

SALES & PURCHASE AGREEMENT OF "MAZUT 100 GOST10585-75 RUSSIAN ORIGIN"

CONTRACT Nº: /DC/Mazut/D&P/104/FOB/SPOT/Monthly/091214

BUYER CODE:

SELLER CODE: /DC/Mazut/D&P/104/FOB/SPOT/Monthly/091214

Delivery Terms : FOB NOVOROSSIYSK COMMERCIAL SEA PORT ("NCSP").RUSSIAN
Origin : RUSSIAN FEDERATION
Product : MAZUT 100 GOST10585-75 RUSSIAN ORIGIN
Total Quantity : 50,000 MTons (Fifty thousand Metric Tons) +/- 5% SPOT
Price Basis : **Gross** USD \$000.00 per MTONS FOB /**Net USD \$000.00 per MTONS FOB**
Date of Issue : DECEMBER 09th 2014
Expiration Date : DECEMBER 15th 2014 (If not signed and returned by buyer)

This Agreement (the "Agreement") is made on this 1ST of DECEMBER, 2014, and entered into by and between the Seller and Buyer whose names and information details are set forth immediately below.

Seller details:

COMPANY NAME	
COMPANY ADDRESS	
COMPANY REGISTRATION	
REPRESENTED BY	
NATIONALITY	
TITLE	
TELEPHONE/FAX	
E-MAIL	

Buyer Details:

COMPANY NAME	
COMPANY ADDRESS	
COMPANY REGISTRATION	
REPRESENTED BY	
NATIONALITY	
TITLE	
TELEPHONE/FAX	
E-MAIL	

1. SUBJECT OF THE CONTRACT

1.1 The Seller has sold, and the Buyer has bought **MAZUT 100 GOST10585-75 RUSSIAN ORIGIN** hereinafter referred to as the Goods, originating in the Russian Federation, quality whereof to conform to Appendix No. 1 to the present Contract, to be delivered on terms **FOB Gross \$000-/Per MTONS NOVOROSSIYSK COMMERCIAL SEA PORT ("NCSP") RUSSIAN**. The shipment will be made from RUSSIA port (Novorossiysk Commercial port). Decided from the selling party.

1.2 Total quantity of the Goods sold and purchased under this Contract constitutes **±5% Per Metric Tons** the buyer's option.

1.3 Quantity of the Goods delivered on terms **FOB Fifty Thousand (50,000) ± 5% MTONS** as per Spot Shipment.

1.4 The Parties hereby acknowledge use of vessels of tonnage not less than **50,000± 5% MTONS** for the Spot shipment for lifting of the product from Novorossiysk port of the Seller, hereinafter referred to as the "Tanker lot". And **50,000± 5% MTONS** for Spot shipment lifting.

1.5 The following documents shall be considered an integral part of the Spot Contract:
Appendix No.1 – Quality Specification of the Goods;

1.6 The discharging ports is "NOVOROSSIYSK COMMERCIAL SEA PORT ("NCSP")" RUSSIAN.

1.7 The Parties agree that solely for the purpose of the contract total value calculation of delivery and the SBLC, MT103 amount the price of the Goods shall be determined as **USD \$000-/MTONS FOB / Gross** per metric ton.

1.8 The Spot Shipment Value Amount, **USD \$00,000,000.00 (USD Millions) Gross. USD \$00,000,000.00 (USD Millions) Net.**

2. QUALITY

2.1 The quality of the Goods delivered under this Contract shall meet the specification indicated in Appendix No.3 to the present Contract.

2.2 The Parties agree that an independent surveyor, SGS, according to the terms stated herein, shall conduct quality and quantity inspection of the Goods onboard of the vessel at the loading port.

2.3 The Parties agree that inspection costs as shown in the surveyor's invoice in the port of loading shall be borne by the Seller and inspection costs as shown in the surveyor's invoice in the port of discharge shall be borne by the Buyer.

3. DELIVERY TERMS

3.1 Date of the Bill of Lading for the Goods loaded shall be considered as the date of delivery of the Goods.

4. PRICE AND TERMS OF PAYMENT

4.1 Price of the Goods sold under this Contract is calculated in US dollars on terms **FOB NOVOROSSIYSK COMMERCIAL SEA PORT ("NCSP").RUSSIAN.**

4.2 The price of the Goods with sulphur content, 0.5 max % from Novorossiysk port is based on **NOVOROSSIYSK COMMERCIAL SEA PORT ("NCSP") RUSSIAN** per SBLC/MT 103 Payment.

FOB NOVOROSSIYSK/DIP AND PAY TERM & TRANSACTION PROCEDURES

1. Buyer sends ICPO to Seller on receipt of Seller's Soft Offer

2. Seller issues draft contract with commercial invoice to Buyer, Buyer Signs and returns to Seller for final endorsement.

3. Buyer Provides for seller, buyer's vessel information and details for clearance nominated vessel terminal.FOB Novorossiysk port Dip and Pay.

4. Seller issue to buyer as listed below:
DTA- Dip Test Authorization

Shore Tab Receipt.

Indigenous Analysis Report.

SGS Report of the product upon confirmation of buyer's port clearance by seller.

5. Upon confirmation of ACT of TRANSFER in the buyer's name, seller issue to the buyer Title of ownership certificate to be followed by all export documentation.

6. Buyer conducts Dip Test and lifting commence and buyer releases payment as agreed by both parties after the positive quality and quantity Dip Test Result.

7. The subsequent deliveries shall commence according to the terms and conditions of the contract.

4.3 The total contract quantity of the commodity will be **50,000 MTONS ±5% MTONS.**

4.4 Period of SBLC, MT103 payment should not exceed Five(5) banking days after the date of the CIQ inspection at **NOVOROSSIYSK COMMERCIAL SEA PORT ("NCSP") RUSSIAN.**

4.5 The bank executing the SBLC, MT103 should be the Bank of the Buyer

1: The buyer has to make the SBLC, MT103 Wire through his operative bank in favor of the seller via Swift Bank to Bank.

2: When the vessel arrives at the destination port, the good pass the re-inspection of **NOVOROSSIYSK COMMERCIAL SEA PORT ("NCSP"). RUSSIAN** Entry-Exit Inspection and Quarantine Bureau (CIQ). The buyer will submit all necessary & compulsory documents to negotiate with his bank for the payment.

4.6 Payment Documents:

The payment for the SBLC, MT103 is made against the below documents as handed over to the buyer's representative by the Vessel Captain:

1) Full set of 3/3 Bill of Lading clean on board marked: "freight payable as per Charter Party".

Bill of Lading to be originally hand signed by master or vessel's agent at the port of loading.

2) Certificate of Origin, 1copy;

3) Time sheet, 1 copy;

4) Certificate of Quality and quantity made by SGS at the loading port;

5) Ullage report, 1 copy;

6) Master's receipt for samples and for documents, 1 copy;

7) Invoice, 3 original 1 copy;

8) The third party documents other than the Invoice Parties are acceptable;

9) The seller put 110% insurance for each vessel. Insurance document, 3 copies;

10) Certificate of Quantity and quality issued by CIQ at discharge port.

4.7 All bank charges in the Seller's Bank shall be on the Seller's account, all bank charges in the Buyer's Bank shall on the Buyer's account.

5. DELIVERY AND ACCEPTANCE

5.1 Delivery and acceptance of quantity of the Goods shall be executed in accordance with the requirements of the present Contract through transfer of the Bill of Lading to the Buyer.

5.2 The quality of the Goods delivered under the present Contract shall be indicated in the Quality Certificate issued by an independent surveyor (SGS) at the port of loading.

5.3 Quantity and quality assessments of the Goods by the appointed Surveyor Company shall be carried out by the appointed surveyor in accordance with methods and procedures commonly used in the oil industry practice and accepted at the port of loading, and, however, at all times, shall strictly comply with the revised ASTM/IP International standards and procedures.

5.4 Latest revised edition of ASTM tables shall be used for conversion of observed volumes of the Goods to the volumes at the standard temperature and for conversion of volumes to weight.

5.5 Each tanker lot of the Goods shall be accompanied with the Full set of 3/3 clean on board bill of lading marked: "freight payable as per Charter Party". Each original to be hand signed by master or vessel's agent at the port of loading.

5.6 At the time of the vessel loading inspected samples shall be taken from the auto sampler or flow-meter. Sampling shall be performed according to the standard procedure accepted at the given port. Samples taken in such manner shall be thoroughly mixed, put into bottles and sealed.

5.7 One part of each of these samples filled into not less than two bottles and sealed by the Seller or their appointed representative, shall be placed on board of the tanker under the care of the Vessel Master for delivery to the Buyer or his nominated representative at the port of discharge. The other part of the same samples filled into not less than two bottles shall be sealed by the Vessel Master and delivered to the Seller.

5.8 The samples taken in both such manner shall be considered as the inspected samples after the loading.

6. DELIVERY ADVICE

6.1 Seller should notify the buyer of the chartered ship's particulars (general dimensions, cargo system arrangement, maximum unloading capacity rate, cargo tanks capacities at 98% loaded, manifolds sizes and reductions available on board), her name, tonnage, flag, draught, on board quantities etc, and the service time over 15 years is unacceptable., also notify the buyer contact person of the shipping agent at the discharge port. This information must be provided to the buyer at five (5) days prior to the seller's vessel nomination, so as to assure compliance at the buyer's discharge port.

6.2 Vessels chartered by Seller shall in all respects meet discharging port rules and regulations in terms of seaworthiness, otherwise, or and any damages caused by non-compliance with such rules and regulations shall be imposed on the Seller.

6.3 Within 5 international bank working days after the seller loaded his vessel, shall send the shipping advice to buyer and the agent by fax. The documents include:

- Code of contract and copy of commercial invoice;
- Original copy of inspection report for quantity and quality issued by SGS at loading port;
- Name of vessel, voyage, name of loading port and date of departure;
- Original copy of B/L, number and issue date;
- Estimated date of arrival;
- Insurance Company and policy number.

7. COMPENSATION FOR POLLUTION

7.1 The vessel carries a certificate of insurance as described in the civil liability convention for oil pollution damage;

7.2 The vessel has in place insurance cover for oil pollution no less in scope and amounts than available under the rules of P&I clubs entered into the international group of P&I clubs.

8. INSURANCE

8.1 Seller, at his own expense, shall procure a policy with a first class marine insurance institute to cover the 110% (one hundred and ten percent) of the value of the cargo. The insurance policy will cover all risks of loss or damages to said cargo, including war, hijacking, explosion shortage etc. From the time the cargo has passed the ships manifold at the loading port. A copy of the said policy is to be submitted to buyer.

8.2 Marine insurance will cover all risk, of loss or damage to said cargo, including war, hijacking, explosion and goods not arriving at the buyer's designated port etc. until cargo commences to pass the ship's manifold flanges at the discharge port.

9. LAYCAN-LAYTIME-DEMURRAGES

9.1 Lay-can

Seller and buyer hereby agree on the lay-can at buyer designated discharge port(s).

9.2 Lay-time

9.2.1 Buyer warrants that seller's nominated vessel(s) will be allowed to discharge her cargo within two hundred and sixteen (216) free running hours SHINC' plus six (6) hours nor, but start to count of the Lay time will according with the GENCON C/P 1994

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

9.2.3 Time spent for customs/ health/ port authority formalities for ship and goods, pilot age from anchorage area to berth, mooring, or crossing river mouth, shall not to count as Lay time.

9.3 Demurrage

9.3.1 Demurrage at the unload port(s), if any and according to above mentioned if caused by the buyer, will be paid by the buyer. Otherwise, it is paid by the seller. Demurrage will be counted in accordance with charter party.

9.3.2 If the vessel arrives at the discharge terminal ahead of the range of days, this notice shall only be effective as from 00.01 hours on the first of these days, unless the discharge terminal begins to discharge the vessel before such time. In the case of a vessel arriving later than the range of days accepted, the discharge terminal will use his best efforts to minimize the delay to discharge. However, in such cases, lay time will only start to count upon vessel being all fast in berth.

10. CLAIMS

10.1 If the quality or quantity of the goods at the discharging port inspected by CIQ does not conform to the Contract Specification, claims for quality or quantity shall be submitted to the Seller within 2 (two) month of the date of delivery. Any claim made after that the Seller shall not accept date, and the Buyer shall have no right to resort to Arbitration.

10.2 The Buyer shall submit the following documents for claims consideration:

Timesheet;

1 Copy of Notice of Readiness;
Bill of Lading photo copy plus one copy of original;
Certifications of quality and quantity issued from independence inspection organization;
Certificate of Origin;
Certificate of Unloading;
Act of flow-meter passing

10.3 In case independent Inspection proves that the chemical composition of any consignment does not conform to the specification agreed in the present Contract, the Buyer shall accept such consignment with reduction in price as agreed by the Parties. If the Buyer fails to inform the Seller within 60 (sixty) calendar days of the date of arrival of the Goods to the port of dispatch in written form or (by fax) supplying all necessary copies of inspection reports proving inferior quality of the tanker lot as compared with the Quality Specification of the Goods set forth in this Contract, such tanker lot of the Goods shall be declared by the Seller as conforming to the agreed quality and no further claim shall be accepted from the Buyer for consideration.

10.4 If the Seller receives a written claim with respect to quality, quantity of a tanker lot of the Goods within the stipulated period of time in accordance with the terms of this Contract, he shall have the right to agree with the Buyer as regards the discount in the price for such lot of the Goods or other compensation not limited in the discount.

10.5 In the event of failure to deliver of a tanker lot of the Goods in the time period agreed by the Parties the Seller shall be liable for penalty payments at the rate of 0.3% (zero point three percent) of such tanker lot value per each day of delay. Total amount of penalty payments cannot exceed **\$5/MT** (two percent) of the non-delivered Goods value at which time a breach of Contract is declared automatically.

10.6 Any penalties stipulated in the present Contract imposed on one of the Parties shall be paid to the damaged Party within 5 (five) international banking days of the date of acknowledged instance of according Contract breach.

11. FORCE – MAJEURE

11.1 As regards the terms of delivery of the Goods under this Contract, the regulations of the International Chamber of Commerce, Paris, France shall apply to Force-majeure circumstances.

11.2 Neither of the Parties shall be liable for complete or partial non-performance of obligations, if such non-performance resulted from Force-majeure circumstances such as fires, floods, strikes, wars (whether wars declared or undeclared), riots, embargoes, accidents, restrictions imposed by any governmental authority (including protection, quotas, priorities, requisitions and price control) and any other circumstances which are beyond control of the contracting Parties and have arisen after conclusion of the present Contract.

11.3 If any of above mentioned circumstances directly affects performance of the obligations in the period of time determined by the present Contract, the time for performance of obligations shall be extended correspondingly by the period for which such Force-majeure circumstances persisted.

11.4 In the case the Force-majeure circumstances persist for more than 30 (thirty) days, the Parties shall have the right to cancel this Contract partially or completely. In this case neither of the Parties shall have the right to claim any compensation from the other Party for possible losses.

11.5 A certificate issued by the Chamber of Trade and Commerce of the corresponding country shall serve as a sufficient proof of approach and duration of the Force-majeure circumstances.

12. ARBITRATION

12.1 The present Contract is a purely commercial deal concluded in accordance with International rules related to preparations, interpretation, execution of legality and any other issues regarding performance of the present Contract including customary norms of honesty, confidentiality adopted by the International Chamber of Commerce (ICC), Paris, as well as temporary suspension of deliveries due to force-majeure circumstances. Should the Parties fail to reach an agreement as regards any aspect of performance of the present Contract the Parties agree to submit the matter to Arbitration Court?

12.2 All disputes or controversies which may arise out of the present Contract shall be settled at the Arbitration Court in accordance with the rules and procedures of the stated Arbitration Court.

12.3 Decision of the stated Arbitration Court shall be final and binding upon both Parties.

13. ORDER OF ASSIGNMENT

13.1 The property and risk on the product shall pass to the Buyer as the product passes Vessel's first (1st) permanent hose connection at loading port.

13.2 The Parties may assign their rights and responsibilities under the present Contract to third parties only upon written approval of the other Party.

14. SPECIAL CONDITIONS

14.1 The Parties hereby agree that all terms, which are not specifically confirmed and agreed upon in this Contract, have to be referred to the general rules of the ICC INCOTERMS Edition 2000 with latest amendments.

15. CONTRACTUAL VALIDITY PERIOD

15.1 The present Contract comes into force on the day of its signing by the Parties and shall remain valid until full settlement in respect to the contractual payment.

16. OTHER CONDITIONS

16.1 After the present Contract signing all previous negotiations and correspondence between the Parties shall become null and void.

16.2 Any written alterations and appendices to this Contract shall be valid only if they are signed by both Parties.

16.3 All signed Appendices and Additions are an integral part of the present Contract.

16.4 Except for the cases, expressly stipulated in the present Contract, neither of the Parties should bear responsibility for indirect losses, which have arisen as a result of performance (non-performance) of the obligations under the present Contract.

16.5 All taxes, customs and other duties connected with performance of this Contract levied before the point of receipt of the Goods (par. 1.1.) shall be paid by the Seller.

16.6 All taxes and duties levied after the point of receipt (par. 1.1) shall be paid by the Buyer.

16.7 The original of this Contract exists in English and Russian languages in six copies, three for the Buyer, and three for the Seller, all having equal legal power.

16.8 Coordination of terms of the present Contract made in writing and verified by signatures and seals of the Parties' representatives shall be acceptable.

16.9 Grammar mistakes and misprints, if such are present, shall not be considered as contradictions.

16.10 Any information contained herein constitutes a commercial secret, shall be kept confidential and shall not be disclosed by the Parties.

17.1 THE SELLER'S BANK:

Seller's Bank Detail

Bank Name	
Bank Address	
Account Name	
Account #	
SWIFT/IBAN	
Bank Officer	
Telephone	
Fax	

17.2 THE BUYER'S BANK:

Buyer's Bank Detail

Bank Name	
Bank Address	
Account Name	
Account #	
SWIFT/IBAN	
Bank Officer	
Telephone	
Fax	

18. REMUNERATION TO INTERMEDIARIES

Pursuant to the Master Fee Payment Agreement (MFPA), 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.

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 **FOB, Fifty Thousand (50,000) MT ± 5% , MAZUT 100 GOST10585-75 RUSSIAN ORIGIN** 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 00- per MT** 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: **USD 0-** per MT delivered to be paid to: **Firowo Holdings limited** – International Oil Trading Company – Suite 41/42 – Victoria House – 26 Main Street – GIBRALTAR – Email : oil@firowo.com as **paymaster for Seller side.**

SELLER’S FACILITATORS

1.

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

Buyer’s Facilitator: **USD 0-** per MT delivered to be paid to:

as **paymaster for Buyer side.**

BUYER'S FACILITATORS

1.

<u>Bank name</u>	
<u>Bank Address</u>	
<u>Swift Code</u>	
<u>ABA #:</u>	
<u>Account name</u>	
<u>Account number</u>	
<u>Beneficiary Account #</u>	
<u>Further benefit to:</u>	

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:

QUALITY CERTIFICATE SPECIFICATIONS

"MAZUT 100 GOST10585-75 RUSSIAN ORIGIN"

1.Ash content, not more %	0.1
2.Mass fraction of sulphur, not more % - low - sulphur residual - oil	0.5
3.Temperature of the flash, not less C in the closed crucible	
In the open crucible C	110 min
4.The temperature of solidification,not higher C	25
5.Kinematics viscosity at 50 C	118 max
6.Water content	0.5%
7.Mechanical impurities	Lower than 0.1%
8.Acidity	Lower than 5mg KOH/100ml
9.Alkalinity	Nil
10.Gross Calorific Value Kcal/kg/KJ/kg	Min9200/41300
11.Density at 15.0 deg. C Kg/I	0.880-0.9200
12.Hydrogen Sulfide Content (H ₂ s) pom	0.5 max
13.Carbon Residua	Lower than 7%
14.Vanadium (V)ppm	30 MAX
15.Aluminium (Al) ppm	5
16.Silikon (Si)ppm	12
17.Nickel (Ni)ppm	49
18.Asphaltenes m/m	3.6%
19.Destilation @4 mm Hg	
Extracted to 760 mmHg	
Initial Boiling Point deg. C	216
5% recovered deg. C	259
10% recovered deg. C	310
20% recovered deg. C	358
30% recovered deg. C	445
40% recovered deg. C	502
50% recovered deg. C	534
60% recovered deg. C	538
75% recovered deg. C	545
80% recovered deg. C	-
90% recovered deg. C	-
Final Boiling Point deg. C	550
Percent Recovered vol	78%
Residue vol	22%
Total Nitrogen m/m	0.192%
20.Sodium (Na)ppm	15
21.K ppm	40
22.Ca ppm	10

NON-CIRCUMVENTION NON-DISCLOSURE CONFIDENTIALITY AGREEMENT

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.

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. 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.

This Agreement shall be kept in the strictest confidence for at least five (5) years from the date hereof.

If the above negotiation terms and working procedures are accepted by your company, Kindly sign and stamp this document and return it back to us before the expiration date to enable us approve it and immediately proceed further as soon as possible.

SELLER'S SIGN AND SEAL

BUYER'S SIGN AND SEAL