

SALES & PURCHASE AGREEMENT

CIF Bulk Bonny Crude Oil

CONTRACT N°:01905
SELLER'S CODE: S-2249-30
BUYER'S CODE:

This Agreement ("The Agreement") made on this 23rd day of June 2014 by and between:

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| SELLER | |
| COMPANY ADDRESS | |
| CITY / ZIP / COUNTRY | |
| COMPANY TEL/CELL | |
| COMPANY EMAIL | |
| CEO E-MAIL | |

as ("Seller") and:

BUYER:
ADDRESS:
Represented by:
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. RECITALS

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

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Whereas, the Seller, with full legal and corporate responsibility, agrees to sell to the Buyer the herein specified Bonny Light Crude Oil, hereinafter referred to as BLCO, in the quantity and quality as agreed. The Buyer, with full legal and corporate responsibility, agrees and irrevocably commits to purchase the said BLCO in the quantity and quality herein stipulated.

Whereas, the parties mutually accept to refer to the general terms and definitions as set out by the INCOTERMS, Edition 2000 with the latest amendments, having the following terminology fully understood and accepted.

Whereas, the Seller has sold and the Buyer has bought Nigerian Bonny Light Crude Oil (hereinafter referred to as "BLCO" on Cost-Insurance-Freight ("CIF") basis the total quantity of Two (2) Million BBLs +/-10% of Bonny Light Crude Oil monthly for the duration of twelve(12) months in one monthly shipment of Two (2) Million BBLs +/-10% each.

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| 2. DEFINITIONS |
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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 (BBLs) 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 BLCO 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 and petroleum products on a daily basis.

"ASTM/IP" Institute of Petroleum now known 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 the 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

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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 BLCO 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 BLCO 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 grade of the BLCO 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 (1st) day of January, or the first (1st) day of April or the first (1st) day of July or first (1st) day of October.

“**Year**” shall mean a calendar year commencing on the first (1st) 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 (BBLs)**” 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.

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“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

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

“Commodity” Referred to as being Bonny Light Crude Oil, elsewhere in the agreement also referred to as Bonny Light, which Specifications, as specified by NNPC will be furnished by the SELLER and added as Appendix A to this contract agreement.

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| 3. SCOPE AND DURATION OF AGREEMENT |
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- 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 2,000,000 BBLs (Two Million Barrels) $\pm 10\%$ 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 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.

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| 4. THE PRODUCT |
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The Crude Oil offered by the Seller and accepted by the Buyer is Nigerian National Petroleum Corporation (NNPC) standard and export grade of Bonny Light Crude Oil (BLCO) and shall comply with the NNPC Official Technical Specifications. (See Appendix A)

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| 5. QUANTITY |
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The Buyer shall be supplied with a quantity of **Two Million (2,000,000)** Barrels per month $\pm 10\%$ of crude oil for 12 months under this Agreement. 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 Twenty-Four Million (**24,000,000**) barrels under this Agreement.

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6. QUALITY

Quality shall be pursuant to NNPC export grade specification for BLCO and shall comply with the NNPC Official Technical Specification (See Appendix A) Only water and basic sediment (B.S&W) ascertained at the port of loading shall be deducted in computing the net quantity of the Crude Oil loaded and certified in the Bill of Lading, as per the inspection certificate issued at the loading Port by "SAYBOLT", "SGS", or "Government Authority", which shall be final and binding upon the parties.

7. TECHNICAL SPECIFICATIONS

- 7.1 All parties agree to a tolerance level of plus or minus 10% for the result of the quality inspection unless otherwise stated. The crude oil to be supplied under this Agreement shall be in conformity with the specification and the responsibility of the Seller and inspection at the port of loading.
- 7.2 If the specification of the product as per inspection for NNPC Export Grade fails to conform with Bonny Light Crude Oil specifications, as agreed to in the 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.

8. MEASUREMENTS AND SAMPLES

- 8.1 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 in accordance with the general practices as accepted in the crude oil industry, which SAYBOLT or SGS or any Licensed Independent Petroleum Inspectors mutually appointed.
- 8.2 All crude oil temperature corrections shall adhere to the latest revision of ASTM and API.
- 8.3 Invoice quantity shall be determined at the Loading Port from appropriate cargo hold measurement and shall exclude water and basic sediment (B.S&W), if any, in excess of the maximum specification determined by ASTM methods.
- 8.4 Unless otherwise agreed, Quality and Quantity (Q&Q) 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.

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9. DELIVERY TERMS

- 9.1 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.
- 9.2 Seller shall exercise its best efforts to cause first shipment to be loaded within two weeks (14) business days following acceptance of Buyer's financial instrument.
- 9.3 Seller warrants that the delivery to the Buyer's destination shall be completed within 30+ - 15 days after receipt of confirmation and acceptance of the RDLC by the Seller's Bank.
- 9.4 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.
- 9.5 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.
- 9.6 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.
- 9.7 Should vessel fail to give one of the above-mentioned ETA notices, the laytime shall then be automatically extended by 24 hours.
- 9.8 Soon as possible after the loading has been completed Seller shall notify Buyer of the actual quantity loaded by way of a Surveyor (SGS) Report.
- 9.9 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 of crude oil 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 subsequent batch not to exceed 45 (forty five) days.

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 discharged into the Buyer's receiving apparatus and all connections to the Vessel have been removed.

11. INDEMNITY

Seller expressly declares and warrants that all products sold and delivered to the Buyer under this Agreement are free from all encumbrances, and not derived from illegal/criminal sources.

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12. PRICE, CREDIT PERIOD & CURRENCY

- 12.1 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 "DT Brent" (DTB) assessment as published in Platt's Crude Oil gram Report less the discount stated herein below.
- 12.2 The applicable currency with respect to payment for the commodity shall be United States Dollars (USD).
- 12.3 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.
- 12.4 The Gross Discount to the Buyer shall be **US\$00.00** (Ten Dollars & 00 cent) per barrel and Net Discount to the Buyer is **USD\$0.00** (Eight and 00 cents) and **USD\$0.00** (Two Dollars and 00 cents) for the Seller's/Buyer's intermediaries.

13. PAYMENT TERMS

- 13.1 The payment shall be made in US Dollars and guaranteed by an irrevocable, Confirmed Auto-revolving Documentary Letter of Credit (ARDLC) issued in favor of the Seller. Same must be issued by a reputable bank acceptable to the Seller and Seller's bank sent via secure courier from the Buyer's Bank (confirmed by a TOP-25 World Bank acceptable to the Seller and Seller's Bank, in the amount corresponding to the total value of one shipment. The ARDLC shall be revolving month-by-month for the duration of this Agreement, i.e. thirteen (13) months and one (1) day. A copy of the posted ARDLC shall be transmitted by facsimile or scanned by email to the Seller for verification and documentation.
- 13.2 Quantity and Quality (Q&Q), as assessed at the Loading Port by the Independent Surveyor Company, and price as determined as per this Agreement, shall be used to compute the Seller's invoice. However, should the SGS or similar test for quality and quantity taken at the discharge port at the expense of the Buyer be significantly different from the test results from the Loading Port, the discharge port tests shall be deemed applicable for payment purposes.
- 13.3 In case the Seller's invoice is lower than the amount of the ARDLC, only the invoicing amount will be paid.
- 13.4 Any shortage of payment relative to the Seller's commercial invoice shall be settled by means of Debit Notes or supplementary Invoice as the case may be, and the amount settled by its addition to the next month's Letter of Credit.
- 13.5 In case that in a month the sum of the Debit Note from the previous month plus the value of the monthly Two (2) Million barrels to be loaded overcomes the value of the Letter of Credit, the Seller will have the option to require that the buyer increase the amount of the Letter of Credit or reduce the quantity to be loaded, so as to cancel the difference. This will not be deemed a contract default.

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- 13.6 On the last shipment and final delivery of the contract the above mentioned difference shall be immediately settled at sight at the time of payment by SWIFT wire transfer.
- 13.7 All payments for the Cargo shall be made at sight immediately, as per herein, on out-turned barrels, payable 100% upon presentation of documents.
- 13.8 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.
- 13.9 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 advice is to be sent in due time in order to enable Seller's bank to credit Seller with value on the due date.
- 13.10 All documents drawn under and in compliance with the Terms of the Letter of Credit shall be duly honored upon presentation, unless otherwise stated. The Letter of Credit shall be subject to the Uniform Customs ad Practice for Documentary Credit (1993 revision, International Chamber of Commerce, Paris Publication No. 500).
- 13.11 All payment instruments will be presented to the issuing bank for payment, as in this Agreement's terms and conditions and the deliveries and payment are effectuated according to the terms herein.
- 13.12 The format of the Auto-Revolving Documentary Letter of Credit shall be agreed between the Sellers and the Buyers Bank and shall meet international standard requirements.
- 13.13 The Buyer/ Seller shall be responsible for their own bank charges.

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| 14. PROCEDURES |
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- 14.1 Seller and Buyer sign and execute this Agreement electronically and lodge with their respective bank
- 14.2 Buyer remits Bank Comfort Letter to Seller.
- 14.3 Within Three (3) International Banking days after the execution of this Agreement, Buyer's bank will send a **non-operative** payment instrument, a **non-operative**, Irrevocable Auto Revolving Documentary Letter of Credit (ARDLC) 100% in the value of 2,000,000 (BBS) approximately +/-US\$000,000,000 (Million USD) that shall auto renew monthly thereafter the first month each in value of 2,000,000 (BBS) for the remaining eleven (11) months (totaling 12 months) and with possible rolls and extensions annually, with a copy of the transmission sent to the Seller's email.
- 14.4 After receipt, confirmation and acceptance of the **non-operative** payment instrument (ARDLC) by the Seller's Bank, Sellers Bank will issue an **Operative 2% performance Bond** , **that will make operative** the Irrevocable Auto Revolving Documentary Letter of Credit (ARDLC).
 (PB is to be returned to the Seller at the end of the contract within ten (10) banking days.) And Proof of Product. (Proof of Product information in the name of Seller.)
- 14.4 Seller nominates and loads vessel and provides the complete set of cargo documents and delivers to Buyer clean, clear, color copies of all documents by email. The documents are listed below:

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1. Commercial Invoice
2. Bill of Lading
3. Tanker Haulage Report
4. Tanker Time Sheet
5. Master's Receipt of Documents
6. Certificate of Quality
7. Certificate of Quantity
8. Certificate of Origin

14.5 Vessel sails to destination and upon arrival at Buyer's discharge port, Buyer conducts Q&Q inspection by SGS and provides Seller with the copies of SGS Q&Q Reports.

14.6 Seller discharges cargo

14.7 Buyer's bank remits payment by TT or MT103 to the Seller's Bank within three (3) banking days upon presentation of the shipping documents at counter of Buyer's Bank as listed herein to repeat in same each and every month of the Agreement term, as per the Agreement.

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| 15. WARRANTIES |
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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 the commodity and that the commodity shall be delivered clear of all liens and encumbrances.

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| 16. DOCUMENTS |
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16.1 The following documents will be handed over to the Buyer's Bank for payment:

- A. 1 Original plus 3 copies Commercial Invoice
- B. 3 Originals plus 3 copies Clean on Board Ocean Bill of Lading
- C. 1 Original and 3 copies Tanker Haulage Report
- D. 1 Original and 3 copies Tanker Time Sheet
- E. 1 Original and 3 copies Master's Receipt of Documents
- F. 1 Original and 3 copies Certificate of Quality
- G. 1 Original and 3 copies Certificate of Quantity
- H. 1 Original and 3 copies Certificate of Origin

16.2 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.

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| 17. TAXES, DUTIES AND CHARGES |
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17.1 The Seller shall pay ordinary agency fees, towage, pilotage and similar port charges, port duties and after taxes against the vessel(s) at the Loading Port.

17.2 The 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.

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18. LIABILITY EXEMPTION/FORCE MAJEURE

18.1 In the event of and with regard to any Force Majeure event(s) and circumstance(s), such event(s) shall be defined by, and this Agreement shall be governed by the regulation(s) of CIF Deliveries according to INCOTERMS 2000.

18.2 Neither Party shall be responsible for full or partial non-performance of their obligation(s) under the present Agreement if such non-performance is a result of a Force Majeure circumstance, such as fire, flood or adverse weather, strike(s), disorder(s), perils of embargo, destruction of the material(s), delay(s) of carriers due to break down, wreck(s), or adverse weather, or government authority restriction (including but not limited to protectionism, quota introduction, price control) or any event, occurrence or circumstance beyond the control of the Parties and which neither Party causes or contributes to (each, a "Force Majeure Event").

18.3 The party seeking relief shall advise the other party as soon as practicable of the circumstances causing the failure to fulfill its obligations and shall thereafter provide such information as is available regarding the progress cessation of those circumstances

18.4 In the event any Force Majeure Event directly affects fulfillment of the obligation(s) during the Agreement Term, the time for such obligation(s) to be fulfilled will be extended accordingly by and during the duration of such Force Majeure Event. No reduction or suspension in the deliveries or receipt(s) of the goods due to any of the above-mentioned circumstance(s) shall extend the Agreement Term nor operate to terminate this Agreement

18.5 In the event a Force Majeure Event lasts more than 90 (Ninety) days, each Party has the right to cancel the present Agreement partially or completely without prejudice. In such case, neither Party shall have the right to claim for any reimbursement of possible loss from the other Party.

18.6 Except as specifically mentioned herein, no claim shall lie or be made for any special, indirect, incidental, punitive, exemplary and/or consequential damages of any nature including but not limited to lost profit(s), revenue(s), business interruption, or damage(s) shall be made by either Party against the other under this Agreement.

19. LIABILITIES AND PENALTY

19.1 After receiving an Auto Revolving Documentary Letter of Credit (ARDLC) from the Buyer, delay exceeding the validity of the ARDLC, shall be considered as a non- performance on the part of the Seller.

19.2 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

20.1 Neither Seller nor Buyer may assign its rights to this Agreement without the prior written consent of the other party. Buyers shall be entitled to assign its rights to an affiliate or joint venture partner without written consent of the Seller. No such assignment shall relieve the assigning party of their obligations under this Agreement. Notice of any such assignment shall be given promptly by the party effecting the assignment to the other party to this Agreement. Any assignment not made in accordance with the forgoing provisions shall be void.

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20.2 If assignment is made, a *Formal Notice of the Assignment* shall be submitted to the Buyer/Seller, which will contain the Assignee's Company Name, Company Address, Spokesperson/Official and their telephone, email address and/or fax number(s).

21. APPLICABLE LAW, LITIGATION AND ARBITRATION

- 21.1 The Agreement shall be governed and construed in accordance with New York State, USA laws.
- 21.2 Each of the Parties have full corporate legal authority to execute this Agreement and accordingly be fully bound to the terms and conditions herein. INCOTERMS 2000 rules that the Contracts (Electronic Document Transmission) is legally binding.
- 21.3 The terms shall apply and be deemed to be valid and enforceable by either Party and each Party shall be in a position to request a hard copy of the Agreement or any previous electronically transmitted copy.
- 21.4 If any dispute or controversy arise in connection with or as a result of provision or provisions of this Sales and Purchase Agreement (SPA), which are not settled amicably within the parties, it shall be resolved by the Rules of Conciliation and Arbitration of the International Chamber of Commerce ICC in New York, New York USA.
- 21.5 The proceeding shall be conducted by one (1) arbitrator in accordance with the rules for Arbitration of the International Chamber of Commerce ICC. The arbitration proceedings shall be conducted in the English language.
- 21.6 Any arbitral award shall be enforceable in accordance with the rules of the New York convention of 1958 on the recognition and enforcement of foreign arbitral awards. Judgment upon the awards rendered may be made to the said courts or other authority for a judicial acceptance to the award and an order of enforcement as the case may be.
- 21.7 After the court has rendered a verdict, this Agreement can be terminated and the prevailing party will be compensated for costs and damages.

22. GENERAL PROVISIONS

- 22.1 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.
- 22.2 The Parties hereby agree that this Agreement shall become valid and operational when signed and sealed in counterparts and compels both parties to fulfill their respective obligations.
- 22.3 The Agreement and all information obtained by one Party from the other Party shall be treated as confidential.

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22.4 The headings appearing in this Agreement are for convenience only and shall not be interpreted in any way to limit or change the subject matter of this Agreement.

22.5 Any modification or addition to the Agreement shall be made in writing.

22.6 All signed appendices, annexes and supplements shall constitute an integral part of the present Agreement.

22.7 Grammatical mistakes, typing errors, if any, shall not be regarded as contradictions.

22.8 EDT (Electronic document transmissions) shall be deemed valid and enforceable in respect of any provisions of this Agreement. 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 email if email 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

24.1 This Agreement shall not be amended or modified or any provision thereof waived, except in writing and accepted by both parties.

24.2 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. INSURANCE

25.1 Seller shall bear the expense to procure a policy with a first class Marine Insurance Institute to cover one hundred and ten percent (110%) of the value of the cargo. The insurance policy will cover all risks or loss or damages to the said cargo, including war, hijacking, explosion, etc, from the time the cargo has been loaded on to the ship to the time the cargo has passed the ship's manifold flanges at the discharge port.

25.2 Marine Insurance will cover all risks of loss or damages to the said cargo, including war, hijacking, explosion, etc. until cargos commence to pass the ship's manifold flanges at the discharge port. SELLER shall be responsible for insuring the Goods from port of loading to port of discharge.

26. LAYTIME, DISCHARGE CONDITION AND DEMURRAGES

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26.1 LAY TIME

- a. Notice of readiness (NOR) shall be given to the buyer / agent prior to and on the ship's arrival at the Buyer's designated discharge port by the Ship's Master by radio, fax, email or by hand at any time including Saturdays, Sundays and holidays.
- b. Lay time shall commence upon the expiration of six (6) hours after tender of NOR or upon vessel being all-fast in berth, whichever is earlier.
- c. 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.
- d. 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.

26.2 DISCHARGE CONDITION

- a. 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.
- b. 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.
- c. All other related expenses of discharge (i.e. pilotage, towage, tugs, agency fees, quay dues, port worker's dues, and relevant taxes etc.) are for b the Buyer's account.
- d. Time allowed for unloading the cargo under this agreement shall be as per charter party agreement.

26.3 DEMURRAGES

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.

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|---|
| 27. NON-CIRCUMVENTION NON-DISCLOSURE CONFIDENTIALITY AGREEMENT |
|---|

27.1 The undersigned Parties do hereby accept and agree to the provisions of the International Chamber of Commerce for Non-Circumvention and Non-Disclosure with regard to each and every Party in this transaction.

27.2 The above provision shall include and are not limited to the Buyer, Seller and any of their respective agent(s), mandate(s), nominee(s), assignee(s) and intermediary parties to this Agreement. Buyer and Seller whom formed this Agreement agree that change(s) can be made only in writing signed by all parties.

27.3 Any information contained herein shall be kept confidential, and shall not be subsequently disclosed to third (3rd) parties or reproduced in any way, provided however, that each Party may disclose such information to such Party's affiliate(s), agent(s), employee(s), lender(s), counsel(s), accountant(s) or advisor(s) who have a need to know such information and have agreed to keep such term(s) confidential, or as may be required in order to comply with any law or government regulation(s), which include any and all reporting requirement(s), court or regulatory proceeding.

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| Seller: | Contract Code: Page 13 of 21 | Buyer: |
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27.4 This Agreement shall be kept in the strictest confidence for at least five (5) years from the date hereof.

28. REMUNERATION TO INTERMEDIARIES

Pursuant to the Master Fee Payment Agreement (MFPA), **Appendix "C"**, 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.

29. BREACH AND SANCTION PROCEDURE

- 29.1 Notwithstanding CLAUSE 18, "Liability Exemptions" hereinabove, in case of failure of the Seller or the Buyer (the "Non- Performing Party") to comply with any of the obligation(s) assumed under this Agreement, the other Party, without prejudice to any other recourse available to them, may consider such failure as a breach of this Agreement and terminate same, or unilaterally suspend its performance until such failure is remedied, and in any case may claim direct damages for the Breach of this Agreement from the other Party, to the extent allowed by the "Term(s) and Condition(s)" set forth herein.
- 29.2 In the event Buyer delays payment according to the herein payment terms agreed upon and authorized by both Parties, Buyer shall pay Seller compensation at the rate of one tenth of one percent (0.1%) of the unpaid amount per each day of delay, but which in total shall not exceed five percent (5%) of the unpaid amount. Payment of such compensation does not exempt the Buyer from fulfillment of its obligation(s).
- 29.3 Penalty for the Buyer applies, that in the event that three (3) International Banking Days after the delivery of the copies of the Proof of Product Documents as listed to the Buyer, the Buyer's Bank fails to send to the Seller's nominated Bank, the Auto Revolving Documentary Letter of Credit, it will be construed as a non-performance by the Buyer. And as penalty for the non-performance the Buyer within 5 days, pays to the Seller, the 2% Cash by TT wire transfer to the Seller's nominated bank.
- 29.4 Penalty for the Seller applies in the event of non-performance of the Seller to deliver the goods, the 2% Performance Bond within 45 days will be absorbed by the Buyer and the Agreement automatically becomes null and void.
- 29.5 Failure by either Party to take action against the other in case of the other Party's noncompliance with obligation(s) or condition(s) set forth within this Agreement shall not be interpreted as a waiver to take action for a subsequent non-compliance with the same or other obligation(s) or condition(s).
- 29.6 BUYER warrants that the product hereunder shall not be traded directly or indirectly with or to any nation, entity, destination prohibited by the United Nations.

30. CONCLUSIONS, DECLARATIONS AND SIGNATURES

30.1 This Agreement is executed in multiple counterparts and will be lawful and fully effective even though signatures may not be placed at the same time and the same location.

30.2 Facsimile or electronic copies of the signed Sales/ Purchase Agreement (SPA) 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 25 pages, including two (1) schedule and six (3) appendices. (A-C).

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| Seller: | Contract Code: Page 14 of 21 | Buyer: |
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30.3 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.

30.4 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.

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

30.6 This Agreement 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.

The Buyer (*Company Name*)

Signature Date SEAL

The Seller (*Company name*)

Signature Date SEAL

The Witness

Signature (Witness) Date

| | | |
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| Seller: | Contract Code: Page 15 of 21 | Buyer: |
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PRINCIPALS BANKING:

SELLER'S BANK COORDINATES

| |
|------------------------|
| Account Name: |
| Bank Name: |
| Bank Address: |
| Account Number: |
| Swift Code: |
| Bank Officer: |
| Bank Phone: |

BUYER'S BANK COORDINATES

| | |
|------------------------|--|
| Account Name: | |
| Bank Name: | |
| Bank Address: | |
| Account Number: | |
| Swift Code: | |
| Bank Officer: | |
| Bank Phone: | |

PRINCIPAL DETAILS:

SELLER:

Company Name:
Address:
Telephone:
Company Email:
Represented by:
E-mail:

BUYER:

Company Name:
Address:
Telephone:
Company Email:
Represented by:
E-mail:

| | | |
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| Seller: | Contract Code: Page 16 of 21 | Buyer: |
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APPENDIX A

BONNY LIGHT CRUDE OIL SPECIFICATION

The Nigerian Bonny Light Crude Oil shall comply with the following Nigerian National Petroleum Corporation (NNPC) Official Technical Specifications:

| | | |
|-----|---|-------------------------|
| 1. | Specific Gravity at 60° F/15.55° C: | 0.8397 - 0.8498 |
| 2. | API Specific Gravity at 60° F/15.55° C: | 37.0 |
| 3. | Density at 60° F/15.55° C - C _g – C _M – MAC | 0.85 max |
| 4. | Pour Point | <40 °F / 4.44 °C |
| 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 |

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| Seller: | Contract Code: Page 17 of 21 | Buyer: |
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APPENDIX B
DELIVERY SCHEDULE

SHIPPING SCHEDULE CIF DELIVERY of BLCO 24,000,000/BBLS

| Shipment No. | Frequency Month-Day | Quantity BBLs/Shipment | Port of Loading | Aggregate Qty in BBLs |
|--------------|---------------------|------------------------|-----------------|-----------------------|
| 1 | Monthly | 2,000,000 | Bonny Terminal | 2,000,000 |
| 2 | Monthly | 2,000,000 | Bonny Terminal | 2,000,000 |
| 3 | Monthly | 2,000,000 | Bonny Terminal | 2,000,000 |
| 4 | Monthly | 2,000,000 | Bonny Terminal | 2,000,000 |
| 5 | Monthly | 2,000,000 | Bonny Terminal | 2,000,000 |
| 6 | Monthly | 2,000,000 | Bonny Terminal | 2,000,000 |
| 7 | Monthly | 2,000,000 | Bonny Terminal | 2,000,000 |
| 8 | Monthly | 2,000,000 | Bonny Terminal | 2,000,000 |
| 9 | Monthly | 2,000,000 | Bonny Terminal | 2,000,000 |
| 10 | Monthly | 2,000,000 | Bonny Terminal | 2,000,000 |
| 11 | Monthly | 2,000,000 | Bonny Terminal | 2,000,000 |
| 12 | Monthly | 2,000,000 | Bonny Terminal | 2,000,000 |
| | | | | |
| | | | | |
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| Seller: | Contract Code: Page 18 of 21 | Buyer: |
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APPENDIX C

MASTER FEE PROTECTION AGREEMENT (MFPA)

This agreement is valid only upon the successful completion of the Coded Transactions referenced above; otherwise it is null and void. This Instrument serves as a **Fee Protection Agreement**, with respect to the purchase of Two (2) Million Barrels X twelve (12) months Nigerian Bonny Light Crude Oil (BLCO) CIF as specified in this Agreement and is hereby issued and agreed by all parties and intermediaries, signing under and with full corporate responsibility and legal authority. The Buyer agrees to the amount of USD \$0.00 per Barrel delivered to the following intermediaries as listed below:

This agreement shall remain in effect for any and all rolls and extensions either as this contract and/or deriving from this contract for a period of up to 60 months.

Seller's Facilitator: **US\$0.00 per Barrel** delivered to be paid to:

Buyers Facilitator: **US\$0.00 per Barrel** delivered to be paid to:

SELLER'S FACILITATORS

1.

| | |
|---------------------------------------|--|
| Bank name | |
| Bank Address | |
| Swift Code | |
| ABA #: | |
| Account name | |
| Account number | |
| Beneficiary Account # | |
| | |
| | |
| Further benefit to: | |

2.

| | |
|---------------------------------------|--|
| Bank name | |
| Bank Address | |
| Swift Code | |
| ABA #: | |
| Account name | |
| Account number | |
| Beneficiary Account # | |
| | |
| | |
| Further benefit to: | |

| | | |
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| Seller: | Contract Code: Page 19 of 21 | Buyer: |
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BUYER'S FACILITATORS

1.

| | |
|---------------------------------------|--|
| Bank name | |
| Bank Address | |
| Swift Code | |
| ABA #: | |
| Account name | |
| Account number | |
| Beneficiary Account # | |
| | |
| | |
| Further benefit to: | |

2.

| | |
|---------------------------------------|--|
| Bank name | |
| Bank Address | |
| Swift Code | |
| ABA #: | |
| Account name | |
| Account number | |
| Beneficiary Account # | |
| | |
| | |
| Further benefit to: | |

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 Agreement and /or deriving from this Agreement for a period up to 60 months.

For and on behalf of the Buyer:

By Buyer: _____

Name:

Passport No.:

Date:

| | | |
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| Seller: | Contract Code: Page 20 of 21 | Buyer: |
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APPENDIX D

PAYMENT GUARANTEES

CASH BACKED BANK GUARANTY FOR THE SUM OF ONE SHIPMENT COVERING THE LAST MONTHS SHIPMENT QUANTITY AND VALUE THAT WILL ACT

AS A COLLATERAL SECURITY GUARANTEE TOWARDS SUCCESSFULL COMPLETION AND LIFTING OF THE CONTRACTED QUANTITY WITH A MATURITY DATE OF 13 MONTHS.

ACTUAL PAYMENT WILL BE MADE BY AUTO-REVOLVING LETTER OF CREDIT ON PER SHIPMENT TO SHIPMENT BASIS AGAINST PRESENTATION OF SHIPPING DOCUMENTS STATED IN THE CONTRACT AT THE BUYER'S BANK.

THE LETTER OF CREDIT SHALL BE IRREVOCABLE, TRANSFERABLE, CONFIRMED, UNRISTRECTEDWITH MATURITY OF 13 MONTHS AND PAYABLE AT THE SELLER'S BANK AND SHALL BE TRANSFERRED BY BUYER'S BANK DIRECTLY.

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| Seller: | Contract Code: Page 21 of 21 | Buyer: |
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