

**CONTRACT for Sale and Purchase of Bulk Bonny Crude Oil  
Consigned to Seller and Re-Assigned to Buyer  
CRUDE OIL - INCOTERMS™ CIF**

CONTRACT N°:  
TRANSACTION CODE:  
SELLER'S CODE:  
BUYER'S CODE:

**THE LAST QUARTER CRUDE OIL ALLOCATION 2007**

REF: N°: COMD/EXP.T/28/VOL.4/ 937.

EXPORT PERMIT LICENCE: EXP.T/28/VOL.4/ 937.

BULK APPROVED MPR REF N°: DPR/DSMR/CTO/2018/VOL.75/054.

QUANTITY OFF TAKE: 4,000,000 MILLION BARRELS MONTHLY

TRANSACTION CODE: NNPC/BLCO/T.OPS/BON/2007

TOTAL QUANTITY OF BULK APPROVED: 51,681,000 BARRELS

**Supplier: NNPC/SHELL JOINT VENTURE OPERATORS (INCORPORATED IN THE  
MINISTRY OF PETROLEUM RESOURCES SECONDARY CONTRACT BULK  
ALLOCATIONS)**

This Agreement ("The Agreement") made on this 6<sup>th</sup> day of September 2007 by and between:

**SELLER OF RECORD:**

ADDRESS:  
Represented by:  
Passport Country/Nbr:  
Direct Hot Help line:

as ("Seller") and:

**BUYER:**

ADDRESS:  
Represented by:  
Passport Country/Nbr  
Phone:  
Fax:  
email:

Hereinafter referred to as ("Buyer")

SELLER and BUYER may hereinafter be referred to individually or collectively as a "PARTY"



or "PARTIES.

Whereas, the parties mutually accept to refer to the General Terms and Definitions, as set out by the INCOTERMS Edition 2000 with latest amendments, having the following terminology fully understood and accepted:

## 1. Definitions

Except where the context otherwise indicates, the following terms shall have the meaning as described to them in this paragraph 1, and shall include plural as well as singular.

**“Bill of Lading”** The official document, issued at the Loading Port after completion of the loading operations, stating, among other things, the ship’s loaded quality, expressed in Cubic Meters (M3) and in Metric Tons (MT) or barrels per the definitions herein. This document must be signed in original by the ship’s Master.

**“Loading Date”** The date mutually accepted by both the Seller and the Buyer as the date on which the nominated International Surveyor Company has ascertained the quantity and quality of the Crude Oil pumped into the Buyer’s designated Vessel.

**“Delivery Date”** The date mutually accepted by both Seller and Buyer is the date on which the Master of the chartered vessel shall advise notice of readiness (N.O.R.) to the Port Authority at the discharge terminal facilities.

**“Execution Date”** The date on which the Seller and the Buyer receive their respective faxed copies of this Agreement, or as may be indicated otherwise in this Agreement.

**“Platt’s”** Platt’s McGraw Hill, London is the organization internationally recognized and accepted, which publishes official market prices of **Crude oil** & petroleum products on a daily basis.

**“ASTM/IP”** Institute of Petroleum now know as the Energy Institute. American Society for Testing and Materials, is the internationally recognized Institute, that approved all Standards, Tests and Procedures used in the Oil Industry and as referred to in this Contract is the latest ASTM/IP Petroleum Measurement Tables latest revised edition in enforce to date.

**“API”** shall mean American Petroleum Institute. Reference: AMERICAN PETROLEUM INSTITUTE STANDARDS in effect as of JULY 1, 1993.

**“Affiliate”** shall mean any company or corporation of Seller or Buyer which owns directly or indirectly fifty (50) percent or more of the shares carrying voting rights of such Party (Party company) and any company or corporation other than such Party of which such parent company or such Party owns directly or indirectly fifty (50) percent or more of the shares carrying voting rights.



“**NNPC**” shall mean Nigerian National Petroleum Corporation.

“**Agreement**” shall mean the CRUDE OIL Sales / Purchase Agreement of which these specific provisions agreed to between Buyer and Seller form the conditions of sale and purchase.

“**CIF**” shall means Cost Insurance and Freight to the Buyer’s Discharge Port

“**Cargo**” shall mean any particular quantity of the specified Crude Oil loaded into vessel as set out in this Agreement and includes partial cargo loads.

“**Part Cargo**” shall mean when a Cargo is discharged in more than one Discharge Port or received by more than one receiver at the Discharge Port.

“**Completion of Discharge -COD**” shall, with respect to a Cargo, means the final disconnection of vessel’s discharge hose(s) following the discharge thereof.

“**Commodity**” or “**Crude Oil**” shall mean Nigerian origin Standard Export Grade “Bonny Light” Crude Oil (“BLCO”) in Bulk as specified in Clauses 4 and 6 with Specifications, as specified by NNPC, and set forth in Annex “A” to this Agreement. The maximum API gravity for BLCO is 37 @ 60°F and the sulphur content is 0.14% (W.T.O.).

“**Grade**” shall mean any grade of the Crude Oil specified in this Agreement.

“**Day**” shall mean calendar day

“**Month**” shall mean a calendar month.

“**Quarter**” shall mean a period of the three (3) consecutive months commencing on the first (1<sup>st</sup>) day of January, or the first (1<sup>st</sup>) day of April or the first (1<sup>st</sup>) day of July or first (1<sup>st</sup>) day of October.

“**Year**” shall mean a calendar year commencing on the first (1<sup>st</sup>) day of January.

“**Discharge Port(s)**” shall, with respect to a Cargo, mean the port(s) nominated by Buyer and accepted by Seller for discharge of such Cargo in accordance with this Agreement.

“**Part Cargo**” shall mean when a Cargo is discharged in more than one Discharge Port or received by more than one receiver at the Discharge Port.

“**Dollars,**” “USD,” or “US Dollars” shall mean dollars of the United States of America.



“**LAYTIME**” shall mean the time allowed for the vessel’s Cargo to be loaded /discharged without incurring demurrage (36 + 36 hours).

“**Barrel**” shall mean a volume of forty-two (42) U.S. standard gallons of 231 cubic inches measured at Sixty degrees (60°) Fahrenheit or 158 Litres at 15.55 degrees Celsius.

“**Metric Ton**” shall mean unit of weight equal to one thousand (1000) Kilograms and one (1) metric Ton of Crude Oil shall be equal to 7.4 Barrels of BLCO.

“**Gallon**” A unit of volume equivalent to 231 cubic inches or 0.3785 cubic meters, all measured at 60 degrees F

“**Party**” shall mean either Seller or Buyer.

“**Parties**” shall mean Seller and Buyer jointly.

“**Vessel**” shall mean the ship, whether owned or chartered or otherwise obtained by Seller and employed by Seller to ship the Cargo to the Discharge Port

**2. Recitals**

The Seller with Full Legal and Corporate Responsibility agrees to sell to the Buyer the herein specified Crude Oil in the quantity and quality as agreed. The Buyer, with Full Legal and Corporate Responsibility, agrees and irrevocably commits to purchase the said Crude Oil in the quantity and quality herein stipulated.

The Parties mutually desire to execute this Agreement which shall be binding upon and inure to the benefit of each Party, their successors and assigns in accordance with the jurisdictional law of the negotiated and fully executed Agreement, with terms and provisions hereunder agreed upon.

**3. Scope & Duration of the Agreement**

- a. The Seller and the Buyer, under corporate authority and responsibility respectively represent that the Seller is the lawful owner of the Crude Oil, in quantity and quality as hereunder specified, and the Buyer has the full capability to purchase the said Commodity.
- b. The Buyer desires to purchase Crude Oil of Nigeria Origin (BLCO).
- c. Seller hereby offers for sale on CIF Basis, from Bonny Terminal, Nigeria, Bonny Light Crude Oil in lots of 4,000,000 BBLs (Four Million Barrels) ±5% per month for twelve (12) months plus mutually agreed extensions and rollovers.
- d. Subject to successfully completing delivery/payment of the contract quantity, it is expressly

Seller \_\_\_\_\_ 

Buyer \_

acknowledged and agreed that this Agreement may be extended on each anniversary date for an additional 12 months for up to 60 months upon the same or subsequent terms and conditions as mutually agreed by the Parties hereto. Extension of this Agreement shall be subject to written notification given not later than thirty (30) calendar days prior to anniversary date.

- e. Absent any extension as aforesaid, this Agreement will terminate upon completion of delivery and satisfactory settlement of the final shipment of the contract quantity.

#### **4. The Product**

The Crude Oil offered by the Seller and accepted by the Buyer is Nigerian-origin Bonny Light Crude Oil that shall be lifted from NNPC/JV-OPERATOR, which has been incorporated in the Ministry of Petroleum Resources Abuja bulk Allocation.

#### **5. Quantity**

The Buyer shall be supplied with a quantity of **Four Million (4,000,000)** Barrels per month  $\pm 5\%$  of Crude Oil for 12 months under this Contract. The shipments shall be delivered monthly for the duration of this Agreement. Total Contract Quantity over a period of twelve (**12**) consecutive months is equivalent to **48,000,000** barrels under this Contract.

#### **6. Quality**

Quality shall be pursuant to NNPC export grade specification or BLCO.

#### **Technical specifications**

- a. The Crude Oil to be supplied under this Agreement shall be in conformity with the specification set forth in Annex "A."
- b. Adjustment for Sulphur: If the specification of the Crude Oil, pursuant to inspection for NNPC Export Grade, fails to conform with the Bonny light Crude Oil specification, as set out in Annex "A" to this Agreement, the price per barrel shall decrease by USD \$0.02 (two United States Cents) for each 1/10th (one tenth) of a percent above 0.15% wt., Sulphur for the Crude Oil.
- c. Adjustment for Gravity: If the specification of the Crude Oil, pursuant to inspection for NNPC Export Grade, fails to conform with the Bonny light Crude Oil specification, as set out in Annex "A" to this Agreement, the price is to be increased by USD \$0.003 (zero point three US cents) per barrel for each full 1/10th (one tenth) part of a degree API gravity (basis 60° F) above 37.3 degrees API or to be decreased by USD \$0.003 (zero point three US cents) per barrel for each full 1/10th part of a degree API below 36.7 degrees API gravity.
- d. Adjustment for BS&W. The maximum allowable quantity of BS&W shall not exceed

Seller \_\_\_\_\_ 

Buyer \_

six-tenth of one percent (0.60%) of the volume. If percentage of BS&W exceeds the maximum allowable value, for each one-tenth of one percent (0.10%) above the maximum allowable limit in BS&W, the price per net U.S. barrel delivered shall decrease by USD 0.05 (five United States Cents).

e. Price adjustments due to variations in contractual specification for Specific Gravity or Sulphur Content shall be settled by separate claim.

**7. Measurement and Samples**

- a. Measurement of quantities and the taking of samples for the purposes of determining the quality of the Crude Oil shall be carried out at the Loading Port or Discharge Port by any Licensed Independent Petroleum Inspectors (Saybolt or SGS) respectively appointed by the Parties in accordance with the general practices as accepted in the Crude Oil industry.
- b. All Crude Oil temperature corrections shall adhere to the latest revision of ASTM-IP Petroleum Measurement Tables.
- c. Invoice quantity shall be determined at the Discharge Port from out-turned barrels delivered to Buyer's shore tanks, which quantity shall exclude water and basic sediment (B.S&W), if any, in excess of the maximum specification determined by ASTM methods.
- d. Unless otherwise agreed, Quality shall be assessed and confirmed before discharging into the Buyer's shore tank facilities, and in any event, within not more than twelve (12) hours from commencement of discharge operations. Results of the surveyor company's assessment at the designated discharge port, absent fraud or manifest error, shall be final and binding on both Parties.

**8. Vessel Nomination and Delivery Terms**

- a. The terms of the delivery for this Agreement shall be on CIF basis to Buyer's designated Discharge port. Any terms not covered by this Agreement shall be covered by INCOTERMS 2000 for CIF sales.
- b. The Parties agree that the Seller shall notify the Buyer in a timely manner, with the chartered Vessel's particulars necessary for the programming and loading of each particular shipment.
- c. Vessels chartered by Seller shall in all respects comply with all applicable rules, regulations and directions of governmental and port authorities at the loading/discharge port(s) and shall conform to all relevant international maritime laws, regulations and conventions.
- d. Seller shall exercise its best efforts to cause first shipment to be loaded within ten (10)

Seller \_\_\_\_\_ 

Buyer \_

business days following acceptance of Buyer's financial instrument.

- e. Subsequent deliveries shall be conducted in accordance with a mutually agreed Delivery Schedule, incorporated herein as Annex "B," amended from time to time. The Parties shall specify the ports of loading and discharge in accordance with the approved quarterly delivery schedule. Seller shall ensure timely arrival of the ship to the loading port in conformity with the approved schedule, in a prepared state for fitness and cleanliness inspection
- f. Buyer will have the option to change his designated discharge port, provided that a written notice is given, to the Seller, of at least twenty one (21) calendar days prior to the estimated ship's arrival at the former scheduled nominated discharge port.
- g. Notices:  
The Master or his agent shall advise the ship's ETA at 120, 72, 48, and 24 hours ETA and/or shall advise notice of readiness (N.O.R.) to the Discharge Port Authority, and to the Buyer / Buyer's representative(s) or Ship owner's Agent.

N.O.R. may be tendered only after the vessel has arrived within the customary anchorage or waiting place of the port and only during official working hours.


Should vessel fail to give one of the above-mentioned ETA notices, and then the laytime shall be automatically extended by 24 hours.

Soonest possible after the loading has been completed Seller shall notify Buyer of the actual quantity loaded by way of a Surveyor (SGS) Report.

- h. The monthly time period shall commence to count from the date on which the nominated international Surveyor Company has ascertained the quantity and quality of the first batch discharged at the Buyer's designated discharge terminal facilities. The time period for the conclusion of each monthly supply shall terminate once the final batch of the current monthly lot has been assessed at the Buyer's designated discharge port. However, the time period between the first and the final batch not to exceed 30 (THIRTY) days.

<b>9. Laycan - Lay time - Demurrages</b>
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- a. LAYCAN:
  - 1) The Parties hereby agree to adopt a quarterly delivery schedule, attached as Annex "B", specifying the laycan's at Buyer's designated discharge port(s) per each single batch to be delivered.
  - 2) Every fifteenth (15th) day of the third (3rd) month of the current quarter, the Seller shall forward to the Buyer the next quarterly delivery schedule which shall be agreed upon by the

Seller \_\_\_\_\_ 

Buyer \_

Parties, except as may be in conflict with The Agreement.

3) Laycan's at the Buyer's designated discharge port(s) to be fixed within range of three (3) days.

b. LAYTIME:

1) Buyer warrants that Seller's nominated vessel(s) will be allowed to discharge her cargo within Thirty-six (36) free running hours SHINC, plus six (6) hours NOR, and however,

Maintaining at the ship's manifolds an average discharge pressure of not more than ten (10) kilograms per square centimetre (Kg/cm<sup>2</sup>).

2) Notice of readiness (N.O.R) shall be given to the Buyer and / or agent, on ship's arrival at the Buyer's designated discharge port(s) by the ship's Master by radio, FAX or by hand, at any time including Saturdays, Sundays and holidays.

3) Lay time shall commence upon the expiration of six (6) hours after tender of notice of readiness, or upon vessel being all fast in berth, whichever is earlier.

4) If the vessel arrives at the discharge terminal ahead of the range of days in accordance with Clause 13(a), Lay time shall not commence before 06:00 hours on the first day of such discharge date range or when the Vessel is securely moored at the berth whichever is the earlier. In the case of a vessel arriving later than the range of days accepted, the discharge terminal will use its best efforts to minimize the delay to discharge. However, in such case, lay time will only start to count upon the vessel being all fast in berth.

5) Time spent for customs/health/port authority formalities, pilotage from anchorage area to berth, mooring, or crossing river mouth, shall not count as lay time. Any delay due to weather or resulting from measures imposed by a port facility or by any relevant authority under the ISPS Code shall not count as lay time.

c. DISCHARGE CONDITIONS:

1) Buyer shall provide or shall cause to be provided, free of charge, a berth which the vessel can safely reach and leave and at which she can lie and unload always safely afloat.

2) Buyer shall at all material times and at no expenses to Seller, provide and maintain or cause to be provided and maintained in good order all necessary flexible hoses, connections, pipelines, storage facilities and other accommodations for such unloading of the vessel.

3) All other related expenses of discharge (i.e. pilotage, towage, tugs, agency fees, quay dues, port workers' dues, relevant taxes, etc.) are for Buyer's account.

4) Buyer shall have the right to shift the vessel at the discharge port from one safe berth to



another, provided that any additional expenses incurred thereby shall be for Buyer's account, and any additional time thereby consumed shall count as used lay time.

5) Vessel shall vacate berth as soon as possible after discharge is completed, subject to conditions.

6) Time allowed for unloading the cargo under this agreement shall be as per charter party agreement.

d. DEMURRAGES

1) Demurrages at discharge ports, if any and if not caused by Buyer's nominated discharge terminal, will be paid by the Seller to the Buyer at sight, at first and simple written request. Conversely, if demurrages have been caused by the Buyer's discharge terminal then the corresponding amount shall be borne by the Buyer to be paid to the Seller at sight, at first and simple written request.

2) Demurrage amounts shall be computed at the Chartered Party Agreement rate. For this purpose, Seller shall provide the Buyer with a copy of the original Charter Party Agreement. In lieu of said rate, demurrage shall be computed by applying the current London Tanker Brokers Panel's Monthly Average Freight Rate Assessment (A.F.R.A.) applicable to vessel of a similar size as provided for in the Worldwide Tanker Nominal Freight scale (World scale) as amended from time to time, or such other Freight Scale as may be issued in replacement thereof.

3) Demurrages will be based on daily rate or pro-rata thereof.

**10. Title and Risk of Loss**

Title and risk of loss or damage to the Crude Oil shall pass from Seller to Buyer at the Buyer's Discharge port, when the last drop of the Crude Oil is disported into the Buyer's receiving apparatus and all connections to the Vessel have been removed.

**11. Indemnity**

Seller expressly declares and warrants that all Crude Oils bought by the Buyer under this Agreement are free from all encumbrances, and not derived from illegal/criminal sources.

**12. Price**

a. The price to be paid shall be based on the discharged quantity of Crude Oil for each shipment based upon out-turn barrels, inside customs and per "DTD Brent" (DTB) assessment as published in Platt's Crude Oil gram Report less the discount stated herein below.

Seller \_\_\_\_\_ 

Buyer \_

- b. The applicable currency with respect to payment for the Commodity shall be United States Dollars (USD).
- c. The price shall be calculated on the three (3) days' average mean quotations for assessment of Platt's DTB circa the date of delivery (one day before, the day of, and the day after discharge). These quotations shall be furnished by Seller to Buyer with invoice.
- d. The Gross Discount to the Buyer shall be **US\$7.00** (Seven Dollar & 00 cent) per barrel and Net Discount to the Buyer is **USD\$4.00** (Four Dollar and 00 cent) and **USD 3.00** for the groups.

<b>13. Payment Terms</b>
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- a. The payment shall be made in US Dollars and guaranteed by an irrevocable, transferable Documentary Letter of Credit (DL/C) issued in favour of the Seller nominated account holder. Such DL/C must be issued by a reputable bank acceptable to Seller's bank, in the amount corresponding to the total value of one shipment. The DL/C issued shall be valid for at least sixty (60) days. The DL/C shall be expandable for subsequent shipments in the month and revolving month-by-month for the duration of the Contract. A copy of the posted DLC shall be transmitted by facsimile or scanned by email to the Seller for verification and documentation.
- b. All documents drawn under and in compliance with the Terms of the Documentary Letter of Credit shall be duly honoured upon presentation at the issuing bank for payment. In accordance with Article 14.2. **After confirmation of the full swift pre-advice DLC to the seller's bank, the 2% Performance bond issued to the buyer's bank,** the product will be registered, re-assigned, and Cargo been officially programmed in buyer's name to reflect on **Shell Network Screen London**, Lloyd's for buyer confirmation as the consignee of the product. Upon the monthly allocation reassignment to the buyer and the buyer subsequent verification of the programmed monthly cargo load in the **Shell Network Loading Screen** in his favour as the consignee of the month crude oil allocation offered, Seller nominates the vessel and forward the vessel particulars and Gives to the Buyer: Ship Name, Call Letters, Captain's Name and a Copy of the Aspatankvoy Charter Party, and shall appoint their local agent to coordinate the legal procedure. Then **the buyer's bank swifts DLC value for the month cargo shipments to the seller's bank.**
- c. The Documentary Letter of Credit shall be in the form accepted by the Seller's **bank** and payment shall be made in accordance with the terms of this agreement upon presentation of the complete set of Shipping documents made in favour of the Buyer (with copies transmitted by facsimile to the Buyer), at the counter of Buyer bank, following delivery and receipt thereof after arrival and inspection of the cargoes at the designated port of discharge. A specimen of the DL/C is attached hereto as Annex "C."
- d. Full payment for the Cargo shall be made within three (3) banking days after the Cargo has

Seller \_\_\_\_\_ 

Buyer \_

been inspected and discharged into the Buyer's receiving apparatus at the Discharge Port, and Quality and Quantity have been confirmed as correct by the Independent Surveyor Company.

- e. In the event payment due date falls on a Saturday or a New York banking-day holiday other than Monday, then in such event, payment shall be affected on the preceding New York banking day. If the payment due date falls on a Sunday or a Monday, which is a banking holiday in New York, then the payment shall be effected on the next New York banking day.
- f. Quantity and Quality, as assessed at the Discharge Port by the Independent Surveyor Company, and price as determined pursuant to Clause 11 of this Agreement, shall be used to compute the Seller's invoice.
- g. Buyer shall instruct its bank to advise Seller's bank by Swift or tested telex, quoting the date of the transfer, the amount, the invoice number and the clearing bank, if any. Such advise is to be sent in due time in order to enable Seller's bank to credit Seller with value on the due date.
- h. The Buyer/ Seller shall be responsible for their own bank charges.

<b>14. Procedures</b>
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**14.1 PROOF OF PRODUCT**

THE LAST QUARTER CRUDE OIL ALLOCATION 2007

REF: N°: COMD/EXP.T/28/VOL.4/ 937.

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TOTAL QUANTITY OF BULK APPROVED: 51,681,000 BARRELS

(Proof of Product information in the name of Seller.)

- a. Provide by Buyer:  
Confirmed by bank: Pre- advice DLC. The buyer's bank must swift it to the seller's Bank for confirmation.
- b. Provided by Seller:
  - 1) Operative 2% performance Bond swifts to buyer's bank and a copy sent to buyer.
  - 2) Certified copy of entire Aspatankvoy CPA marked "Freight Prepaid" to Buyer's Destination, Rotterdam or other safe port nominated by Buyer. Vessel Q88 and Vessel Master.
  - 3) Shell Lifting Window and Stem Date for SEPTEMBER 2007 verifiable at Shell Screen Network.
  - 4) Tank farm receipts where needed for Bonny Terminal Loading clearance for 09/2007.

**14.2 PURCHASE PROCEDURE.**

Seller \_\_\_\_\_ 

- a. Seller shall issue Sales & Purchase Agreement with Seller's Full Banking Co-ordinates and with full Proof of Product (POP) already stated in this contract, (Such allocation shall not be in the name of the Buyer.) It will only be in the name of the buyer after the crude oil allocation reassignment and programming on the Shell Screen in favour of the buyer as the owner and consignee of the month cargo shipment.
- b. Buyer and Seller sign and seal this Contract including banking coordinates and exchange the signed copy by electronic mail. The electronic signed copy by both Parties is considered legally binding and enforceable.
- c. Buyer's within two (2) banking days will issue a full transferable pre-advice DLC from a World Prime Bank that will be valid for 60 Days.
- d. Within two (2) banking days of confirmation of the Buyer's bank pre-advice DLC, Seller's bank shall swift the operative 2%PB to the buyer's bank.
- e. Within two (2) banking days of 14.d, the Seller provides Buyer bank by SWIFT and Buyer by fax Proof of Product (POP) in Seller's name detailed in Clause 4-u, (*except 14.1.b.1 the Aspatankvoy CPA*).
- f. Within two (2) banking days of 14.e Seller shall reassign allocation to Buyer's name and program for verification Shell Network Loading Screen and Bonny loading terminal. (**Article 13, Clause b**) and Seller shall provide the Bonny Oil Terminal Loading Program Notification Form" verifiable on the Shell Screen with barrels in the name of the Buyer
- g. Within five (5) banking days of 14.f above, Buyer's bank shall issue per Annex C in favour of Seller a Documentary Letter of Credit value for the month cargo shipment to Seller's bank.
- h. Within 48 hrs of 14.g above, Seller shall provide The Aspatankvoy Charter Party Agreement for the designated vessel marked "Freight Prepaid" to Buyers destination. Failure of Seller to do so shall be a default event and Buyer shall collect the PB.
- i. Within 48 hrs of 14.h above, the Seller will give the Buyer verifiable Vessel name, call letters, and Captain's name of the Vessel that is to load for CIF delivery and Buyer signs a copy of the) Charter Party Agreement with the Shipping Agency.
- j. Within fifteen (15) days of 14.i above Vessel shall proceed to the Bonny Loading Terminal and load cargo. Inspectors shall conduct quality and quantity assessment; and all relevant shipment documents shall be endorsed/receipted by the Vessel captain, with a copy forwarded to Buyer.
- k. After the vessel has discharged its cargo at Buyers destination port and Buyer has received the Post Discharge Q & Q Report from SGS and after all documents are presented by the

Seller \_\_\_\_\_ 

Buyer \_

Seller after the time of cargo delivery as required by the DLC, Buyer shall make payment by Telegraphic Transfer to Seller's Bank Account for oil and by separate DLC to Seller and beneficiaries named in Master Fee Protection Agreement in the contract for fees.

- l. Payments are made by swift wire transfer directly to the Seller's bank accounts and commission agents as stipulated in the MFPA (Annex F) in this contract within three (3) international banking days after product delivery to Buyer's nominated port of discharge against presentation of stated shipping documents (non-negotiable copies) at Buyer's bank.
- m. The signature of this contract by the Buyer and by Seller means both accept all the content as for Quantity, Discount and Procedures.

## 15. Warranties

The Seller warrants that with respect to the Commodity which is the subject matter of this Agreement, it has the clear and unqualified rights to sell or otherwise dispose of Commodity and that the Commodity shall be delivered clear of all liens and encumbrances.

## 16. Documents & Claims

- a. Settlement and confirmation of adequacies for any shipment shall be made against presentation of the following discharge documents:
  - 1) A full set of 3/3 Clean Original "Shipped on Board" Bills of Lading (B/L) issued by Seller and made out or endorsed to the order of the Buyer showing the Shipment Number; the Serial Number; quantity in metric tons and US Barrels (60 degrees Fahrenheit) and marked "Freight pre-paid," plus 3 Non-negotiable copies. The B/L to be signed in original by the ship's Master. *If applicable*: A certified copy of the original NNPC Bill of Lading.
  - 2) Certificate of quality and quantity issued by the independent inspection company at the Loading port plus two (2) copies. *If applicable*: Certified copy of the Certificate of Quality issued by NNPC and Certified copy of the Certificate of Quantity issued by the Nigerian Ministry of Petroleum Resources.
  - 3) Certificate of quality and quantity issued by the independent inspection company at the Discharge port two (2) copies.
  - 4) Certificate of Origin issued by Chamber of Commerce of country of origin, NNPC or custom's authorities. *If applicable*: Certificate of Authenticity issued by the Nigerian National Petroleum Corporation.
  - 5) Export license (Customs Clearance Certificate)



- 6) Cargo manifest (issued by the loading port).
- 7) Cargo/Tanker Nomination Schedule, issued by Bonny Terminal and signed by Terminal Operator
- 8) Signed Commercial invoice setting forth terms of purchase such as grade, quantity & price
- 9) Copies of Platt's publication for the days used to determine the price of the product
- 10) Certificate of Insurance covering all risk at 110 % of the cargo value.
- 11) Master's receipt of documents
- 12) Captain's Act confirming receipt of sealed control (Arbitration) samples
- 13) EDT Notice of Readiness evidencing the name of the vessels & name of discharge port.
- 14) Tanker Ullage Report & Tank Inspection Report
- 15) Any other documents pertaining or related to the current trip, duly signed by the authorized persons, and as required by the documentary letter of credit.

b. Letter of Indemnity:

1) If SELLER is not able to deliver to the BUYER or BUYER'S bank in due time the full set of original bills of lading or other shipping documents with respect to each cargo, then SELLER will then provide BUYER with a hard-copy Letter of Indemnity with respect to temporarily missing shipping documents.

2) The wording of this Letter of Indemnity shall conform with the Standard forms recommended by the International Group of P & I Clubs and shall cease to have effect upon presentation of the original Bills of Lading or other shipping documents.

3) In the event of unusual circumstances, which prevent the Seller from presenting to the Buyer the original bills of lading within in a sixty (60) day period, the Seller agrees to provide the Buyer and the Buyer agrees to accept a second and subsequent letter of indemnity covering the cargo batch in question.

c. CLAIMS. Any claims that either Party may have against the other Party, other than demurrage claims, must be submitted to the other Party within a period of two (2) months from the date of the event giving rise to such claim, along with supporting documentation reasonably requested by the other Party. All claims, presented after the given date, will not be accepted and the claimant will have no right to apply for Arbitration.

Seller \_\_\_\_\_ 

Buyer \_

1) The claims on demurrage should be submitted to the Seller within thirty (30) calendar days from the date of the Bill of Lading, otherwise the claim will be considered void and shall be rejected.

2) The demurrage shall be considered and paid within thirty (30) calendar days from the date of receipt from the Buyer of all documents, confirming the given claim. The Buyer must present for claims' consideration the following documents:

- Statement of Facts
- Notice of Readiness
- Two copies of the Bill of Lading
- Act of passage through the quantity meter
- And any other documents relevant to particular shipment signed by authorized persons.

3) All claims will be submitted in writing, include supporting documentation reasonably requested by the other Party, and both Parties agree to acknowledge such claims by written acceptance thereof.

#### **17. Taxes, Duties & Charges**

- a. All Taxes, Duties & Charges at Loading port shall be for the account of Seller with exception of the cost of the Shell Network Loading Screen which shall be borne by the Buyer. All such charges at the Buyer's Discharge Port shall be for the account of Buyer.
- b. Buyer is the importer of record and shall comply with all applicable government regulations governing such importation, procure all necessary licenses and permissions, and shall pay or cause to be paid all duties, Imports and taxes for its Importation at the Seller's Loading Port.

#### **18. Liability Exemption/Force Majeure**

a. Neither Seller nor Buyer shall be responsible for any failure to fulfil their respective obligation under this Agreement, if fulfilment has been prevented or curtailed by any circumstances whatsoever which are beyond the reasonable control of Seller or Buyer, as the case may be, including without prejudice to the generality of the foregoing:

1) Compliance with any order, demand or request of any government or of any International nation, port, transportation, local or other authority, or agency or person purporting to be or to act for such authority or agency.

2) Any strike, lockout or labour dispute.

3) Adverse weather, perils of the sea or embargos.



4) Minor shipping delays due to vessel breakdowns, or other short-term problems, shall not cancel the obligations of this Agreement for either Buyer or Seller.

- b. No reduction or suspension in the deliveries or receipt of the Product due to any of the reasons set forth above, shall extend the term of the Agreement or terminate said Agreement. Provided that such event does not continue for more than 60 (sixty) days.
- c. In case of circumstances of Force Majeure lasting more than sixty (60) days, the Buyer shall have the right to cancel the Agreement, partly or in total, without prejudice to any sums owing by either Party to the other for performance rendered hereunder... In such a case, neither of the Parties hereof shall have the right to any compensation for possible losses, from the other Party.
- d. The Party seeking relief under (a) of this paragraph shall advise the other Party as soon as practicable of the circumstances causing the failure to fulfil its obligations, and shall thereafter provide such information as is available regarding the progress and cessation of those circumstances.
- e. The certificate issued by the respective Chambers of Commerce in the country where Force Majeure arises shall be sufficient proof of such circumstances and their duration.


**19. Liability and Penalty**

After receiving a Letter of Credit from the Buyer, delay exceeding the validity of the Letter of Credit, shall be considered as a non- performance on the part of the Seller.

Except, as expressly provided in this Agreement, neither Seller nor Buyer shall be liable for any indirect or consequential losses which may be suffered or alleged to have been suffered by the other Party.

**20. Assignment**

Buyer shall be entitled to assign its rights to an affiliate or joint venture partner. However, no assignment shall relieve the assigning Party of its obligations under this Agreement. Notice of any such assignment shall be promptly given by the Party effecting the assignment to the other Party to this Agreement. A formal written Notice of Acceptance of the Assignment shall contain the Assignee's Company Name, Company Address, Legal Representative / Official with their telephone, email, and fax numbers.

Seller \_\_\_\_\_ 

**21. Applicable Law and Arbitration.**

- a. This Contract shall be governed by and construed in accordance with English law. England shall be the place of Performance and Jurisdictions.
- b. ARBITRATION... Any dispute arising out of or in connection with this Contract shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause.
  - 1) All disputes arising in connection with the Agreement shall firstly be settled amicably. If the Parties should reach no agreement, then the case shall be brought for final settlement under the Rules of Conciliation and Arbitration of the International Chamber of Commerce in London, England by one or more arbitrators appointed in accordance with the said Rules.
  - 2) In the event of Arbitration, each Party shall appoint one arbitrator, with a third appointed by an independent party. Nothing in the Agreement shall be construed to prevent any Court having jurisdiction from issuing injunctions, attachment orders or orders for other similar relief in aid of any arbitration commenced (or to be commenced) pursuant to this section.
  - 3) Neither Party shall fail to comply in a timely way with the obligations of this part to be performed in pursuance to the Agreement although a dispute has arisen and proceeded to arbitration.
  - 4) Findings as assessed by arbitration will be final and binding on both Parties without any possibility of recourse. Judgement upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction hereof. This Agreement shall be subject to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York, 1958).
  - 5) After the judgement has been rendered, this Agreement may be terminated and the prevailing Party shall be compensated for all costs and damages.
- c. This Contract shall be subject to policies and regulations of the Federal Government of Nigeria pertaining to the exportation of crude oil and compliance with OPEC Directives.

**22. General Provisions**

- a. This agreement contains the entire understanding between the parties with respect to the transactions contemplated hereby and can only be amended by a written agreement. Any prior agreement, written or verbal is deemed merged herein and shall be superseded by this agreement.

Seller \_\_\_\_\_ 

- b. The Parties having exerted and continue to exert their best effort to avoid any action, which might be in any manner detrimental to the interest of either Party in the negotiation, execution and performance of The Agreement.
- c. The headings appearing in this Agreement are for convenience only.
- d. In specific deals where the Parties allows the Buyer's mandate and the Seller to deal directly with one another, all Parties shall be informed of the development of the transactions by receiving copies of all of the correspondence made between the Buyer's mandate and the Seller.
- e. EDT (Electronic document transmissions) shall be deemed valid and enforceable in respect of any provisions of this Contract. As applicable, this agreement shall incorporate U.S. Public Law 106-229, "Electronic Signatures in Global and National Commerce Act" or such other applicable law conforming to the UNCITRAL Model Law on Electronic Signatures (2001) and the ELECTRONIC COMMERCE AGREEMENT (ECE/TRADE/257, Geneva, May 2000) adopted by the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT). EDT documents shall be subject to European Community Directive No. 95/46/EEC, as applicable. Either Party may request hard copy of any document that has been previously transmitted by electronic means provided however, that any such request shall in no manner delay the parties from performing their respective obligations and duties under EDT instruments.

### **23. Notices**

Unless otherwise agreed to in writing, any notices, statements, requests or other communications to be given to either Party pursuant to this Agreement shall be sufficiently made if sent by post (by airmail if airmail is possible) postage paid, or by telegraph, telex, facsimiles transmission or other means of data transmission, to the address of the Party specified for this purpose in the Agreement.

### **24. Amendments and Waivers**

- a. This Agreement shall not be amended or modified or any provision thereof waived, except in writing and accepted by both parties.
- b. Any provision of this Agreement, which is declared unlawful or unenforceable by a Court of competent jurisdiction, shall not affect any other provision herein.

### **25. Penalty**

**After this Agreement is executed by both Seller and Buyer, and copies exchanged electronically or otherwise by a delivery service, failure to follow the banking procedure in**



**a timely manner shall be considered breach of this Agreement and following arbitration process, will render the defaulting Party in default of this Agreement, and said defaulting Party shall pay to the non-defaulting Party, on first written demand, a one-time penalty fee of One Million US Dollars (USD 1,000,000.00).**

**26. Legal Addresses of the Parties**

Reference Schedule 1 & 2.

**27. Insurance**

Seller shall procure a policy with a reputable Marine Insurance Institute to cover One Hundred and Ten percent (110%) of the value of the Cargo. The insurance policy shall cover all risks of loss or damages to said Cargo, including war, hijacking, explosion and other similar circumstances, from the time the Cargo has passed the ship's manifold flanges at the Loading Port until discharge at Buyer's Discharge Port. A copy of the specific insurance document relevant to the specific delivery is to be forwarded to the BUYER before loading commences.

**28. Non-Circumvention Non-Disclosure Confidentially Agreement**

- a. This Agreement and all documents related to this Agreement or otherwise obtained by one Party from the other Party shall be treated as confidential. Such information shall be kept confidential, and shall not be subsequently disclosed to third parties or reproduced in any way; provided however, that each Party may disclose such information to the Party's affiliates, agents, employees, lenders, counsel, accountants or advisors who have a need to know such information and have agreed to keep such terms confidential, or as may be required in order to comply with any law or government regulations (including reporting requirements), court or regulatory proceeding.
- b. Both parties agree that they are bound by any Non Circumvention Non Disclosure Agreements which they have entered into with regard to the above referenced transaction and shall not circumvent, avoid, bypass or obviate each other directly or indirectly to avoid payment of commissions or fees in any transaction pending, or in the future, for as long as this Agreement shall remain in force between the two principals
- c. This Agreement includes by reference and incorporates the customary practices of the Non-Circumvention and Non-Disclosure set forth in Article 6 & 7 of I.C.C Publication No. 619, 2000
- d. The provisions of this Paragraph 28 shall be valid for Five years commencing from the date of the Agreement and shall expire in 2010.



**29. Remuneration to Intermediaries**

Pursuant to the Master Fee Payment Agreement (MFPA), **ANNEX “F”**, Buyer shall be solely responsible for remuneration due each or any agent(s) and intermediaries for any commissions, fees, or compensation to be paid as part of this transaction. Such fees, compensation, or remuneration shall be paid at the time monies are paid by Buyer to Seller in settlement of invoice.

**30. Performance Bond**

- a. Seller shall issue in favour of Buyer and will post into the bank nominated by the Buyer a transferable Operative Performance Bond (PB) to cover two percent (2%) of the amount equal to the value of the Monthly shipment(s), revolving for the entire contract period. The Operative Performance Bond shall be issued upon the receipt and confirmation of Buyer’s Pre-advice DLC.
- b. The pre-advice Documentary Letter of Credit shall be in accordance with the UCP standard for documentary letter of credit and acceptable by Seller’s bank and Performance Bond shall be in accordance with the latest International Standby Practices (ISP98) issued by the International Chamber of Commerce (Publication No. 590, 1998) or the latest UCP 458 (Uniform Rules for Demand Guarantees, ICC Publication No 458, 1992). A specimen of said PB is attached hereto in Annex “D.”
- c. In the event of non-performance by the Seller, the Seller's PB will be called by the Buyer and the Seller will instruct his bank to issue a new PB, satisfactory to the Buyer, within a period of twenty-four (24) hours from notice of default. Until such new PB has been issued or should non-performance continue, all payments due from the BUYER will be suspended.

**31. Conclusions Declaration and Signature**

This Agreement may be executed in multiple counterparts. Facsimile (EDT) copies of the signed Agreement are hereby accepted as originals, and shall be deemed to be valid, effective and enforceable. The Parties shall execute and distribute the original signed copies among themselves promptly following exchange of EDT Agreement. This agreement consists of **38** pages, including two (2) schedules and six (6) annexes. (A-F).

This Agreement shall inure to and obligate the undersigned parties and their partners, associates, employers, employees, affiliates, subsidiaries, parent companies, any nominees, representatives, successors, clients and assigns, hereinafter referred to as the Parties, jointly severally, mutually and reciprocally for the terms and conditions expressly stated and agreed to herein.

Each of the parties to this agreement confirms that it has full legal authority to execute this agreement and that each party is bound by terms and conditions as set forth herein, either as individual, corporate entity or on behalf of a corporate entity.

Seller \_\_\_\_\_ 

Each party to the other warrants, under penalty of perjury that the representations made in this Contract is true and accurate to the best of his knowledge and belief. Each party acknowledges that he makes, executes, and delivers this Contract as his free act and deed.


This contract must be signed in counterpart and will be lawful and fully effective even though signatures may not be placed at the same time and same location. The Parties hereto have subscribed their signatures and in doing so have understood, agreed and accepted the terms and conditions as herein. They hereby affix their signatures below on each page on the space provided with the respective date, as shown on this contract.

**IN WITNESS WHEREOF**, the Parties acknowledge that they have understood all of the terms and conditions of this Agreement, and hereby agree to honor and to be bound by all clauses with the privileges, rights and immunities herein provided, making this Agreement effective on and as of the Effective Date upon signing by all Parties.

Seller \_\_\_\_\_ 

Buyer \_

The Seller

 \_\_\_\_\_ 6<sup>th</sup> September 2007 \_\_\_\_\_ SEAL  
Signature Date

The Buyer (Company name)

\_\_\_\_\_  
Signature Date \_\_\_\_\_ SEAL

The Witness:

\_\_\_\_\_  
Signature Date \_\_\_\_\_ SEAL

**32. Schedule 1**

**SELLER'S ADDRESS FOR SERVICE & BANK COORDINATES**

**SELLER'S NAME:**


**ADDRESS:**

**Represented by:**

**Passport Country/Nbr:**

**Direct Hot Help line:**

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Seller \_\_\_\_\_  \_\_\_\_\_ Page of 38 Buyer \_

**NOTE: NO BANK CONTACT WITHOUT AUTHORIZATION FROM PARTIES.**

**33. Schedule 2**

**BUYER'S ADDRESS FOR SERVICE & BANK COORDINATES**

**Company Name:**  
**Service Address:**  
**Represented by:**

**34. ANNEX A**

**BONNY LIGHT CRUDE OIL SPECIFICATION**

1.	Specific Gravity at 60e F/15.55e C:	0.8397 - 0.8498
2.	API Specific Gravity at 60e F/15.55e C:	37.0
3.	Density at 60e F/15.55e C - Cg – C M – MAC	0.85 max
4.	Pour Point	<40 eF / 4.44 eC
5.	Sulfur Content, % Wt.	0.14 max
6.	Colour	Dark Brown
7.	Salinity	TB at 0.10% BS&W 47 max
8.	Acid Number	0.39 max
9.	Reid Vapour Pressure	6.52 psig max
10.	Water Content, Pct.(%)	0.50 max
11.	Sediment Content, Pct.(%)	0.50 max
12.	Iron Wt. Ppm	1.00 max
13.	Nickel Wt. Ppm	4.00 max
14.	Vanadium Wt. Ppm	2.00 max

**35.ANNEX B**

**DELIVERY SCHEDULE**



## PROPOSED LIFTING SCHEDULE

This lifting Schedule is to become an integral part of this Contract. The Parties may sign the Contract and establish a loading schedule as an integral part of this Contract by mutual written agreement when programming is completed. With regard to the loading schedule, the nominated of appropriate vessel(s), parties have agreed to comply with the following procedures:

1. Seller will notify the Buyer by Facsimile or e-mail of the approximate arrival date of the vessel for up to two million barrels for discharge.
2. Without prior notification, Seller may substitute any vessel by another one which is similar in all material aspects to the vessel so replaced and such vessel being deemed accepted by the Buyer if within 24 hours is not contradicted.
3. Subject to receipt of Buyer's banking instrument in accordance with the present Contract, commencing in the month of September 2007 thereafter Seller hereby guarantees the delivery schedule of cargo lots of 2,000,000 (2) million barrels x 2 shipments per month, set forth below:

Sep 2007	4,000,000 bbls.
Oct 2007	4,000,000 bbls.
Nov 2007	4,000,000 bbls.
Dec 2007	4,000,000 bbls.
Jan 2008	4,000,000 bbls.
Feb 2008	4,000,000 bbls.
Mar 2008	4,000,000 bbls.
Apr 2008	4,000,000 bbls.
May 2008	4,000,000 bbls.
Jun 2008	4,000,000 bbls.
Jul 2008	4,000,000 bbls.
Aug 2008	4,000,000 bbls.
TOTAL	48,000,000 bbls. Per Year

36.ANNEX C



**SPECIMEN DOCUMENTARY LETTER OF CREDIT**

**TEXT OF FORMAT DOCUMENTARY LETTER OF CREDIT**

**Subject to approval of Banks**

To the Agreement Number:  
Date  
DLC number of Opening Bank  
Issue of Documentary Credit  
DLC number of Advising Bank

LETTER OF CREDIT TO BE OPENED DIRECTLY WITH *Name of Bank* and tested with *Name of Bank* head office located at \_\_\_\_\_

We hereby open Irrevocable, transferable, Revolving Documentary Letter of Credit at sight number \_\_\_\_\_ and shall be automatically revolving to the next shipment until completion of the contracted quantity, subject to the uniform, customs and practice for Documentary Credits ICC Publication No.500-1993 revision, as follows and basis of the sealed and signed by the Seller and Buyer "Contact Number", Dated \_\_\_\_\_

BY ORDER FOR ACCOUNT OF: (BUYER)

**IN FAVOR OF**

SELLER - Subject to our final confirmation

Account Name:

Account Number:

Swift Code:

For the Amount of:

(IN WORDS: \_\_\_\_\_ UNITED STATES DOLLARS)

Validity \_\_\_\_\_ at our counters in \_\_\_\_\_ his letters of Credits is available for payment at our counters, the issuing Bank, by referred payment \_\_\_\_ days after presentation of the following documents per shipment as per the document (Described at the contract item \_\_\_\_\_) shown below in one original and three copies unless otherwise stated: -

**UNQUOTE:**

**37/ DOCUMENTS REQUIRED:**

**TRANSPORT & INSURANCE DOCUMENTS:**

1. Signed commercial invoice (1) one original and (3) three copies covering the value of the actual shipment, showing quantity in metric tons and cubic meters
2. 3/3 original clean on board Marine Bills of Lading made out or endorsed to the order of Seller marked "Freight Prepaid"
3. Charter Party Agreement showing Bill of Lading Number

**CERTIFICATES:**

4. Certificate of Quality and assay/analysis report issued by Independent inspector (Name of inspector company: e.g. SGS) or Governmental Authority at Loading Port.
5. Certificate of Quality and assay/analysis report issued by (Name of inspector



company: e.g. SGS) at Discharging Port.

6. Certificate of Quantity issued or countersigned by Independent inspector (Name of inspector company: e.g. SGS) or Governmental Authority at Loading Port.

7. Certificate of Quantity issued or countersigned by Independent inspector (Name of inspector company: e.g. SGS) or Governmental Authority at Discharging Port.

8. Certificate of Origin, issued or signed by the Chamber of Commerce or Governmental authorities, specifying the country of origin of the Goods;

9. Certificate of Insurance;

**OTHER DOCUMENTS:**

10. Vessel's time sheet, signed either by captain or local agent, showing at least: date of N.O.R. tendering at discharge port and date of hoses disconnection, demurrage if any (to be deducted from commercial invoice).

11. Certificate of cleanliness of vessel tanks, pumps and lines signed by inspector at the port of loading;

12. Ullage report;

13. Captain's Act confirming receipt of sealed control (Arbitration) samples;

14. Captain's Act confirming receipt of all documents, excluding commercial invoice.

15. Certified copies of Platt's quotations used to compute commercial invoice.

All loading details including loaded quantity, quality and BL. Date will be faxed directly to the Buyer prompt after completion of loading, latest 72 (seventy two) hours after vessel sailed from loading port. All documents from a third party are acceptable by the Buyer.

**38.DELIVERY:**

FIRST DELIVERY: Loading/Lay-Can to be not later than **30-days upon-receipt of pre-advice DLC**

PORT OF LOADING: Bonny Terminal, Nigeria [4° 12' 56" N - 7° 00' 28" E]

PORT OF DESTINATION:

**39/ DESCRIPTION OF GOOD & SERVICES:**

PRODUCT: NNPC Standard Export Grade "Bonny" Light Crude Oil

**SPECIFICATIONS:**

1.	Specific Gravity at 60e F/15.55e C:	0.8397 - 0.8498
2.	API Specific Gravity at 60e F/15.55e C:	37.0
3.	Density at 60e F/15.55e C - Cg - C M - MAC	0.85 max
4.	Pour Point	<40 eF / 4.44 eC
5.	Sulfur Content, % Wt.	0.14 max
6.	Colour	Dark Brown
7.	Salinity	TB at 0.10% BS&W 47 max
8.	Acid Number	0.39 max
9.	Reid Vapour Pressure	6.52 psig max
10.	Water & Sediment Content, Pct.(%)	0.50 max
11.	Iron Wt. Ppm	1.00 max
12.	Nickel Wt. Ppm	4.00 max



13. Vanadium Wt. Ppm 2.00 max  
ORIGIN: Nigeria

40. TERMS OF DELIVERY: INCOTERMS 2000: CIF

SHIPMENTS OF: Four Million (4,000,000) Barrels per month for 12 months, with an option  
option extensions.

TOLERANCE: “+/- 5%” percent at Seller’s option

PARTIAL SHIPMENT: Allowed

TRANSHIPMENT: Prohibited

**41/ PRICE CALCULATIONS:**

The price (based on Platt’s Crude Oil Market Wire) is to be determined by either by the average of three days or maximum five days after discharge.

The amount of this Letter Of Credit will fluctuate according to the above mentioned price clause and will automatically be adjusted without amendment.

**42. REIMBURSEMENT:**

Upon receipt of credit-conforming documents at your counters you are authorized to claim reimbursement from us with value 3 banking days, as per your instructions.

**43/ PERIOD FOR PRESENTATION:**

1. Documents to be presented within 3 days after Discharge date, but within the validity of this DL/C. Documents presented after 21 (twenty-one) days, but inside of the validity of DL/C are acceptable.

**44/ ADDITIONAL CONDITIONS:**

1. All documents must be sent by bonded courier or via secure bank-to-bank electronic transmission in one lot to: [*Name & Address, fax, email of Negotiating-Bank*]. Facsimile and electronic documents instead of original or hard-copies of documents which conforming to International Chamber of Commerce *UCP Supplement for Electronic Presentation* are acceptable.
2. Third party documents are acceptable. Electronic documents conforming to *eUCP* are acceptable.
3. All charges inside of Loading Port are on Seller’s expense. All charges outside of Loading Port are on Seller’s expense.
4. This LETTER of CREDIT is transferable for the purpose of settling payment upon NNPC. If transferred, the transferring bank must advise us of the full name and address of the

Seller \_\_\_\_\_ 

transferee by SWIFT/telex and state whether substitution of documents by first beneficiary is required.

- 5. Alteration(s) in documents, if any, must be authenticated by the signature(s) of the issuing party of the document in question.
- 6. All documents have to be issued in English language

**45/ INSTRUCTIONS TO ISSUING BANK:**

1. THIS LETTER OF CREDIT CAN ONLY BE ACTIVATED BY ISSUANCE OF BENEFICIARY'S OPERATIVE 2% PERFORMANCE BOND NO. ....DATED IN THE AMOUNT OF USD #; 000,000.00 (UNITED STATES DOLLARS ----- MILLION).

**46. CHARGES:**

- 1. Issuing bank charges for account of the applicant, advising bank charges and confirming bank charges are for account of the beneficiary.
- 2. Transfer or Confirmation fees for account of Beneficiary.

**47/ CONFIRMATION INSTRUCTIONS:**

- 1. Confirmation instructions: confirm
- 2. Transferring bank may add their confirmation onto this credit upon request of Beneficiary.

**48/ SENDER TO RECEIVER INFORMATION:**

- 1. Sale of goods is expressly for the purposes of refining.

<b>49.ANNEX D</b>
<b>SPECIMEN PERFORMANCE BOND</b>

**PERFORMANCE GUARANTEE**

**IRREVOCABLE LETTER OF CREDIT**

Contract Number:  
 Issuer (Seller's Bank)  
 Address:  
 Receiver (Buyer's Bank)  
 Address:

With reference to contract number \_\_\_\_\_, dated \_\_\_\_\_ made  
 between \_\_\_\_\_ (Seller)  
 And \_\_\_\_\_ (Buyer)

Seller hereby guarantees the good performance of the obligation assumed towards buyer in accordance with the above-mentioned contract.

Seller \_\_\_\_\_  


In case the Seller fails to carry out and fulfil their legal obligation of the delivery of 4,000,000 bbl +/- 5% per month of (*Product*) ..... Assumed under the said contract, we irrevocably undertake to hold at your disposal free of interest and fees and payable in cash at your counters on your first written demand and notwithstanding any contestation by the Seller the sum of up to a maximum \_\_\_\_\_ (*In words*) - (United States Dollars) the equivalent of 2% of the value of the cargo.

Our guarantee shall be valid from issuance and confirmation of buyer's POF by MT 760 until thirty (30) days of the expiration of the contract, by which date claims, if any, have to be received by us, upon expiration, this guarantee will be considered null and void.

Upon presentation of the letter of credit confirming documents under the relevant letter credit the guarantee will automatically be null and void.

The guarantee shall be governed by and construed in accordance with the laws of the *state or country* in which the transaction originated.

## 50.ANNEX E

### NON-CIRCUMVENTION, NON-DISCLOSURE AND CONFIDENTIALITY AGREEMENT

This NON-CIRCUMVENTION, NON-DISCLOSURE and CONFIDENTIALITY AGREEMENT (hereinafter the "Agreement") which is an integral part of this Contract, is made and effective as of the date last executed below (the "Effective Date") by and between The Buyer and The Seller: affiliates and representatives, where applicable, executing this Agreement below, provided such date is not more than ten (10) calendar days later than the earliest signature below. Collectively, the parties hereto may be referred to hereinafter as the "Parties" or "Party", as the case may be.

**WHEREAS**, the Parties wish to associate themselves for the purpose of working together for their common benefit in participating in certain transactions; and,

**WHEREAS**, it is understood that each party has developed specific business relationships to provide access to buyers and seller for commodities trading and/or assistance with other business ventures for entities in need of such investments, merger or other assistance. Further, whereas each party has developed such business relationships at considerable expense and personal effort and time, and would not present nor expose its sources without the express covenant, warranty and guarantee of each Party hereto to protect and not circumvent each other

Seller \_\_\_\_\_ 

or divulge the confidentiality of the same; such covenant, warranty and guarantee being given by the Parties' execution hereof; and,

**WHEREAS**, the Parties have indicated that they desire to exchange and review certain information and disclosures to each other, and to third parties, to determine whether they can formulate a possible transaction relating to commodities trading (collectively, these instruments are referred to herein as the "Projects") and,

**WHEREAS**, the parties agree to abide by the terms, conditions and covenants set forth herein and are prepared to make the information related to the said Projects and possible sources of supplies and purchasers available to each other, and,

**WHEREAS**, the parties wish to enter into a relationship for the purpose of the parties using their best efforts in obtaining certain rights, concessions, and/or other benefits relating to effecting a transaction between the suppliers and purchasers (collectively, the "Transactions" or "Transaction") utilizing their resources, knowledge and skills and the business relationships established by them. Further, that each Party expects to receive as compensation for their efforts under this Agreement, certain fees or equity interests, wherever applicable, which shall be negotiated and set forth in a separate agreement based upon the ultimate terms and conditions of each prospective Transaction.

**NOW, THEREFORE**, in consideration of the representations, agreements, promises and covenants contained herein and other good and valuable consideration, the receipt and sufficiency is hereby acknowledged, the Parties agree as follows:

1. **The Parties agree to abide** by the following terms of the Agreement and rules of non-circumvention and non-disclosure for a period of five (5) years from the effective date hereof. These covenants and agreements shall survive termination of this Agreement for any reason whatsoever.

A. Each Party, for itself and its Affiliates (as defined below) represents and warrants that it shall not solicit or accept financial remuneration from or submit the Transactions to any Affiliates or said Associates (as defined below), at any time or in any manner, without the express written consent and acknowledgment of the parties hereof as to the Transactions.

B. For purposes of this Agreement, the terms "Affiliate" shall be defined as, in the case of an individual, his relatives, agents, representatives, partners, joint ventures, business associates, employees, independent contractors and/or any business entity to whom the parties hereof directly or indirectly, transmit the Information, and "Associate" shall be defined as any business entity in which an Affiliate is an officer, director, agent, consultant, employee, representative, joint venture, affiliate, subsidiary associated entity, representative agent, and any other business entity which derives any economic benefit, whether directly or indirectly, from a Transaction resulting from the disclosures made by the parties hereof.



C. The Parties will maintain complete confidentiality regarding this Agreement and all transactions occurring hereunder each other's business, business sources and affiliates, and each other's proprietary knowledge and know how, and will disclose such information only pursuant to the express written permission of the Party who made such information available.

D. This Agreement, and each additional agreement concluded or written or verbal disclosure made between the Parties shall be kept confidential and is not to be reproduced, communicated or distributed in any manner whatsoever except on a "need to know" basis to persons directly involved with the closing of any transaction contemplated between the Parties, or the legal counsel of a Party.

E. If a Party is requested or required (by oral questions, interrogatories, requests for information or documents, subpoena, civil or criminal investigative demand or other process) to disclose any Confidential Information protected under this Agreement, that Party shall promptly notify all other Parties hereto of such request or requirement so that any Party hereto may seek an appropriate protective order. If in the absence of a protective order, or the receipt of a waiver hereunder, a Party receives a written opinion from their legal counsel (a copy of which must, be furnished to all other Parties) that they are compelled to disclose Confidential Information, then only such Confidential Information that is required by law shall be disclosed. Such disclosure by one Party will not subject the other Party to liability unless the disclosure was caused by it and not otherwise permitted under this Agreement. All Parties shall exercise all reasonable efforts to assist the other Parties in their obtaining a protective order or other reliable assurance that confidential treatment will be accorded the Confidential Information under this Agreement.

2. **The Parties understand and agree**, by their execution hereof, that this Agreement is valid and effective for all purposes, business, communications, negotiations and disclosures related to the proposed Transactions for a period of five (5) years from the Effective Date hereof.

3. **Each Party represents, warrants and covenants** that all information furnished by said Party to any other Party or Parties hereto is, or will be, true, complete correct and accurate to the best of said disclosing Party's knowledge ability and belief.

4. **Each Party agrees** that he is not an agent, representative, and/or employee of any other Party except as disclosed herein; and any Party who may be accused of any misrepresentation or illegality during the effective period of this Agreement hereby agrees to defend, and hold harmless the other Party (ies) hereto from such accusation.

5. **The Parties agree** that, as liquidated damages, the violation of this Agreement by any Party or Parties hereto, or by any Affiliate or Associate, shall entitle the remaining Party or Parties hereto to the greater of, (1) a sum of Ten Percent (10%) of the entire revenues received by the violating Party or Parties and/or any Affiliate or Associate from any dealings or disclosure conducted in violation hereof, or (2) actual and consequential damages, plus legal and other cost incurred.

Seller \_\_\_\_\_ 

Buyer \_

6. **This Agreement contains** the entire and complete understanding existing between the Parties as of the date of its execution regarding the subject matters contained herein, and all former representations, promises; or covenants whether written or verbal, are null and void.

7. This Agreement may be modified only by written agreement duly executed by all Parties hereto.

8. **This Agreement shall be binding upon**, and inure to the benefit of, the heirs legal representatives, successors, and/or assigns of the Parties. The executor, administrator, or personal representative of a deceased Party shall execute and deliver any documents or legal instrument(s) necessary or desirable to carry out the provisions hereof.

9. **Any written notice required** or allowed to be given hereunder shall be deemed to have been duly and properly given and delivered (a) as of the date actually hand delivered to the Party to be charged with receipt; or (b) five (5) calendar days after such notice has been mailed to the Party to be charged by prepaid Certified Mail, Return Receipt Requested and addressed to either (1) the address shown below the respective signature herein of the Party to be charged with delivery or (2) such other address, notice of which has been duly received by the sending Party as provided herein.

10. **A copy of this Agreement**, or any other documents executed and/or signed by any of the Parties hereto and sent to another Party hereto by facsimile transmission carries the full force and effect as if it were the hand delivered original, provided that the facsimile copy bears the sending Party's transmitting terminal identifier (TTI) and the date and time which was placed thereon electronically by the transmitter.

11. **This Agreement was negotiated and prepared jointly** by all of the Parties hereto, and each Party acknowledges that they have had ample opportunity to consult legal, financial, and other counsel concerning all aspects, terms and conditions of this Agreement. This Agreement may be executed in multiple counterpart copies and delivered via facsimile, each which shall be deemed, a duplicate original.

12. **No Party shall be considered** or adjudged to be in violation of this Agreement, when the violation is due to situations beyond said Party's control, such as acts of God, civil disturbances theft, or said Party's connections having prior knowledge disclosure, intervention or assistance of said Party or said Parties' Affiliates or Associates (as defined herein). Essentially, the spirit behind this Agreement is one of mutual trust, confidence and reliance upon each Party to do what is fair and equitable and to not circumvent, "go around" or otherwise take away a Parties' potential earnings or value as a result of their effort and expense to effect a Transaction as contemplated herein.

13. **This Agreement is a full recourse agreement** concluded under substantive U.K. law and applicable U.S. law, and the Rules of the International Chamber of Commerce shall be the

Seller \_\_\_\_\_ 

applicable forum with U.S. Federal and/or State of Maryland law governing the construction, interpretation, execution validity, enforceability performance, and any other such matters in respect to this Agreement, including any breach or claim of breach hereof. The Parties agree that any disagreement or dispute that cannot be resolved between them is tried in a court of competent jurisdiction and judgment upon the award may be entered, and enforced in any court of competent jurisdiction.

14. **In the event that any Party should violate** the terms of this Agreement, then in that event, the violating Party agrees to pay all costs, expenses, court costs, and actual attorneys fees to the non-violating non-defaulting Party in enforcing the terms of this Agreement.

**IN WITNESS WHEREOF**, the Parties have executed this Agreement the day(s) indicated Below.



By Seller: \_\_\_\_\_  
Name: **ENGR. ANTHONY KUPOMA BOROBU**  
Passport No.: A1594955  
Date: 6<sup>th</sup> September 2007

By Buyer: \_\_\_\_\_  
Name:  
Passport No.:  
Date:

**SELLER'S CORRESPONDENT BANK DETAILS FOR RECEIVING THE POF & DLC .**

**BANK:**

**ADDRESS:**

**ACC. NAME:**

**ACC.HOLDER:**

**ACC. No.:**

**IBAN No.:**

**SWIFT No.:**

Seller \_\_\_\_\_ 

**BUYER'S BANK DETAILS FOR RELEASING THE POF AND RECEIVING THE 2%BOND**

**BANK NAME:  
BANK ADDRESS:  
SORT CODE:  
ACCOUNT NUMBER:  
ACCOUNT NAME:  
ACCOUNT OFFICER;  
PHONE;  
FAX:**

***SELLER OR BUYER IS FREE TO CHANGE BANK PARTICULARS BEFORE BANK-TO-BANK INSTRUMENTS ENGAGEMENTS.***

Seller \_\_\_\_\_ 

Buyer \_



**Seller's Facilitator bank Details: 0. 50 USD per bbl delivered.**

**BANK NAME:  
ADDRESS:  
SWIFT CODE:  
ABA NO:  
ACCT NAME:**

**ACCT NO:  
BENEFICIARY:  
ACCT NO:**

**Buyer's Agent Banking Details: USD1.00per bbl delivered:**

**BANK NAME:  
BANK ADDRESS:  
SORT CODE:  
ACCOUNT NUMBER:  
ACCOUNT NAME:  
ACCOUNT OFFICER:  
PHONE;**

**Buyer's Facilitator's Banking Details: USD0.50cent per bbl delivered:**

**BANK NAME:  
BANK ADDRESS:  
SWIFT CODE:  
ACCOUNT NAME:  
ACCOUNT OFFICER:  
PHONE;**

This order of payment is irrevocably confirmed and payable upon the closing of each and every tranche, without any protest, delays, and/or deductions (other than bank wire transfer fees and routine banking delays) to the hereafter designated Paymasters.

**This Master Fees Protection Agreement (MFPA) Shall Remain In Effect For Any And All Rolls And Extensions Either As This Contract And /Or Deriving From This Contract For A Period Up To 60 Months.**

**For and On Behalf of the Buyer:**

Seller \_\_\_\_\_ 

By Buyer: \_\_\_\_\_  
Name:  
Passport No.:  
Date:

**THE LAST QUARTER CRUDE OIL ALLOCATION**

**REF: N°: COMD/EXP.T/28/VOL.4/ 937.**

**EXPORT PERMIT LICENCE: EXP.T/28/VOL.4/ 937.**

**BULK APPROVED MPR REF N°: DPR/DSMR/CTO/2018/VOL.75/054.**

**QUANTITY OFF TAKE: 4,000,000 MILLION BARRELS MONTHLY**

**TRANSACTION CODE: NNPC/BLCO/T.OPS/BON/2007**

**TOTAL QUANTITY OF BULK APPROVED: 51,681,000 BARRELS**

***PORT OF LOADING: IMA TERMINAL OFF BONNY***

***SUPPLIERS: NNPC-JV OPERATORS / MPR, BONNY TERMINAL***

***VESSEL: TO BE NOMINATED***

***CONSIGNOR: NNPC***

***INSPECTOR: SGS.***



Seller \_\_\_\_\_ 