

**BUYER REFERENCE:
CONTRACT NUMBER:
RUSSIAN AVIATION KEROSENE CONTRACT (COLONIAL GRADE JP54)**

**SALES AND PURCHASE CONTRACT
RUSSIAN AVIATION KEROSENE COLONIAL GRADE JP54**

This Contract made on this day 26th, 2010 by Seller and Buyer

BETWEEN

BUYER

Company Name	
Address	
Country	
Tel	
Fax	
E-mail	
Represented by	
Designation	

(Hereinafter referred to as "**Buyer**")

And:

SELLER

Company Name	
Address	
Country	
Tel	
E-mail	
Represented by	
Designation	

(Hereinafter referred to as "**Seller**")

Whereas, the parties mutually desire to execute this Contract which shall be bound upon and in accordance with the jurisdictional law of the negotiated and fully executed contract.

Whereas, the parties mutually accept to refer to the General Terms and Definitions, as set out by the **INCOTERMS Edition 2000 (ICC No. 560 & No. 60 URL) with latest amendments**, having the following terminology fully understood and accepted:

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DEFINITIONS

Metric Ton

A measure of weight equivalent to one thousand kilogram mass (1,000kg)

Commodity

Referred to as being **RUSSIAN AVIATION KEROSENE COLONIAL GRADE JP54** elsewhere in the Agreement also referred to as which specifications are detailed in the “*Appendix № 1*” which is an integral part of this Contract.

Day

Means a Calendar day, unless differently specified.

Month Calendar

Means a Gregorian calendar month.

Quarter

Period of three (3) consecutive months – 1st January, 1st April, 1st July or 1st October.

ASTM

American Society for Testing and Materials, is the institute, internationally recognized, that approved all Standards, Tests and Procedures used in the Oil Industry and to be referred in The Agreement to the latest revised edition with amendments in force to date.

Out-turn

The quantity and quality of the product ascertained, according to the ASTM procedures, on completion of the discharge operations. The so determined out-turn quantity and quality is the base on which the amount will be computed for the payment of the product effectively delivered to the Buyer.

Bill of Lading

The official document, issued at the load port after completion of the loading operations, stating, among other things, the ship's loaded quantity, expressed in Metric Tons (MT) per the definitions herein. This document has to be signed in original by the ship's Master and made out in accordance with the instruction hereinafter specified in this contract.

Discharge Terminal

The safe port/berth designated by the Buyer as final receiving destination.

FOB

Free On Board

Delivery Date

The date mutually accepted by both Seller and Buyer as the date on which the nominated international Surveyor Company has ascertained the quantity and quality of the product pumped into the Buyer's designated discharge terminal facilities.

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Proof of Product

Document issued by authority entity and should be confirmed with bank responsibility. Whereas, Seller and Buyer, under full corporate or trust authority and responsibility, respectively represent to each other on the date hereof that the Seller is lawful Seller of the commodity, in the quantity and quality hereunder specified, and the Buyer has the full capability to purchase the said commodity.

CLAUSE 1 - SCOPE OF THE CONTRACT

1.1 The Seller and Buyer, under full corporate authority and responsibility, respectively represent that one part is a lawful owner of the commodity in quantity and quality as hereunder specified, and the other has the full capacity to purchase the said commodity.

1.2 The following documents will be considered as an integral part of the present contract:

- Appendix № 1 - Quality Specification.
- Appendix № 2 - Schedule of Deliveries.
- Appendix № 3 - Text of Documentary Letter of Credit (DLC).
- Appendix № 4 - Text of Performance Bond (PB)
- Appendix № 5 – Letter of Indemnity.

CLAUSE 2 - COMMODITY

2.1 **RUSSIAN AVIATION KEROSENE COLONIAL GRADE JP54**, having the contractual minimum guaranteed specifications as per *Appendix № 1*.

CLAUSE 3 – QUANTITY

3.1 The monthly contractual quantity of the commodity sold and purchased under this contract is **Ten Million barrels (10,000,000 BBLs) per Month**, with a variation of plus minus five percent (+/-5%) at Seller's option as *Appendix № 2*.

3.2 Seller and Buyer hereby agree to deliver and accept the above quantity in partial shipments with reference to provisions set out in *clause 8* (Delivery).

3.3 That the validity of the allocation assignment, as reported in the above *clause 3.2* is subject to the acceptance by the Seller of the Buyer's financial instrument.

3.4 The actual quantity of each shipment of **RUSSIAN AVIATION KEROSENE COLONIAL GRADE JP54** shall be assessed by the Independent surveyor at the loading port on completion of each loading operation, on the basis of shores figures, or as otherwise stipulated by *clause 9.3* of the contract. This assessed quantity shall be used for computing the amount to be paid to the Seller.

CLAUSE 4 – TIME PERIOD

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- 4.1 The duration of this contract is for a period of **One (1) year**, consisting of **twelve (12) consecutive calendar months** with rolls and extensions
- 4.2 The first delivery shall take place within **twenty to thirty (20 to 30) working days** from the date accepted Buyer's financial instrument.
- 4.3 The time period for the conclusion of each monthly supply shall terminate once the final batch of current monthly lot has been assessed at the final batch not to exceed thirty (30) days.

CLAUSE 5 – QUALITY

- 5.0 For the full duration of the contract, the Seller guarantees that the quality of the product will conform to the guaranteed specification indicated in *Appendix № 1* **RUSSIAN AVIATION KEROSENE COLONIAL GRADE JP54** which constitutes an integral part of this contract.

CLAUSE 6 – PRICE

- 6.1 The price shall be Fixed price of Gross USD 62/ USD 58 per Barrel FOB Rotterdam for the entire contract period. The price for this contract is to be paid in US Dollars. (Depending on when the contract is secured)

CLAUSE 7 – PAYMENT / BANKING PROCEDURES

- 7.1 Payment shall be made on cargo basics not later than Seven (7) international banking days after discharge date (discharge date = day 0) against shipping documents
- 7.2 Buyer issues an ICPO with right to soft probe and returns the NCNDA/IMFPA which is supplied to Buyer .
- 7.3 **DRAFT CONTRACT is issued in 24 to 48 hours.**
- 7.4 Buyer returns DRAFT CONTRACT, initials all pages and sends it with the Buyer's signature and seal with any amendments if any. In company letterhead

SIMULTANEOUSLY while sending the signed Draft Contract, Buyer's Bank will issue SWIFT confirmation for proof of funds to Seller's Bank as stated in the DRAFT CONTRACT to enable Seller to move ahead with additional documents. SELLER will then provide partial POP after the SWIFT CONFIRMATION IS RECEIVED.
- 7.5 issues original contract for final signatory with both parties signing and exchanging hard copies of the contract via courier and both parties lodge the contract with their respective Banks.

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- 7.6 Seller's bank shall notify the Buyer's bank that they are willing and ready to issue a non-operative 2% performance bond (PB) to Buyer's bank. The 2% PB will be placed in Buyer's bank account, should fail to supply the cargo of the products, this 2% PB will be paid to the Buyer and intermediaries accordingly as compensation.
- 7.7 The Buyer issues the MT103/23 for the first lift then RDLC for the monthly cargo value within 5 (five) banking days after receipt of 2% PB from This action makes simultaneously and automatically the 2% PB from Seller's bank and the DLC from the Buyer's bank operative.
- 7.8. bank issue to Buyer's bank the Proof of Product (**POP**) providing the following documents as **POP** (Proof Of products):
- a. Copy of license to export, issued by the department of the ministry of energy.
 - b. Copy of approval to export, issued by the department of the ministry of justice.
 - c. Copy of statement of availability of the product.
 - d. Copy of the refinery commitment to produce the product.
 - e. Copy of the **OJSC AK TRANSNEFT** contract to transport the product to the port.
 - f. Copy of the port storage agreement
 - g. Copy of the charter party agreement(s) to transport the product to discharge port.
- 7.9. Delivery commences as per contract and the shipment should arrive at Buyer's discharge port within 15 to 20 days after the DLC and all paperwork is completed by both banks and received by the
- 7.11 In acceptance of the POP and PB, Buyer's Bank issue (100%) Letter of Credit (DLC) for each Monthly shipment delivery to activate 2% PB

Seller's bank issue to Buyer's bank the Proof of Product (**POP**) providing the following documents as **POP** (Proof Of products):

- a. Copy of license to export, issued by the department of the ministry of energy.
- b. Copy of approval to export, issued by the department of the ministry of justice.
- c. Copy of statement of availability of the product.
- d. Copy of the refinery commitment to produce the product.
- e. Copy of the **OJSC AK TRANSNEFT** contract to transport the product to the port.
- f. Copy of the port storage agreement
- g. Copy of the charter party agreement(s) to transport the product to discharge port.
- h. Tank Storage Receipt (TSR)
- i. SGS report

CLAUSE 8 – DELIVERY

- 8.1 The Seller warrants performing delivery of the transacted Commodity on FOB Rotterdam basis

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- 8.2 In accordance with provisions set out in the above *clause 3* (quantity), the Seller and Buyer hereby acknowledge to performing the delivery of monthly lot in batches to conclude the total amount of **not less than** Ten Million Barrels (10,000,000 Bbls).
- 8.3 The Seller to notify the Buyer of the full-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). This information must be provided to the Buyer at least five (5) days prior to the Seller's vessel nomination, so as to assure compliance at the Buyer's discharge port.
- 8.4 The Seller shall ensure timely arrival of the ship to the discharge port in conformity with the approved schedule.
- 8.5 The vessels chartered by the Seller shall in all respects meet port rules and regulations in terms of seaworthiness, fire and common safety, ballasting operations and discharge rates, otherwise, all and any damages caused by non-compliance with such rules and regulations shall be imposed on the Seller.
- 8.6 The Seller's chartered vessel(s) will arrive at the loading port with her tanks in a prepared state for fitness and cleanliness inspection.
- 8.7 The vessel's Master shall advise the Buyer and Ship owner's Agent at the port of discharge, the ship's ETA 120 hours before her arrival, her name, tonnage, flag, draughts, on board quantities and actual time of arrival, 48, 36, 24 and 12 hours before her arrival to the discharge port.
- 8.8 The Seller's chartered vessel may arrive at the designated load port with slops in one or two tanks. It is the sole and exclusive option of the seller to perform LOT (Load On Top) procedure or keep said amount of slops segregated from the incoming cargo. In the event of any LOT procedure, Seller will arrange that said tanks containing the slops would be sampled separately.
- 8.9 Vessel(s) to be accepted by Buyer and such acceptance shall not be unreasonably withheld. However, the Seller's chartered vessel shall comply with the three major oil company's requirements and shall be TOVALOP/PANDI or equivalent registered.

DOCUMENTS

- 8.10 The Seller shall present the following documents to the buyer's bank for negotiation and all of the following documents shall be faxed directly to the Buyer prompt after completion of loading, latest within two (2) days after vessel sailed from loading port.

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8.10.1 A full set of 3/3 originals plus 2 N/N copies of Ocean Bill of Lading made out "Clean on Board" marked "Freight Prepaid". The B/L to be signed in original by the ship's Master and "Blank" issued or endorsed for the destination, identification of the loaded cargo with quantity expressed in US Barrel at 60 degrees Fahrenheit and Metric Tons (15 °C).

8.10.2 Original quantity and quality inspection certificates plus three (3) copies as issued at loading port and discharging ports by an independent Surveyor Company (SGS) nominated by Buyer and Seller.

8.10.3 Certificate of Origin plus two (2) copies countersigned by a local Chamber of Commerce.

8.10.4 Signed commercial Invoice based on the delivered quantity and quality, name of vessel, date of completion discharge quantity and state of delivery, three (3) originals and two (2) copies.

8.11.5 Full set of one (1) original plus two (2) copies of Insurance policy for not less than 110% of the invoice value against All Risks and War Risk and making end buyer as beneficiary.

8.11.6 Time sheet showing at least date of Notice of Readiness (N.O.R) tendering at discharging port and date of hoses disconnection showing demurrage if any.

8.11.7 Tank's Cleanliness certificate & Tank's Inspection certificate.

8.11.8 Ullage report.

8.11.9 Cargo manifest (original).

8.11.10 Captain's receipt (original) confirming receipt of bottles containing Arbitration quality samples of product loaded by vessel.

8.11.11 Captain's receipt of one copy of all documents of the shipped product (original)

CLAUSE 9 - INSPECTION – QUANTITY / QUALITY DETERMINATION

9.1 Seller and Buyer mutually agree that an internationally recognized first class independent Surveyor Company SGS (Societies General de Surveillance) shall be appointed at loading port (Rotterdam), to assess the quality and quantity of the cargo according fee, the inspection costs at loading ports shall be covered by Seller.

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- 9.2 Quantity and quality assessments, conducted by the appointed Surveyor Company, shall be in accordance with methods and procedures usually used in the oil industry practice, and however, at all times, shall strictly comply with the revised ASTM/IP International standards and procedures enforced at the date of compliance.
- 9.3 For converting volumes, from observed to standard temperature, and volumes to weight, ASTM tables, latest revised edition, have to be used.
- 9.4 The assessed quantity will be used for computing the amount to be paid to the Seller, applying the price as per the agreement.
- 9.5 In the event of an inaccuracy with the devices used to measure the quantity received at the loading port (Rotterdam) (failure of flow meters, meter banks and / or other devices) then manual shore tank measurement shall be applied.
- 9.6 During loading of the tanker, Arbitration Samples are to be taken from the auto sampler or flow meter. Sampling should be performed according to the standard procedure currently accepted in Russia. Samples thus taken shall be thoroughly mixed. Put into bottles and sealed.
- 9.7 One part of these samples filled into not less than two (2) bottles and sealed by Seller or their appointed representative, is to be placed on board the tanker under the care of the captain for delivery to the buyer or their nominated representative at the loading port, Rotterdam.
- 9.8 The taken samples shall be considered as the only samples for arbitration. If loading was made under the observance of the independent shall be considered as arbitration samples.
- 9.9 Both parties shall keep these samples within the duration of this contract, and in case of claims, until moment of settlement.

CLAUSE 10 – INSURANCE

- 10.1 **(NOT APPLICABLE TO FOB)**

CLAUSE 11 - PERFORMANCE BOND (PB)

- 11.1 The Seller's Bank, in accordance with the provisions set out, will post into the beneficiary's bank account nominated by the Buyer, an irrevocable, revolving, transferable, Performance Bond to cover **two percent (2%) of each monthly quantity**, revolving for the entire contract period as per *Appendix № 4*.

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11.2 The format of the Performance Bond shall be in accordance with the least *UCP 500 (Uniform Customs and Practice for Documentary Credits, 1999 revision, ICC Publication No. 500 & 2000)*

CLAUSE 12 - CLAIMS.

12.1 Any claims that either party may have, due to an occurrence, has to be submitted to the other party within a period of two (2) weeks from the dates of that occurrence. Any claims made after that the Seller not accept date, and Buyer will have no right to apply to Arbitration.

12.2 In case the independent inspection proves that the chemical composition of any consignment does not conform to the specification agreed in the present Contract, the Buyer does not need to accept such consignment with reduction of price as agreed by the Parties. Seller should at all means make sure that the specifications will meet as per the appendix no 1. If not both Seller and Buyer start negotiation on a new price. If both parties can not agree than the Seller is hold responsible.

12.3 If the Seller receives a claim with respect to quality, quantity of a consignment of the goods within the stipulated period of the 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 consignment of the goods. Seller should at all means make sure that the Quantity and Quality will meet as per the appendix no 1 and 2. If not both Seller and Buyer start negotiation on a new price. If both parties can not agree than the Seller is hold responsible.

12.4 The Buyer shall submit the following documents for consideration of claims:

- 1) Act of stoppage time registration,
- 2) Notice of readiness,
- 3) Bill of lading 3/3 originals plus one copy,
- 4) Certificate of quality,
- 5) Certificate of quantity.
- 6) Certificate of origin,
- 7) Act of flow-meter passing,
- 8) Certificate of loading, as well as any other documents relevant to the particular shipment signed by authorized persons.

CLAUSE 13 - TAXES, OBLIGATIONS AND IMPORT

13.1 The Seller shall pay all and any taxes, duties related to the performance of this contract and collected up to the nominated loading port.

13.2 The Buyer shall pay all and any taxes, duties related to the performance of this contract and collected at and beyond the nominated loading port.

CLAUSE 14 - FORCE – MAJEURE

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- 14.1 This Contract is governed by the regulations of the international Chamber of Commerce, London, UK, with regard to Force-majeure circumstances.
- 14.2 Neither of the Parties shall be liable for complete or partial non-performance of obligations, if such non-performance is the result from Force-majeure circumstances such as fire, 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 this contract.
- 14.3 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 lasted.
- 14.4 In the case of force-majeure circumstances continue for more than 90 (ninety) days, the Parties shall have the right to cancel this Contract partially or completely, In this case either or the parties shall have the right to claim any compensation from the other party for possible losses.

CLAUSE 15 – APPLICABLE LAW

- 15.1 This contract shall be interpreted in accordance with the law and in the event of any dispute incapable of amicable solution, the dispute shall be submitted to the International Chamber of Commerce London, England, and London High Court will make the final judgement.

CLAUSE 16 – BREACH

- 16.1 In the event failure by the seller or buyer to comply with any of the obligation assumed under this contract, shall entitle the other party, without prejudice to any other or resources available to it, to consider such failure as breach of this contract and to terminate the same, or to unilaterally suspend its performance until such failure is collected, and in both cases, may claim direct damages for the breach of this contract.

CLAUSE 17 – ARBITRATION

- 17.1.1 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), London UK, as well as temporary suspension of deliveries due to force – majeure circumstances. Should the Parties fail to reach an agreement

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as regards any aspect of performance of the present contract; the Parties agree to submit the matter to the London Court of international arbitration.

17.2 All disputes arising in connection with the present contract shall be settled in an amicable way firstly. Should the parties reach no agreement, and then the case shall be brought for final settlement under the rules of Conciliation and Arbitration of the International Chamber of Commerce in London, UK, by one or more arbitrators appointed in accordance with the said rules.

17.3 Decision of the stated Arbitration Court shall be final and binding upon both parties.

CLAUSE 18 - SPECIAL CONDITIONS

The Parties hereby agree that all terms, which are not specially confirmed and agreed upon in this Contract, have to be referred to the general rules of the ICC INTERCOMS Edition 2000 with latest amendments. The contract will lapse 7 days from the date of issuance.

CLAUSE 19 - LAYCAN – LAYTIME – DEMURRAGES

19.1 **(NOT APPLICABLE TO FOB)!**

19.2 **LAYTIME**

19.2.1 **(NOT APPLICABLE TO FOB)!**

19.3. **DEMURRAGES**

19.3.1 **(NOT APPLICABLE TO FOB)!**

CLAUSE20 CONFIDENTIALITY NON-DISCLOSURE/ NON-CIRCUMVENTION

20.1 The undersigned Parties do hereby accept and agree to the provisions of the International Chamber of Commerce for Non-Circumvention and Non-Disclosure with regards to all and anyone of the Parties in this transaction.

20.2 To include but not limited to the Buyer, Seller, their agents, mandates, nominees, assignees, and all intermediaries party to this agreement/contract.

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

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20.4 Neither party is entitled to transfer their rights and/or obligations under this contract to a third party with exceptions of Financial Agent of the Seller/Buyer, and except where the third party is an entity whose majority ownership is the same as the original ownership contract partner. In any case the transferring party will notify the other party in writing. After signing the present contract all previous negotiations and correspondence between the Parties in this connection will be considered null and void

CLAUSE 21 - LETTER OF INDEMNITY

21.1 In case the Seller is not able to deliver to the Buyer in due time the set of original bills of lading of each cargo's batch, and then the Seller has to provide the Buyer with a hard-copy of letter of indemnity to temporarily missing original bills of lading.

21.2 Wording of this letter of indemnity to be acceptable to the Buyer and shall cease to have effect upon presentation of the original bills of lading.

21.3 In the event of unusual circumstances, which prevent the Seller from presenting to the Buyer the original bills of lading within 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.

CLAUSE 22 – ASSIGNMENT

22.1 Buyer may assign this Contract in its total performance hereof to another Company, which assumes the obligations of the Buyer under the terms of the assignment. Formal notice of such assignment shall be rendered to the Seller.

CLAUSE 23 - GENERAL PROVISIONS

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

23.2 This agreement may be executed simultaneously in two (2) or more counterparts, each of which shall be deemed to be an original.

23.3 The article and other headings 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.

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

23.5 Except as expressly provided in this contract, neither the Seller nor the Buyer shall be liable for consequential, indirect or special losses or special damages of any

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kind arising out of, or in any way connected with the performance or failure to perform obligations under this contract.

23.6 Terms and conditions, which have not been mentioned in the present contract, are to be regulated by INTERCOMS-2000 and latest relevant addenda for **F.O.B.** deliveries.

23.7 The original contract is formed in English language and signed in **six (6) copies, three (3) for the Buyer and three (3) for the Seller.** All originals have equal legal force.

23.8 Both parties agree that the signed and sealed fax or **EDT (*Electronic document transmission*)** copies of the contract are fully binding and enforceable until the hard copy will be exchanged by courier and contract of terms of performance of this agreement made in writing and verified by signature and seals of the party's representative shall be acceptable.

23.9 Grammar mistakes and misprints, shall not be considered as contradictions.

CLAUSE 23 - PARTIES' LEGAL ADDRESSES

BUYER:

Company Name	
Address	
Country	
Tel	
Fax	
E-mail	
Represented by	
Designation	

SELLER

Company Name	
Address	
Country	
Tel	
E-mail	
Represented by	
Designation	Executive Chairman

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CLAUSE 24 - BANKING DETAILS CONFIRMING BANK**

SELLER'S BANK	
Bank Name	
Swift	
Address	
Account Name	
USD Account Number	
Bank Officer	
Tel No.	
Fax No.	

Unauthorised probe on the bank will render this contract null and void.

BUYERS BANK

PRINCIPAL	
BANK NAME	
BANK ADDRESS	
ACCOUNT NAME	
ACC IBAN	
SWIFT CODE BIC	
BANKER'S NAME	
BANKER'S TEL.NO.	
BANK FAX NO	

Commission on Buyer's side USD\$2.00 Per Bbl Open

Commisson on Seller's side USD\$2.00 Per Bbl (Closed)

Seller's Commission: USD\$2.00 PER Barrel *per month x 12months with Roll and Extentionto be Paid to:*

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Beneficiary Name	
Address:	
E-Mail	
Bank Name	
Bank Address	
Account Name	
Account No.	
Routing Number	
Bank Officer	
Bank Telephone	
Bank Fax	
Signature & Date	

.....
BUYER :
Name :
Title :
Date :

.....
SELLER :
Name :
Title : EXECUTIVE CHAIRMAN
Passport No :
Date :

.....
BUYER'S WITNESS :
Name:
Passport No:
Designation:

.....
SELLER'S WITNESS:
Name:
Passport No:
Designation: Export Manager

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Appendix № 1

Quality Specification

RUSSIAN ORIGIN AVIATION KEROSENE JET FUEL COLONIAL GRADE 54

ADDITIVES

Antioxidant in hydro processed fuel	mg/l	Min. 17	Max. 24
Antioxidant non hydro processed fuel	mg/l		Max. 24
Static dissipater first doping ASA-3	mg/l		Max. 1
Stadis 450	mg/l		Max. 3

COMBUSTION PROPERTIES

Specific Energy	net mj/kg	Min. 18.4	D4808
Smoke Point	mm	Min. 19	D1322
Luminometer number		Min. 45	D1740
Naphthalene	% vol.	Max. 3	D1840

PROPERTY	UNIT	Min-Max Result	Test-IP	Method
ASTM				

Composition

Total acidity	mg	KOH/g max 0.01	354	D3242
Aromatics	% vol.	max 22.0	158	D1318
Sulphur, total	% mass	max 0.30	107	D1266/2622
Sulphur, Mercaptan	% mass	max 0.003	342	D3227
Doctor, test			30	D4952

Volatility

Initial Boiling point	Centigrade	max Report 123		D96
10% vol. at C		240		
20% vol. at C		Report		
50% vol. at C		Report		
80% vol. at C		Report		
End point	Centigrade	max 300		
Recovered ridicules	% vol.	max 1.5		
Loss	% vol.	max 1.5		
Flash point	Centigrade	max 42	170/303	D56/3828
Density at 15 C, Kg/m2		min/max 776/840	180/385	D1298

Low Temperature Properties

Freezing point	Centigrade	max 40	15	D2256
Corrosion				
Corrosion, copper(2hrs at 100 C)		max 1	154	D130
Corrosion, silver(4 hrs at 50 C)		max 1	227	

Stability

Thermal stability control		280 C 323		
Filter pressure, differential mm Hg		max 25		
Tube deposit rating (visual)		max <3		

Contamination

Existent Gum	mg/100ml	max 7	131	D361
Water reaction, interface rating		max 16	258	D1084

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Fuel with static dissipater additives min 75

Fuel without static dissipater additives min 85

Appendix № 2**SCHEDULE OF DELIVERY**

MONTH	QUANTITY/SHIPMENT	DISCHARGE PORT
	10,000,000 BBLs/Month	FOB ROTTERDAM
	10,000,000 BBLs/Month	FOB ROTTERDAM
	10,000,000 BBLs/Month	FOB ROTTERDAM
	10,000,000 BBLs/Month	FOB ROTTERDAM
	10,000,000 BBLs/Month	FOB ROTTERDAM
	10,000,000 BBLs/Month	FOB ROTTERDAM
	10,000,000 BBLs/Month	FOB ROTTERDAM
	10,000,000 BBLs/Month	FOB ROTTERDAM
	10,000,000 BBLs/Month	FOB ROTTERDAM
	10,000,000 BBLs/Month	FOB ROTTERDAM
	10,000,000 BBLs/Month	FOB ROTTERDAM
	10,000,000 BBLs/Month	FOB ROTTERDAM
	10,000,000 BBLs/Month	FOB ROTTERDAM
TOTAL	120,000,000 MT	

**BUYER REFERENCE:
CONTRACT NUMBER:
RUSSIAN AVIATION KEROSENE CONTRACT (COLONIAL GRADE JP54)**

The total quantity of the Goods sold and purchased under this contract is equal to One Hundred Twenty Million Barrels (**120,000,000 BBLs**) with variation of +/- 5% (plus/minus five percent) at Seller's option

Appendix № 3

TEXT OF DOCUMENTARY LETTER OF CREDIT

Date -
RLC. Number of Opening Bank -
Issue of Documentary Credit -
RLC. number of Advising Bank -

LETTER OF CREDIT TO BE OPENED DIRECTLY WITH _____ BANK
_____ AND TESTED.

We hereby open *Irrevocable, **Transferable** and Auto-Revolving Documentary Letter of Credit* payable at after 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 "Contract Number : "_____", Dated _____.

BY ORDER FOR ACCOUNT OF: _____

IN FAVOR OF - (SELLER) (Subject to our final confirmation)
Account Name -
Account Number -
Swift Code -
For the Amount of -
Validity - _____ at our counters in _____

**BUYER REFERENCE:
CONTRACT NUMBER:
RUSSIAN AVIATION KEROSENE CONTRACT (COLONIAL GRADE JP54)**

This Letter of Credit is available for payment at our counters, the issuing Bank, by referred payment on each of stage are made by first demand at sight after SGS inspection at discharging port(s) on presentation of the following documents per shipment as per the documents shown below in one original and three copies unless otherwise stated :-

1. Signed Commercial Invoice one (1) original and three (3) copies covering the value of the actual shipment.
2. 3/3 original clean on board Bills of Lading made out the order of shipper bank endorsed notify buyer's company name marked "Freight payable as per Charter party", plus 3 non-negotiable copies to be originally signed by Master or Vessel's Agents.
3. Original quality and quantity Certificate and analysis report issued by SGS or CIQ three (3) issues at loading port and discharging port (s).
4. Original surveyor company inspector report issued at loading port certifying that the quality and quantity are as per agreement showing:-
 - Date of completion Loading
 - Showing quantity in Barrels loading
 - Quality confirming to the specification per agreement, Certificate or Origin issued by Chamber of Commerce.
 - Tally – one (1) original and three copies.
 - Certificate of Insurance one (1) original and three (3) copies.
5. All loading details including loaded quantity, quality and Bill of Lading Date will be faxed directly to the Buyer prompt after completion of loading, latest forty eight (48) hours after vessel sailed from loading port. All documents from a third party are acceptable by the Buyer.
6. Certificate of Quality issued or countersigned by Independent inspector (Name of inspector company: SGS or CIQ) at loading port and discharging port, and also issued "To whom it may concerned" showing test results.

COVERING:-

Shipments of +/- 5%" percents at Seller's option.

DELIVERY:-

FOB Rotterdam.

PRICE CALCULATIONS:-

The price shall be price of **Fixed Gross USD\$ 62.00** per Barrels for period of twelve (12) months Contract period.

SPECIAL CONDITIONS:-

BUYER REFERENCE:

CONTRACT NUMBER:

RUSSIAN AVIATION KEROSENE CONTRACT (COLONIAL GRADE JP54)

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

1. Partial shipment are allowed, Transhipment prohibited.
2. Photostat copy instead of copies of documents acceptable.
3. Obvious spelling mistakes not to be considered as discrepancies (except in cargo figures)
4. All charges inside of discharge port are on Buyer’s expense. All outside of discharge port are on Seller’s expense.
5. Charter and or (third party) documents are acceptable.
6. Documents to be presented within twenty one (21) days after Bills of Lading date, but within the validity of this RLC are acceptable.

REIMBURSEMENT CLAUSE:-

This is an operative instrument: no mail confirmation will follow.

This Letter of Credit is subject to uniform customs practice for documentary credits.

This Documentary Letter of Credit valid together by the contract number “ _____ ” which sealed and signed between Seller and Buyer.

For,

Accepted By:

Appendix № 4

TEXT OF PERFORMANCE BOND

Date :
 To : *(The Buyer’s Bank)*
 Beneficiary :

We are informed that (hereinafter called the Seller) has entered into a Contract with your client M/S xxxxxxxx (hereinafter called the Buyer), dated...**27th May 2010**, Contract Number; for the supply of **RUSSIAN AVIATION KEROSENE COLONIAL GRADE JP54** and that a Performance Guarantee of two percent (2%) is required, in the sum of **USD x,000,000 (xxxx million US Dollars)** for shipment of One Hundred Twenty Million barrels (120,000,000 BBLs) for shipment of the twelve month plus/minus five percent (+/- 5%),non-revolving.

This Performance Bond or Bank Guarantee shall be Non-Operative until we have received buyer’s DLC at which time this Performance bond shall be activated automatically.

Therefore, We, Bank....., hereby issue an irrevocable, transferable, revolving letter of credit or letter of guarantee as a Performance Bond, our Guarantee No.....and undertake to pay you any sum or sums not exceeding in aggregate USD.....on receipt by us of your first demand in writing accompanied by your signed declaration stating that the amount claimed is due by reason of the Seller having failed to fulfill his obligation in accordance with the terms and conditions of the above Contract.

**BUYER REFERENCE:
CONTRACT NUMBER:
RUSSIAN AVIATION KEROSENE CONTRACT (COLONIAL GRADE JP54)**

Our guarantee is valid until the end of the Contract, and thereafter automatically reinstated for the same period against simultaneous receipt of reinstated monthly Letter of Credit for the each following month and is available by payment at our counters, Any claim must be received by us or before that date, after which our liability to you under our guarantee will cease and our guarantee will be of no further effect.

Our guarantee is governed by the laws of

Your Faithfully,

Seller's Bank:

Address :

Name :

Title :

Tel/Fax :

E-mail :

.....

Appendix № 5
LETTER OF INDEMNITY

We refer to cargo of Metric tons of Discharged on board the vessel at the port of ROTTERDAM pursuant to Bill of Lading dated

Although we have sold and transferred the said cargo to you, we have been unable to provide you with the full set original Bill of Lading and other shipping documents covering the said sale.

In consideration of Paying for your account to us the full purchase amount of USD (United States Dollars), we hereby expressed warrant that we have marketable title, free and clear of any lien or encumbrance to such material and that we have full right and authority to transfer such title and effect delivery of such material to you.

We further agree to make all reasonable efforts to obtain and surrender to you as soon as possible the full set original Bill of Lading and other shipping documents, and to protect, indemnify and save you harmless from and against any and all damages, costs and expenses which you may suffer by the reason of the originals Bill of Lading and other shipping documents remaining outstanding, or breach of the warranties given above including, but not limited to any claims and demands which may be made by a holder or transferee of the original Bill of lading and other usual shipping documents, or by any other third party claiming an interest in or lien on the cargo or proceeds thereof.

This indemnity shall be governed by and construed in accordance with the English law and all disputes, controversies or claims arising out or in relation to this indemnity English court therefore shall decide the breach, termination or validity.

BUYER REFERENCE:

CONTRACT NUMBER:

RUSSIAN AVIATION KEROSENE CONTRACT (COLONIAL GRADE JP54)

This letter of indemnity shall be expired upon tendering the original Bill of Lading and other shipping documents issued in conformity with the terms and conditions of letter of credit number issued from

Yours Sincerely,

.....
Sign and Seal

**BUYER REFERENCE:
CONTRACT NUMBER:
RUSSIAN AVIATION KEROSENE CONTRACT (COLONIAL GRADE JP54)**

CLAUSE 7 – PAYMENT / BANKING PROCEDURES

7.1 Payment shall be made on cargo basics not later than Seven (7) international banking days after discharge date (discharge date = day 0) against shipping documents

7.2. Buyer issues an ICPO with right to soft probe and returns the NCNDA/IMFPA which is supplied to Buyer .

7.3 **DRAFT CONTRACT is issued in 24 to 48 hours.**

7.4. Buyer returns DRAFT CONTRACT, initials all pages and sends it with the Buyer's signature and seal with any amendments if any. In company letterhead

SIMULTANEOUSLY while sending the signed Draft Contract, Buyer's Bank will issue SWIFT confirmation for proof of funds to Seller's Bank as stated in the DRAFT CONTRACT to enable Seller to move ahead with additional documents. SELLER will then provide partial POP after the SWIFT CONFIRMATION IS RECEIVED.

7.5. issues original contract for final signatory with both parties signing and exchanging hard copies of the contract via courier and both parties lodge the contract with their respective Banks.

7.6 Seller's bank shall notify the Buyer's bank that they are willing and ready to issue a non-operative 2% performance bond (PB) to Buyer's bank. The 2% PB will be placed in Buyer's bank account, should fail to supply the cargo of the products, this 2% PB will be paid to the Buyer and intermediaries accordingly as compensation.

7.7 The Buyer issues the MT103/23 for the first lift then RDLC for the monthly cargo value within 5 (five) banking days after receipt of 2% PB from This action makes simultaneously and automatically the 2% PB from Seller's bank and the DLC from the Buyer's bank operative.

7.8. bank issue to Buyer's bank the Proof of Product (POP) providing the following documents as POP (Proof Of products):