

## AN LDI TRAINING COURSE

# **LNG SALES AGREEMENT**

**(Designing, Pricing and Negotiation Winning LNG Deals)**

by  
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### **Objective**

Liquefied Natural Gas (LNG) has become a strategic commodity in the global energy market, playing a critical role in ensuring energy security, supporting energy transition, and enabling cross-border gas trade. The commercialization of LNG projects relies heavily on well-structured LNG Sales Agreements (LNG SPA), which govern long-term relationships between sellers and buyers and form the backbone of project bankability, revenue certainty, and risk allocation.

In recent years, LNG contracts have evolved significantly. Traditional long-term, oil-indexed, destination-restricted agreements are increasingly complemented or replaced by more flexible structures, including hybrid pricing, destination flexibility, short- and medium-term contracts, portfolio sales, and spot trading. This evolution has increased commercial opportunities but also introduced new legal, financial, and operational risks that must be carefully managed.

For LNG project developers, sellers, buyers, and government stakeholders, a thorough understanding of commercial terms, legal clauses, pricing mechanisms, risk allocation, and negotiation strategy in LNG Sales Agreements is essential. However, many professionals involved in LNG projects come from technical, operational, or financial backgrounds and may lack integrated exposure to the full commercial and contractual framework of LNG SPAs.

This training is designed to bridge that gap by providing participants with a practical, integrated understanding of LNG Sales Agreements, combining commercial, legal, and risk perspectives with real-world case studies and

negotiation exercises relevant to current LNG market practices sales Agreement (LNG SPA) – Commercial, Legal & Risk Perspectives

## Outline

### LNG SALES PURCHASE AGREEMENT

- Introduction of Gas Sales Agreement and LNG Sales Purchase Agreement.
- Negotiation Process (MOU/LOI, HOA, LNG SPA)
- Terms of Agreement (Long Term Sales, Short Term Sales, Spot Sales)
- Type Of Contract (Supply Contract, Dedicated Contract, Seller Nomination)
- Condition Precedence (CP)
- Important Commercial Clauses (Quantities, Qualities, Flexibilities, Destination, Price, Etc).
- Take Or Pay (TOP), Take And Pay, Deliver Or Pay (DOP), & Compensation Fee.
- Right, Obligation, And Legal Aspects(Definition.
- Hard Ship, Force Majeure, Arbitration).
- Commercial Flexibilities (Price Review, Open Destination, Reducing Off Takes Volume Obligation)

### LNG SPA Operation (Lifting Schedule, Lifting Operation, BTU Balance)

- Master Sales Agreement (MSA) & Confirmation Noticed (CN)
- Producer, Customer, Seller, Buyer, Trader, Aggregator.
- Interconnection Among LNG SPA, Transportation Agreement, And Gas Sales Agreement (GSA)

### LNG TRANSPORTATION AGREEMENT

- Type Of Contract (Bare Boat, Time Charter)
- Important Commercial Clauses (Charter Period, Hire Rate, Delivery And Re-Delivery)

### LNG MARKET & COMPETITION

- Global Market Competition (Qatar, USA, Australia, Russian)

- Domestic Market (Projected Supply & Demand)
- Domestic LNG & Gas Infrastructure.
- Prospect Of Domestic Retail LNG
- *Rencana Umum Energi Nasional* (RUEN)
- Natural Gas Is Energy Transition Source To Renewable Energy (Green Energy)

#### LNG COMMERCIAL, RISK, & MITIGATION

- Buyer Creditworthiness & Offtakes Guarantees (Collateral & Back-To-Back Agreement).
- Market Fluctuation (Competition Among Players)
- Emerging Of LNG Business Player (Aggregator, Trader)
- Emerging Of LNG Commercialization (Derivative, Hedging, Etc)

#### Training Method

- Lecturing and Class Room Session and Case Study
- **Sharing Knowledge, Experience and Wisdoms**
- Group Discussion, Question and Answer

#### Who Should Attend

- LNG Commercial & Marketing Teams
- Business Development & Strategy Professionals
- Legal & Contract Management Teams
- Finance, Treasury & Risk Management
- Gas & LNG Project Teams
- Supply Chain & Shipping Teams
- Government & Regulatory Representatives
- LNG Traders & Portfolio Managers



- Any persons who wishes to understanding about LNG sales agreement

## About Instructor

### Ir. Agoes Sapto Rahardjo Moerdi Hartono

Has extensive hands-on experience over 25 years in the Indonesian Oil and Gas business, specializing in the entire Gas and LNG chain, including plant design, technology, operation and maintenance, transportation, project management, procurement, construction, sales and purchase agreements, marketing/commercialization, and financing.

He has served as a guest lecturer at several universities (UGM, ITB, ITS, UI) and conducted commercial courses for public institutions and private companies such as Pertamina, PGN, PSC's, and banks. He is a recognized speaker at international and domestic Oil and Gas seminars, holds a Professional Engineer of Chemical Engineering Certification from the University of Texas at Austin, and is the author of the book "*Industri LNG and Evolusinya di Indonesia.*"

Additionally, he is a member of the IAFMI Board of Experts and has participated in negotiating the transnational commercialization of LNG with countries including the USA, Japan, South Korea, China, and Taiwan. His position as General Manager (Kepala Divisi) Commercials SKK Migas. After retired, he conduct project consultation in upstream Oil and Gas, also invited as speaker in the upstream Oil & Gas and LNG seminar/workshop both national and abroad. He received BS degree in Phisic Engineering from Faculty of Industrial Technology of Institut Teknologi Sepuluh Nopember (ITS), Surabaya; also attend to several course from overseas.

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## Enrollment:

Please Send your enrollment message to LDI Training at [lditrain@indo.net.id](mailto:lditrain@indo.net.id)



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