

Den norske stats oljeselskap a.s

**CONDITIONS OF SALE
APPLICABLE TO DELIVERED OUTTURN
CRUDE OIL SALES**

Edition of January 1999

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I. Definitions

Except where the context otherwise indicates, the following terms shall have the meaning ascribed to them in this Paragraph I, and shall include plural as well as singular:

- a. "Affiliate" shall mean any company or corporation of Seller or Buyer which owns directly or indirectly fifty (50) percent or more of the shares carrying voting rights of such Party (Parent Company) and any company or corporation other than such Party of which such Parent Company or such Party owns directly or indirectly fifty (50) percent or more of the shares carrying voting rights.
- b. "Agreement" shall mean the Crude Oil Sales/Purchase Agreement of which these Conditions of Sale form a part. Certain specific provisions agreed between Buyer and Seller form Part 1 of the Agreement and the Conditions of Sale form Part 2 of the Agreement.
- c. "API" shall mean American Petroleum Institute.
- d. "ASTM" shall mean American Society for Testing and Materials.
- e. "Barrel" shall mean a volume of forty-two (42) US gallons corrected for temperature to sixty (60) degrees Fahrenheit.
- f. "Cargo" shall mean any particular quantity of the Oil loaded or to be loaded into Vessel as set out in Part 1 of the Agreement and includes Part Cargo.
- g. "Completion of Discharge" shall, in respect of a Cargo, mean the final disconnection of Vessel's discharge hose(s) following the discharge thereof.
- h. "Day" shall mean a calendar day.
- i. "Discharge Port(s)" shall, in respect of a Cargo, mean the port(s) nominated by Buyer and accepted by Seller for discharge of such Cargo in accordance with Part 1 of the Agreement.
- j. "Dollars" or "USD" or "US Dollars" shall mean dollars of the United States of America.
- k. "Grade" shall mean any grade of the Oil specified in Part 1 of the Agreement.

- l. "Laytime" shall have the meaning as that given to it in Paragraph IX of these Conditions of Sale.
- m. "Metric Ton" shall mean the unit of weight equal to one thousand (1000) kilograms.
- n. "Month" shall mean a calendar month.
- o. "Oil" shall mean crude oil specified in Part 1 of the Agreement.
- p. "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.
- q. "Party" shall mean either Seller or Buyer.
- r. "Parties" shall mean Seller and Buyer jointly.
- s. "Quarter" shall mean a period of the three (3) consecutive Months commencing on first (1st) January or first (1st) April or first (1st) July or first (1st) October.
- t. "Transshipment" shall mean the transfer of the Oil from a vessel into the Vessel.
- u. "Vessel" shall mean the ship whether owned or chartered or otherwise obtained by Seller and employed by Seller to ship the Oil to the Discharge Port.
- v. "Year" shall mean a calendar year commencing on first (1st) January.

II. Delivery

The Oil shall be delivered by Seller to Buyer at the Discharge Port.

III. Title and Risk of Loss

- a. Title and risk of loss of the Oil shall pass from Seller to Buyer when the Oil passes the flange connection between Vessel's permanent discharge manifold and the receiving pipeline or hose at the Discharge Port.
- b. Notwithstanding any provision to the contrary, Buyer shall indemnify and hold Seller harmless against all losses, costs, claims and damages (collectively "damages") incurred by Seller or any third party, including but not limited to, any damages relating to loss of, shrinkage or contamination of the Oil, property of Seller, or any oil spill or environmental liabilities, which damages are caused by any action or omission of Buyer or any of its employees, agents or contractors or by any action or omission of the personnel of the Discharge Port or any of its employees, agents or contractors, regardless of whether Seller, Buyer or a third party holds title and/or bears the risk of loss for the Oil at the time such damages are caused or incurred. Buyer shall indemnify Seller for any liabilities, claims,

losses or costs, including attorneys fees, incurred by Seller as a consequence of any damages covered under this provision.

IV. Price, Credit Period and Currency

The price to be paid, the applicable credit period and currency in respect of a Cargo shall be as stated in Part 1 of the Agreement.

V. Payment

- a. Payment for each Cargo shall be made without discount, deduction, withholding, set-off or counter claim in United States Dollars by telegraphic transfer of immediately available funds ("same day funds") on or before the due date to the bank and account designated by Seller, against presentation to Buyer of hard copy, telex, or fax invoice together with any other documents expressly specified for presentation for payment in accordance with Part 1 of the Agreement, or in absence of such documents upon presentation of Seller's Letter of Indemnity as set out in Paragraph XII.
- b. In the event payment due date falls on a Saturday or a New York banking holiday other than a Monday, then payment will be effected 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.
- c. Buyer shall instruct its bank to advise Seller's bank by SWIFT or tested telex quoting the value date of the transfer, the amount, the invoice number and the clearing bank, if any. Such advise is to be sent in due time so as to enable Seller's bank to credit Seller with value on due date.
- d. Interest on overdue payments shall be paid for the period starting on and including the due date for payment as set forth in Part I of the Agreement and ending on but excluding the value date of the payment, on the basis of an annual rate corresponding to three (3) Month British Bankers Association Interest Settlement Rates (BBAISR) (or such other interest rate as may be issued in replacement thereof) for USD (or if the payment is to be made in other currency than USD, for that other currency) as published by British Bankers Association (BBA) for the due date plus three (3) percentage points.
- e. Seller may at any time before payment has been received by Seller, require Buyer to provide a stand-by letter of credit or a bank guarantee for payment of the Cargo, whichever Seller may request. Each such stand-by letter of credit or bank guarantee shall be irrevocable, in an amount to cover one hundred and ten (110) percent of the estimated value of the Cargo for which it is provided and shall be established in favour of Seller and shall be confirmed irrevocably and unconditionally by a bank or banks to be approved by Seller. The stand-by letter of credit shall be in a form acceptable to Seller and meet the requirements set out below:

Quote

Stand-by letter of credit

At request of (hereinafter referred to as Buyer), we,, hereby open our irrevocable stand-by letter of credit no. in favour of Den norske stats oljeselskap a.s, N-4035 Stavanger, Norway (hereinafter referred to as Seller) covering the purchase of

We hereby irrevocably and unconditionally undertake to make payment of up to in favour of Seller's account no. 15013832 with Chase Manhattan Bank, London, upon Seller's first written request and presentation of the following documentation:

- a. A copy of Seller's commercial invoice evidencing the quantity of purchased by Buyer (telex invoice acceptable).
- b. Seller's signed statement stating that payment of the above mentioned invoice is due and that payment has not been made by Buyer (presentation on telex acceptable).

This stand-by letter of credit shall be valid also in the event that the quantity and/or invoiced amount exceed(s) or is/are less than the quantity and/or amount stated herein.

We hereby agree that request for payment in accordance with the terms stipulated herein will be duly honoured upon presentation of the documentation as set out in (a) or (b) above if presented to our..... on or before after which date this stand-by letter of credit becomes null and void.

Partial drawing is allowed.

In addition to any payment made according to the above section (a) we will honour claims for interest at the rate of three (3) Months British Bankers Association (BBA) Interest Settlement Rates (BBAISR) for USD published by British Bankers Association (BBA) on the due date plus three (3) percentage points calculated from due date according to invoice to actual date of payment to beneficiary.

All related banking charges and commissions whether of Buyer or Seller shall be for the account of Buyer.

This stand-by letter of credit is subject to the Uniform Customs and Practice for documentary credit (1993 revision, International Chamber of commerce, Paris, Publication No. 500).

This telex is the instrument of utilisation. No mail confirmation follows.

Unquote

All related banking fees, commissions and expenses whether of Buyer or Seller shall be for the account of Buyer. If a stand-by letter of credit or a bank guarantee has not been provided as outlined herein, Buyer shall be deemed in breach of the Agreement and Seller may without prejudice to any other rights or remedies at any time thereafter prior to the due date of the establishment of the stand-by letter of credit or the bank guarantee terminate the Agreement forthwith. Any cost and loss of income incurred by Seller due to Buyer's failure to provide security for payment as outlined herein, shall be borne by Buyer.

VI. Quality and Quantity

- a. The Grade shall be as specified in Part 1 of the Agreement.
- b. The testing of the quality of the Oil and the determination of sediment and water in each Cargo shall be carried out at the Discharge Port in accordance with the latest ASTM standards in effect at the time of discharge.
- c. The measurement of the quantity of the Oil shall be carried out at the Discharge Port in accordance with the latest API standards in effect at the time of discharge. The quantity of the Oil shall be determined by proved meters at the Discharge Port. If meters are unavailable, not functioning correctly or found to be inaccurate, then the quantity shall be based upon shore tank measurements at the Discharge Port with receiving shore tanks in conditions recommended in API Chapter 3.1A for determining accurate measurement. If the shore tank(s) are active or the inspector cannot verify the shore tank measurements prior to or after discharging, then Vessel's arrival figures adjusted by Vessel's experience factor ("VEF") as calculated by the independent inspector shall be used. The independent inspector's determination of quantity and the results of the line displacement detailed below shall be binding upon both Parties and form the basis for invoicing.

If meters are unavailable and the quantity of Oil delivered is to be based on shore tank measurements then at the Commencement of Discharge, after the opening shore tanks gauges have been established, the independent inspector shall monitor the performance of a line displacement consisting of Vessel pumping to the furthest receiving shore tank. The line displacement to be carried out in accordance with API Chapter 17.6.10.3. The quantity of Oil to be displaced shall be one hundred and twenty (120) percent of the combined capacity of all designated Vessel and shore transfer lines (API Chapter 17.6.10.3.5).

In accordance with API Chapter 17.6.10.1.4. the quantity tolerance for the line displacement will be derived from the "precision of measurement" indicated in Chapter 17.6.11, that is 1/8 inch (3 mm). Therefore the accepted tolerance for a line displacement shall be the total of the quantity equating to 1/4 inch in the receiving shore tank calibrations plus the quantity equating to 1/4 inch in Vessel tank calibrations. This tolerance represents the measurement precision limit (1/8

inch) for the opening and closing gauges for both the receiving shore tank and Vessel tank.

If the difference between the quantity that the shore tank received and the quantity that Vessel delivered is within the accepted tolerance stated above, or if the quantity of Oil that the shore tank received is in excess of the quantity of Oil that Vessel delivered, then the shore line is to be considered full.

If the quantity of Oil that the shore tank received is less than the quantity of Oil that Vessel delivered by an amount greater than the accepted tolerance described above then the line shall be considered slack. In cases when the line is found to be slack then entire difference between the shore tank received quantity and Vessel delivered quantity shall be credited to the final outturn quantity.

If the shore and Vessel quantities differ by more than the accepted tolerance described above, the receivers may exercise the option of carrying out a second line displacement (as detailed in API chapter 17.6.10.3.7 step 4). If this second displacement is carried out then the same accepted tolerance shall apply. If Vessel delivered/shore received quantity difference for the second line displacement is within the accepted tolerance then only the entire difference resulting from the first displacement shall be credited to the final outturn volume. If, in the second displacement, the quantity that the shore tank received is less than the quantity of Oil that Vessel delivered by an amount greater than the accepted tolerance then the total of the entire differences resulting from the first displacement plus the second displacement shall be credited to the final outturn quantity.

The Discharge Port personnel present at the discharge are required to have necessary authority to agree to all measurements mentioned above. Any delays incurred resulting from a dispute after the first line displacement, including the carrying out of a second displacement, and until discharge has resumed is for Buyer's account.

- d. The independent inspector shall be nominated by Seller and agreed upon by Buyer. The cost of the services of the inspector shall be borne equally by Buyer and Seller.
- e. In no event shall Seller be liable for any claim regarding the quality of the Oil or quantity of any Cargo, unless such claim has been submitted by Buyer to Seller in writing, including reasonable details of the specific facts on which the claim is based and supporting documentation, within sixty (60) days of the date of Completion of Discharge. Should Buyer fail to submit such claim or provide such details and/or any documentation within the above time limit, then any liability of Seller for any such shall be extinguished.

VII. Berth and Discharge Port

- a. Buyer shall provide free of charge, a berth or berths at the Discharge Port at which Vessel can safely reach and leave and at which Vessel can lie and discharge always safely afloat.
- b. Any cost associated with the delivery of the Oil into another port(s) than the Discharge Port shall, unless for Vessel's reason, be for the account of Buyer.
- c. Any cost of shifting berth, unless for Seller or Vessel's reason, shall be for the account of Buyer.
- d. Seller shall procure that Vessel shall comply with all applicable regulations of governmental, local and port authorities at the Discharge Port.
- e. Any stand-by or hold in tugs required at the Discharge Port shall be for the account of Buyer.

VIII. Nominations of Shipment

- a. Seller will arrange for Vessel to notify Buyer or its representative at the Discharge Port of:
 - i. completion of loading the Oil at the loading port.
 - ii. notice of any Transshipment of the Oil.
 - iii. seventy-two (72), forty-eight (48) and twenty-four (24) hours notice of ETA Discharge Port, and thereafter any variations of more than two (2) hours.
- b. Any modifications in the quantity of Oil, date ranges or discharge date range arising from production changes, weather, operational matters or any circumstances beyond Seller's reasonable influence, shall be notified Buyer without delay and such changed notification shall be deemed to be accepted by Buyer and any modified quantity, date ranges and/or date ranges shall replace the quantity and/or date ranges respectively as nominated.
- c. Where a particular date is specified in the Agreement for receipt of nominations and this date falls on a Saturday, or a Sunday, or on a public holiday specifically affecting Seller, such nominations must be received by Seller by the last working Day prior to the date specified. Furthermore, a nomination may be considered as invalid for all the purposes thereof if it is not received by Seller by three (3) p.m. local time on the Day or date specified in the Agreement for receipt of such nomination. Seller shall not be liable for any loss or damage, direct or indirect, which Buyer may suffer as a result of such nomination being invalid.

IX. Laytime and Demurrage

- a. Subject as hereinafter provided, the Laytime allowed to Buyer for discharging a Cargo shall be thirty-six (36) running hours (pro rata for a Part Cargo) after the arrival of Vessel at the Discharge Port, Sundays and holidays included.
- b. Vessel shall tender notice of readiness to Buyer or its representatives (as the case may be) on arrival at customary anchorage or at the pilot station, or at an area agreed between Buyer and Seller, whichever is applicable at the Discharge Port.
- c. For Vessel tendering notice of readiness within the discharge date range and area specified in Part I of the Agreement, Laytime shall commence berth or no berth six (6) hours after notice of readiness is tendered or the time when Vessel is securely moored at the berth whichever is the earlier.
- d. Subject to Paragraph VIII (b), for Vessel tendering notice of readiness prior to the discharge date range as specified in Part I of the Agreement, Laytime shall commence at zero (00.00) hours on the first Day of such discharge date range or when Vessel is securely moored at the berth whichever is the earlier.

If however, Vessel tenders notice of readiness prior to the discharge date range and anchors/waits which results in additional time of inward passage from anchor/waiting place to first berth after discharge date range has commenced, such additional inward passage time not to be deducted from Laytime or time on demurrage.

- e. Subject to Paragraph VIII (b), for Vessel tendering notice of readiness after the discharge date range specified in Part 1 of the Agreement, Buyer shall make best efforts to berth Vessel as soon as possible after arrival. Laytime shall commence when Vessel is securely moored at the berth.
- f. Laytime shall cease upon Completion of Discharge.
- g. Time spent by Vessel on inward passage or in handling ballast or discharging slops, shall not count against Laytime or time on demurrage.
- h. If Vessel shifts berth for any reason other than a reason on the part of Seller or Vessel, then the time taken to shift berth shall count against Laytime or time on demurrage.
- i. Seller warrants that Vessel is able to discharge the Cargo within thirty-two (32) hours, (eight (8) hours less if crude oil washing is not conducted) or maintain one hundred (100) PSI at Vessel's manifold provided shore facilities permit. Time lost as a result of Vessel being unable to discharge the Cargo as stated above shall not count as Laytime or time on demurrage.
- j. In the event that the Laytime is exceeded, Buyer shall pay to Seller demurrage in respect of the excess time based on Vessel's charter-party demurrage rate per Day, or in the case of a lightering Vessel, the contract overtime rate per Day, or

in the absence thereof, at Worldscale at the Average Freight Rate Assessment (AFRA) appropriate to the size of Vessel as provided by the London Tanker Brokers Panel and current on the date of commencement of Laytime.

- k. If, however, demurrage is incurred as a result of fire, explosion, strike, lockout, stoppage or restraint of labour or by breakdown of machinery or equipment at receiving terminals in the Discharge Port, the rate of demurrage above mentioned shall be reduced by one-half per running hour or pro rata for part of an hour for demurrage thus incurred.
- l. For avoidance of doubt, Paragraph XV shall not apply to this Paragraph IX.
- m. Buyer shall not be liable for any demurrage resulting from delay caused by strike, lockout, stoppage or restraint of labour for master, officers and crew of Vessel.
- n. Demurrage shall be paid by Buyer to Seller no later than thirty (30) Days after Seller's invoice supported by appropriate documentation. In the event that payment has not been made within due date interest on overdue payment shall be calculated in accordance with Paragraph V (d).

X. Lighterage

Vessel may be lightered at the Discharge Port only with the written consent of Seller. The expense thereof shall be for Buyer's account and all time used in such lightering together with all delay consequent thereupon shall count against Laytime or time on demurrage.

XI. Warranties

Seller warrants that the Oil shall conform to the description stated in Part 1 of the Agreement, that Seller has title thereto, and that the Oil is free from royalties, load port taxes, liens and encumbrances. Otherwise, there are no other guarantees or warranties expressed or implied, of merchantability, fitness, or suitability of the Oil for any particular purpose. Seller shall not be responsible in any respect whatsoever for any loss, damage or injury resulting from any hazard inherent in the nature of the Oil.

XII. Documents

- a. Seller shall provide the documents according to Part 1 of the Agreement to Buyer.
- b. If such documents are not available to Buyer when Buyer shall pay for the Cargo, Seller shall indemnify Buyer according to the following:

Quote

LETTER OF INDEMNITY

We refer to a cargo of Barrels of crude oil (Cargo) discharged from Vessel at the port of on

Although we have sold and transferred title to the said Cargo to you, we have been unable to provide you with the documents specified under Part 1 of the Agreement.

In consideration of your paying to us USD being the full purchase price of the above Cargo, we hereby expressly warrant that we have marketable title to such crude oil and that we have full right and authority to transfer such title to you and to effect delivery of the said crude oil.

We agree to protect, indemnify and hold you harmless from and against any and all damages, costs, legal fees and other expenses which you may suffer from any breach of the above warranties or from the fact that you are paying us the purchase price of the above Cargo without having in hand such documents as specified under Part 1 of the Agreement, including but not limited to, any claims or demands which may be made by any holder or transferee of any of the original bills of lading and other shipping documents or by any other third party claiming an interest in or lien on the Cargo or proceeds thereof.

We will make all reasonable efforts to obtain and surrender to you, as soon as possible, the documents specified under Part 1 of the Agreement and this Letter of Indemnity shall become null and void upon our tendering these documents to you.

Our obligation to indemnify you is subject to the condition that you give us prompt notice of the assertion of any claims and full opportunity to conduct the defence thereof, and that you do not settle any such claim(s) without our approval.

This Letter of Indemnity shall be governed by and construed in accordance with Norwegian law and any disputes hereunder that cannot be settled by mutual agreement between the Parties shall be subject to the exclusive jurisdiction of the Norwegian Courts.

Unquote

XIII. Disposal

Buyer shall not under any circumstances refine or dispose of the Oil to countries with which the Norwegian Government has decided not to have trade relations. Without diminution of such obligation on Buyer, Seller undertakes to inform Buyer as soon as practicable of any changes in laws, regulations, rules or guidelines which become known to Seller. Buyer acknowledges that at the date hereof it is informed of

all such laws, regulations, rules and guidelines relevant to its undertakings under this Paragraph XIII.

In the event the Oil is disposed of to a third party, Buyer shall ensure that the end user abides by the restrictions set forth herein and without delay provide Seller with all relevant information as Seller may require related to such alternative disposal including name of end user, name of refinery etc.

XIV. Taxes, Duties and Charges

Ordinary agency fees, towage, pilotage and similar port charges, port duties and other taxes against Vessel at the Discharge Port, shall be paid by Seller. Consular fees and all extraordinary port fees and charges (i.e. public dock charges) shall be borne by Buyer.

Buyer is the importer of record and shall comply with all applicable governmental regulations governing said importation, procure all necessary licenses and permissions, and shall pay or cause to be paid all duties, imposts and taxes for its importation.

XV. Force Majeure

- a. Neither Seller nor Buyer shall be responsible for any failure to fulfil their respective obligations under the Agreement if fulfilment has been prevented or curtailed by any circumstances whatsoever which are beyond the reasonable control of Seller or Buyer, as the case may be, including without prejudice the generality of the foregoing,
 - i. compliance with any order, demand or request of any government or of any international, nation, port, transportation, local or other authority or agency or of any body or person purporting to be or to act for such authority or agency;
 - ii. any strike, lockout or labour dispute
 - iii. adverse weather, perils of the sea, or embargoes
 - iv. delays of Vessel due to breakdown

provided always that nothing contained herein shall relieve Buyer of any of its obligations to make payments due to Seller under the Agreement by the due dates or according to the provisions of Paragraph V which obligations are absolute.

- b. The Party seeking relief under (a) of this Paragraph shall advise the other Party as soon as practicable of the circumstances causing the failure to fulfil its obligations and shall thereafter provide such information as is available regarding the progress and possible cessation of those circumstances. Subject to

the provisions of Paragraph XVI, performance of obligations under the Agreement shall be resumed as soon as reasonably possible after such circumstances have ceased. The time of Seller to make, or Buyer to receive delivery hereunder shall be extended during any period in which delivery shall be delayed or prevented by reason of any of the foregoing causes up to a period of thirty (30) Days. If any delivery hereunder shall be so delayed or prevented for more than thirty (30) Days, either Party may terminate the Agreement with respect to such delivery upon giving written notice.

XVI. Change in Seller's Supplies of Crude Oil

- a. In the event that the production forecast for or the availability from any of Seller's or Seller's suppliers', sources of supply of Crude Oil, whether deliverable under the Agreement or not, or the normal means of transport or delivery of such Oil, is delayed, hindered, interfered with, curtailed or prevented, Seller has the right to withhold, reduce, suspend or terminate deliveries of the Oil to be made available to Buyer to the extent that Seller's actions are based on information provided by or through the International Energy Agency (IEA) and/or in reasonable expectation by the Seller of a request or requirement of or made by or through the IEA or as a result of the Seller's compliance with a request or requirement of or made by or through the IEA.

In such event Seller shall be free to allocate its remaining availability as Seller may in its absolute discretion think fit and Buyer shall be obliged to accept and pay for any Oil tendered for delivery even if less than the full contractual quantity. Seller shall not be bound to purchase or otherwise make good shortages resulting from such causes.

In the event of such curtailment or interference, any additional crude oil made available to Seller from outside sources may be disposed of by Seller in its absolute discretion and need not be taken into account in the determination whether or not, for the purpose of this sub-Paragraph XVI (a), the curtailment or interference in question continues to subsist.

- b. If Seller is seeking relief under this Paragraph XVI Seller shall advise Buyer as soon as practicable of the circumstances in question and the remedies implemented or to be implemented by Seller. No curtailment, suspension or termination of deliveries or receipt of the Oil pursuant to this Paragraph XVI shall operate to extend the duration of the Agreement. All Oil, the timely delivery or receipt of which does not take place for reasons stated in this Paragraph XVI shall, unless otherwise agreed, be deducted from the volume of the Oil required to be delivered and received hereunder.

XVII. Ice Clause

- a. In case of ice at the Discharge Port or on the voyage to the Discharge Port, Vessel shall not force ice, but to follow in icebreakers cut provided master

considers such navigation safe and unarmful to Vessel. Buyer shall on its own account, place any necessary icebreakers at Vessel's disposal.

If Seller agrees to continue on such a voyage, then Buyer undertakes to reimburse Seller for:

- i. any extra insurance applicable.
 - ii. the costs of any ice damage incurred less any sum which can be recovered under any insurance.
 - iii. any charter hire paid by Seller for the period of repair due to such ice damage, including deviation to repair yard.
- b. In the event that the master deems Vessel in danger of being frozen in at the Discharge Port, Seller may, at its sole discretion, order Vessel to cease discharging and leave the Discharge Port. In such circumstances Buyer shall, on its own account, place necessary icebreakers at Vessel's disposal.
- c. In the event that the Discharge Port is inaccessible due to ice, or in the event the master deems Vessel in danger of being frozen in, Vessel will proceed to the nearest safe ice-free position and at the same time request revised orders. Immediately upon receipt of such request Buyer shall nominate an alternative ice-free and accessible port, where there is no danger of being frozen in and where there are facilities for receiving the Cargo in bulk. In this event, any extra freight, expenses, demurrage and dues incurred as result of such change, shall be paid for by Buyer.

XVIII. Suspension and termination

- a. Seller may at its sole discretion, and in addition to any other legal remedies it may have, forthwith upon giving notice to Buyer either suspend deliveries of the Oil or terminate the Agreement if:
 - i. Buyer for any reason whatsoever fails to make any payment due to Seller under the Agreement by the due date or otherwise is in substantial breach of its obligations under the Agreement; or
 - ii. Buyer fails to take delivery of the Oil in accordance with the provisions of the Agreement and such failure is not excused by any other provision of the Agreement; or
 - iii. a petition is filed with a court having jurisdiction or an order is made or an effective resolution is passed for the dissolution, liquidation or winding up of Buyer or its Parent Company; or
 - iv. there is a major change in the direct or indirectly ownership of Buyer; or

- v. Buyer or its Parent Company becomes insolvent or is adjudged bankrupt or makes an assignment for the benefit of its creditors or does not pay or is in Seller's reasonable opinion expected to be unable or unwilling to pay its debts as the same become due; or
- vi. a receiver is appointed or an encumbrancer takes possession of the whole or a significant part of the assets or undertaking of Buyer or its Parent Company; or
- vii. Buyer or its Parent Company ceases or threatens to cease to carry on its business or a major part thereof or a distress, execution or other process is levied or enforced or sued out upon or against any significant part of the property of Buyer or its Parent Company and is not discharged within fourteen (14) Days.

In the event of Seller suspending deliveries of the Oil in any of the circumstances referred to in (i) - (vii) of this sub-Paragraph XVIII (a) Seller may so long as the event continues, and in addition to any other legal remedies it may have, forthwith upon giving notice to Buyer terminate the Agreement.

- b. If pursuant to the provisions of this Paragraph XVIII Seller withholds, reduces or suspends deliveries of the Oil, then Seller shall be under no obligation to make up any quantity of the Oil which would have been delivered to Buyer but for such withholding, reduction or suspension.
- c. Any termination of the Agreement shall be without prejudice to the rights and obligations of each Party as accrued at the date of termination.

XIX. Liability

Except as expressly provided in the 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.

XX. Assignment

Neither Party shall assign any of its rights and obligations under the Agreement, in whole or in part, without the prior written consent of the other Party. The assigning Party shall remain jointly and severally liable for the full performance by the assignee(s) or any subsequent assignee(s) of its/their obligations with regard to the Agreement.

XXI. Applicable Law, Litigation and Arbitration

- a. The Agreement shall be governed by and construed in accordance with the laws of Norway.

- b. Except as provided for in (c) below, the Parties hereto accept Stavanger City Court as the proper legal venue for the settlement of any controversy of dispute that may arise in connection with, or as a result of, the Agreement which the Parties are unable to resolve by mutual agreement.
- c. Any controversy or dispute that may arise in connection with or as a result of Paragraph XI, Laytime and Demurrage, where amount in dispute does not exceed a sum of USD one hundred thousand (100,000) or any other controversy or dispute that may arise in connection with or as a result of the Agreement, where the amount in dispute does not exceed a sum of USD twenty-five thousand (25,000) which the Parties are unable to resolve by mutual agreement, shall be referred to and finally resolved by arbitration in Oslo conducted by one (1) arbitrator in accordance with the rules for Alternative Dispute Resolution Chapter III Fast Track Arbitration, of the Oslo Chamber of Commerce.

The arbitration proceedings shall be conducted in the English language.

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. Judgement upon the awards rendered may be entered in any court or other authority having jurisdiction or application may be made to said courts or other authority for a judicial acceptance of the award and an order of enforcement, as the case may be.

XXII. General provisions

- a. The failure of Seller or Buyer at any time to require performance by the other Party of any provision hereof shall in no way affect the right of a Party to request any performance which may be due thereafter pursuant to such provision. Nor shall the waiver by Seller or Buyer of any breach of any provision of the Agreement be taken or held to be a waiver of any subsequent breach of such provision.
- b. The Agreement and all information obtained by one Party from the other Party shall be treated as confidential.
- c. The headings appearing in the Agreement are for convenience only.
- d. Any modification of and addition to the Agreement shall be made in writing.
- e. The provisions of Part 1 of the Agreement shall prevail over the provisions of Part 2 of the Agreement to the extent there is any inconsistency.

XXIII. Notices

Unless otherwise agreed in writing, any notices, statements, requests or other communications to be given to either Party pursuant to the Agreement shall be sufficiently made if sent by post (by airmail if airmail is possible) postage paid, or by

telegraph, telex, facsimiles transmission or other means of data transmission to the address of the other Party specified for this purpose in the Agreement.