.
- Action planning that converts each session into a workplace commitment.

Who Should Take This Course

- Gas and LNG commercial managers.
- Contracts and legal advisors in energy.
- Trading and origination professionals.
- Finance and economics analysts.
- Shipping and terminal operations managers.
- Government and regulator energy staff.
- Project managers on LNG developments.

Gas & LNG Contracts Negotiation Course Outlines

Day 1: Gas and LNG Contracting Foundations

- The gas and LNG value chain and contractual map.
- Sales and purchase agreement structure and purpose.
- Long-term, mid-term, and spot contract forms.
- Contract quantity definitions: ACQ, DCQ, and MDQ.
- Delivery point, title, and risk transfer.
- Governing law, dispute resolution, and sanctions.
- Ethics, anti-corruption, and compliance duties.

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Day 2: Pricing and Indexation Mechanisms

- Oil-linked, hub-linked, and hybrid pricing structures.
- Slope pricing and Brent linkage mechanics.
- Henry Hub, TTF, NBP, and JKM index linkage.
- S-curves and price collar design.
- Price review clauses and trigger conditions.
- Netback pricing and delivered cost analysis.
- Building and testing pricing models.

Day 3: Volume, Take-or-Pay, and Flexibility

- Annual contract quantity and daily scheduling.
- Take-or-pay obligations and shortfall payment.
- Make-up gas, carry-forward, and carry-over rights.
- Ship-or-pay and transportation commitments.
- Flexibility rights and downward quantity tolerance.
- Over-delivery and under-delivery handling.
- Volume reconciliation and nomination procedures.

Day 4: Shipping, Delivery, and Market Restrictions

- Sale and purchase on FOB, DES, and ex-ship terms.
- Chartering arrangements and shipping cost allocation.
- Regasification and terminal use agreements.
- Destination clauses and diversion negotiation.
- Profit-sharing on diversion and resale.

- Quality specification and measurement standards.
- Incoterms and liability for in-transit loss.

Day 5: Risk, Credit, and Negotiation Strategy

- Force majeure, change in law, and hardship clauses.
- Credit support, guarantees, and letters of credit.
- Sanctions, export controls, and compliance screening.
- Negotiation planning with BATNA, ZOPA, and reservation values.
- Concession design and trade-off matrices.
- Settlement of disputes and expert determination.
- Personal action plan and continuous improvement.

Conclusion

By successfully completing Gas & LNG Contracts Negotiation, participants will have acquired a practical command of gas and LNG contract structures, pricing formulas, volume and take-or-pay mechanics, shipping arrangements, and negotiation strategy. They will know how to design price formulas that survive market shifts, negotiate volume flexibility credibly, and structure credit and risk terms that protect both parties. In addition, the course prepares delegates to handle price reviews and diversion negotiations with evidence. As a result, they return to work ready to negotiate gas and LNG agreements with commercial discipline. Gentex Training Center delivers this Training Course with a practical, standards-based approach.

FAQs for the Gas & LNG Contracts Negotiation course

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Q1 What is the "Gas & LNG Contracts Negotiation" course about?

It is a five-day programme that explains how long-term gas and LNG agreements are structured and negotiated. It covers sales and purchase agreements, pricing formulas and indexation, take-or-pay and volume flexibility, shipping and regasification arrangements, destination clauses, risk allocation, credit support, and negotiation strategy.

Q2 What are the key benefits of the "Gas & LNG Contracts Negotiation" course?

Participants gain the ability to build pricing formulas that withstand market swings, negotiate volume and take-or-pay terms credibly, and manage destination and diversion restrictions. They also learn to structure credit and security arrangements that protect counterparty risk, and to handle price reviews with economic evidence.

Q3 What skills will I gain from the "Gas & LNG Contracts Negotiation" course?

Gas and LNG contract structuring with ACQ, DCQ, and delivery point definition, pricing formula design with indexation and price review mechanics, take-or-pay and volume flexibility negotiation with make-up gas provisions, and shipping, destination clause, credit, and negotiation strategy management.

Q4 What tools, methods, or standards are covered in the "Gas & LNG Contracts Negotiation" course?

The course covers sales and purchase agreement structures, long-term, mid-term and spot contract forms, contract quantity definitions including ACQ, DCQ and MDQ, delivery point and title transfer provisions, oil-linked, hub-linked and hybrid pricing structures, slope pricing and Brent linkage mechanics, Henry Hub, TTF, NBP and JKM index linkage, S-curve and price collar design, price review clauses and trigger conditions, netback pricing and delivered cost analysis, take-or-pay obligations and shortfall payment, make-up gas, carry-forward and carry-over rights, ship-or-pay and transportation commitments, flexibility rights and downward quantity tolerance, volume reconciliation and nomination procedures, FOB, DES and ex-ship sale terms, chartering arrangements and shipping cost allocation, regasification and terminal use agreements, destination clauses and diversion profit-sharing, quality specification and measurement standards, Incoterms and in-transit loss liability, force majeure, change in law and hardship clauses, credit support, guarantees and letters of credit, sanctions and export control screening, BATNA, ZOPA and reservation value analysis, concession design and trade-off matrices, and expert determination procedures.

Q5 How is the "Gas & LNG Contracts Negotiation" course applied in real-world practice?

Delegates apply it through sales and purchase agreements, heads of terms, pricing models, price review submissions, take-or-pay schedules, nomination and reconciliation records, shipping and charterparty documents, terminal use agreements, diversion requests, credit support arrangements, negotiation plans, term sheets, and settlement proposals. They also use it to brief commercial and executive teams on deal economics and risk exposure.