

[COUNTERPARTY NAME]

[Address]

(the "Counterparty")

DATE: [DATE]

[To Whom it May Concern],

SUBJECT: [BRIEF SUBJECT INTRO] AND INTENTION TO NEGOTIATE

1. BACKGROUND

1.1 [Brief description of the background/context to the Letter].

2. LETTER OF INTENT

2.1 The acknowledged purpose of this letter of intent ("LOI") is to record:

- (a) that the Company wishes to enter into a commercial relationship with the Counterparty in relation to the project described at **Schedule 1 (Project Details)** (the "Project"); and
- (b) the basis upon which the Company is prepared to negotiate the Project's formal documents (the "**Project Documents**").

2.2 The Counterparty acknowledges and accepts that:

- (a) this LOI does not constitute an obligation nor promise to the Counterparty or guarantee that the Counterparty shall be entitled to provide goods or services to the Company; and
- (b) any and all rights that the Company or Counterparty has shall only arise upon the parties executing the Project Documents in a form satisfactory to the Company.

2.3 This LOI is intended only as a reflection of the intention of the parties to negotiate the Project Documents, and subject to Paragraph 2.4, neither this LOI, nor its acceptance, shall constitute or create any legally binding or enforceable obligation of either party.

2.4 Only Paragraph 6 and those parts of this LOI that are expressly stated as having legal effect shall create a binding obligation as between the Parties.

3. PREFERRED SUPPLIER STATUS

3.1 Subject to the following, for so long as the Counterparty has Preferred Supplier Status, the Company will negotiate with the Counterparty [on an exclusive basis] in respect of the Project Documents in accordance with this LOI.

3.2 The Company will only maintain the Counterparty's Preferred Supplier Status on the basis of the Counterparty's continued compliance with the principles and procedures set out in this LOI.

3.3 If the Counterparty fails to negotiate the Project Documents in a form satisfactory to the Company by the Contract Finalisation Date (as defined below) then the Counterparty's Preferred Supplier Status shall automatically lapse, subject to any extension the Company may, in its sole discretion, grant.

- 3.4 If for whatever reason the Counterparty fails to maintain its Preferred Supplier Status, the Company may, in its sole discretion, commence negotiations with other suppliers in connection with the Project.

4. NEGOTIATIONS

- 4.1 The Parties shall negotiate in good faith so as to achieve the final form of Project Documents in a form satisfactory to the Company by no later than [date] (the “Contract Finalisation Date”).
- 4.2 The Parties shall commit such resources (at each party’s own cost and expense) as are reasonably required to achieve the Contract Finalisation Date.
- 4.3 The Parties will work from the draft Project Documents that have been provided by the Company to the Counterparty.
- 4.4 Unless otherwise agreed, the Company will process any and all changes to the draft Project Documents on behalf of the parties, and negotiations shall be conducted in good faith.
- 4.5 Any failure by the Counterparty to act reasonably in relation to the negotiation of the Project Documents shall be considered as an act of bad faith and the Company, may in its sole discretion, withdraw the Counterparty’s Preferred Supplier Status.

5. GENERAL MATTERS

- 5.1 The Counterparty will not divulge or disclose any of the Company’s confidential information to any third party without prior express consent in writing from the Company.
- 5.2 The Parties unequivocally agree that the confidentiality obligations referred to in Paragraph 5.1 shall apply to this LOI and any and all information exchanged between the parties during the course of the negotiation of the Project Documents.
- 5.3 This LOI is governed by, and shall be construed in accordance with, the laws of [Jurisdiction].
- 5.4 The Parties irrevocably submit to the exclusive jurisdiction of the courts of [Jurisdiction] in relation to any disputes relating to this LOI.

Signed for and on behalf of

[COMPANY NAME]

as its duly authorised representative:

^ Signature of duly authorised representative

^ Name of duly authorised representative (print)

ACKNOWLEDGED AND AGREED BY:

[THE COUNTERPARTY]

as its duly authorised representative:

^ Signature of duly authorised representative

^ Name of duly authorised representative (print)