

STATOIL ASA
GENERAL TERMS AND CONDITIONS
APPLICABLE TO PETROLEUM PRODUCTS SALES
FOB BARGE

DECEMBER 2004

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1 Definitions

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

- a) "Affiliate" shall mean any company or corporation of the seller or the buyer which owns directly or indirectly 50 (fifty) per cent 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 50 (fifty) per cent or more of the shares carrying voting rights.
- b) "Agreement" shall mean the specific provisions agreed between the buyer and the seller that form Part 1 of the Agreement whereas this Conditions of Sale form Part 2 of the Agreement and collectively, the Agreement.
- c) "Barge" means a self propelled vessel or towed/pushed dumb craft employed in port areas and sheltered waterways which is not classified as a sea-going vessel (inland barge).
- d) "Buyer" shall mean the party specified in the contract as the Buyer of the product.
- e) "Day" shall mean a calendar Day.
- f) "Dollars" or "USD" or "US Dollars" shall mean Dollars of the United States of America.
- g) "ETA", in the case of FOB deliveries, means the estimated time and/or date or range of days of arrival of the vessel at the loading terminal.
- h) "EU Qualified" means that the product is or will be in free circulation within the EU and not subject to any import duties; "Non-EU Qualified" means product that does not fall within the meaning of EU Qualified.
- i) "FOB" or "Free on Board" shall have the same meaning as defined in Incoterms 2000 or the latest edition or as they may be amended from time to time.
- j) "Laytime" shall mean the time allowed to the seller for loading or the time allowed to the Buyer for discharge, as the case may be.
- k) "Loading Terminal" shall mean the Pernis refinery in the Netherlands or any other Loading Terminal(s) from which the seller is supplying the product.
- l) "Metric Ton" (mt or mts) shall mean the unit of weight equal to one thousand (1000) kilograms measured in air.
- m) "Month" shall mean a month of the Gregorian calendar.
- n) "Parties" shall mean the seller and the Buyer jointly.
- o) "Party" shall mean either the seller or the Buyer.
- p) "Product" shall mean a refined petroleum Product or a blend thereof to be sold or purchased pursuant to the Agreement.

- q) "Seller" shall mean the Party specified in the contract as the Seller of the Product.
- r) "Working Day(s)" shall mean Rotterdam Working Day(s) for nomination/claim purposes; New York Working Day(s) and Frankfurt Working Day(s) for payment in USD and EUR respectively.
- s) "Year" shall mean a calendar year commencing on 1st January and ending on 31st December.

2 Delivery

- 2.1 The Product shall be delivered at the Loading Terminal FOB onto the Barge under the terms and conditions of the Agreement.

3 Title and Risk

- 3.1 The title and risk of the Product shall pass to the Buyer in case of:
- a) delivery to Barge, as the Product passes the Barge's first permanent hose connection at the Loading Terminal, or
 - b) delivery Free In Pipe (FIP), as the Product passes the inlet flange of the Buyer's receiving pipeline system, or
 - c) delivery Ex Tank, as the Product passes the outlet flange of the Seller's storage tank from which the Product is being delivered; or
 - d) delivery Into Tank, as the Product passes the inlet flange of the Buyer's receiving storage tank; or
 - e) delivery is effected In Situ (by way of stock transfer), at such time and Day and in such tank(s) as shall either be specified in the Agreement or as agreed between the Parties prior to such transfer being effected and, where applicable, confirmed by the owner/operator of such tank(s).
- 3.2 Any loss or damage to the Product during loading, if caused by the Barge, the Master, the officers or the crew of the Barge, shall be for the account of the Buyer.

4 Price

- 4.1 The price that shall be paid for the Product shall be as stated in the Agreement.

5 Payment

- 5.1 Payment for each Product shall be made with good value in immediately available funds within the due date as set forth in the Agreement by telegraphic transfer to the Seller's designated bank account, on presentation of the Seller's commercial fax/telex invoice, without deduction, discount, set off or counterclaim and at the expense of the Buyer.
- 5.2 In the event the Agreement stipulates that payment shall be made in EUR, the foreign exchange reference rate as published by the European Central Bank on their web site www.ecb.int for the date of loading shall apply.
- 5.3 Where the applicable pricing mechanism does not allow for the preparation of a final invoice prior to the payment due date, the Seller may issue and the Buyer shall make payment against a provisional invoice. Unless otherwise agreed, the provisional invoice shall be based on the quotation of the agreed price mechanism on the date of loading. Should no quotation be available on the loading date Paragraph 5.4 or 5.5 shall correspondingly apply. Payment of any balance due by either Party to the other shall be made immediately upon receipt of the Seller's final invoice which shall be prepared as soon as practicable after all the relevant pricing information becomes available to the Seller.
- 5.4 If the Seller's bank and/or banks in the clearing centre of the currency in question are closed for business on the Day the payment is due, then the Buyer shall arrange for the payment to be made on the nearest Working Day to the due date when the Seller's bank and/or banks in the clearing centre of the currency in question is/are open for business. If the last preceding and next succeeding Working Day are equally near, then payment shall be due on the former.

- 5.5 If the payment due date falls on a Saturday or Bank Holiday other than Monday, payment is to be made on the preceding Working Day. If the payment due date falls on a Sunday or Monday which is not a Working Day, payment is to be made the following Working Day.
- 5.6 The Buyer shall instruct its bank to advise the Seller's bank by Swift or tested telex quoting the value date of the transfer, the amount, invoice number and the clearing bank, if any. Such advice is to be sent in due time so as to enable the Seller's bank to credit the Seller with value on due date.
- 5.7 Interest on overdue payments shall be paid for the period starting on and including the due date for payment as set forth in the Agreement and ending on but excluding the value date of the payment, on the basis of 3 (three) percentage points above:
 - a. In case payment is made in USD, the Average London Interbank Offered Rate ("LIBOR") for one Month Eurodollars as published on Reuters page "LIBO" (or any successor thereto), or
 - b. In case payment is made in EUR, the Euro Interbank Offered Rate (EURIBOR) as published on EURIBOR's web site www.euribor.org.
- 5.8 Such interest to run from the due date until the payment is received by the Seller's bank. Such interest shall be payable to the Seller on demand thereof being made by the Seller. Interest shall continue to accrue under this sub-section 5.7 until payment notwithstanding the termination of the Agreement for any cause whatsoever. The amount of interest payable to the Seller shall be engrossed for withholding tax, if any, such that the net amount received by the Seller after the deduction of any such withholding tax shall be equal to the full amount of interest due to it.
- 5.9 The Seller may at any time require the Buyer to provide a stand-by letter of credit or a bank guarantee for payment of the Product whichever the Seller may request. Each such stand-by letter of credit or bank guarantee shall be irrevocable, in an amount to cover 110 per cent of the estimated value of the Product for which it is provided and shall be established in favour of the Seller when requested. However, if practicable the said letter of credit or bank guarantee shall be established not later than 2 (two) Working Days prior to the commencement of the loading of the Product and shall be confirmed irrevocably and unconditionally by a bank or banks to be approved by the Seller.
- 5.10 The stand-by letter of credit shall be in a form acceptable to the Seller, meet the requirements set out in Appendix 1, and shall be forwarded to the Seller's advising bank to ensure that a proper and acceptable letter of credit or bank guarantee is in place.
- 5.11 The currency referred to in the stand-by letter of credit shall be consistent with the currency stated in the payment clause under the Agreement.
- 5.12 If for any reason the loading of the Barge in question will not take place within the period for loading referred to in the stand-by letter of credit or the bank guarantee, the Buyer shall either obtain an extension of the validity of the stand-by letter of credit or bank guarantee or provide a new stand-by letter of credit / bank guarantee in terms acceptable to the Seller.
- 5.13 All issuing bank's related banking fees, commissions and expenses shall be for the Buyer's account and other bank charges at the Seller's end, if any, shall be for the Seller's account.
- 5.14 If a stand-by letter of credit or a bank guarantee has not been provided as outlined herein, the Buyer shall be deemed in breach of the Agreement and the Seller may without prejudice to any other rights or remedies at any time thereafter prior to commencement of loading terminate the Agreement and claim damages forthwith. In any event, whether the Seller has exercised that right to terminate or not, the Seller shall be under no obligation to commence loading the Barge. Any costs and damages and loss of income incurred by the Seller due to the Buyer's failure to provide security of payment as outlined herein, shall be borne by the Buyer.

- 5.15 If VAT or similar charges become payable by the Seller due to a requirement by national regulations, the Seller shall invoice the Buyer for such VAT or similar charges, and the Buyer shall settle such invoiced amount in accordance with this Paragraph 5. If in this event the Seller requires the Buyer to open a stand-by letter of credit or bank guarantee in accordance with Paragraph 5.9, such stand-by letter of credit or bank guarantee shall cover the VAT or similar charges in addition to the amount stipulated according to Paragraph 5.9. The Buyer shall upon the Seller's request supply such information related to the Product as is required by the Seller in order to ensure a correct processing of charges.

6 Quality and Quantity

- 6.1 Save as laid down under Paragraph 19.3 hereof, the Product shall be of a quality and a quantity as specified in the Agreement.
- a. If the Product is delivered from running refinery quality and quantity as ascertained by the Loading Terminal with findings to be final and binding on both Parties save for fraud and manifest error.
 - b. If the Product is delivered from storage, quality and quantity shall be as ascertained by the Loading Terminal. Notwithstanding the foregoing, the Parties can also agree on the appointment of a mutually acceptable inspector. In both cases the findings shall be final and binding on both Parties save for fraud and manifest error. Costs to be equally shared between the Parties.
- 6.2 Any claim as to shortage in quantity of the Product and/or defects in quality thereof, shall be made by written notice to the Seller immediately after such apparent shortage and/or defects are discovered (initial notice) before the Barge sails from the Loading Terminal. Such initial notice shall be followed by a formal written claim to the Seller with all details necessary to evaluate the claim. If the Buyer fails to give the initial notice or if the formal written claim is not received by the Seller within 30 (thirty) Days of the completion of loading date with all the relevant documents in support of the claim, the claim shall be deemed to have been waived.

7 Nominations of Barge

- 7.1 Nominations to be made latest 2 (two) full Working Days before the ETA of the Barge at the Loading Terminal.
- 7.2 Nominations made later than 15.00 hours Rotterdam time from Monday till Thursday, and later than 14.00 hours Rotterdam time on a Friday, will be treated as if the nomination was made at 09.00 hours Rotterdam time the following Working Day.
- 7.3 Nominations have to be in accordance with the Agreement and should contain the following information:
- a. reference to Part 1 of the Agreement if known. If unknown, details of the Agreement such as loading window, price and contract date should be stated.
 - b. Barge name.
 - c. name of carrier (in case of delivery under documentary credit) and corresponding Europe number.
 - d. quantity and name of the Product, incl. seasonal specifications, if applicable.
 - e. segregation, if applicable.
 - f. previous cargo.
 - g. ETA at the Loading Terminal.
 - h. in case of zero percent VAT delivery within the EU:
 1. applicable statement as referred to in the vat clause (ICT or Dutch VAT ACT)
 2. VAT number of receiver (if applicable)

- i. AGP number of receiver (English excise number, German steuerlagernummer) (if applicable)
 - j. full name and address of receiver or destination, whichever is applicable
 - k. destination with regard to custom documents
 - l. part cargo (if applicable)
 - m. the Buyer's inspector or expeditor (if applicable)
 - n. documentation instructions
- 7.4 Incomplete nominations will not be handled until all essential information is received.
- 7.5 If nomination has been made in accordance with the above, the Seller will confirm the nomination and indicate a Loading Terminal.
- 7.6 In case the berth occupancy at the Loading Terminal for a certain Day has reached its maximum, the Seller has the right to place the nomination on the next first available Day.
- 7.7 Barges nominated and accepted for a certain loading date will normally be handled on first come first served basis. The Seller reserves the right to prioritise Barge loadings if necessary.
- 7.8 Barges arriving before the agreed loading date will be handled when the berth occupancy allows the Loading Terminal to do so. Already scheduled nominations and arrivals will have priority.
- 7.9 Barges arriving after the agreed loading date will be handled when the berth occupancy allows the Seller to do so. Already scheduled nominations and arrivals will have priority.
- 7.10 A change in nomination will be treated as a new nomination.
- 7.11 Subject to the rules of the Loading Terminal and/or safety considerations, the minimum quantity to be lifted per Barge nomination under the Agreement is 950 Metric Ton unless otherwise agreed and further subject to water level conditions.
- 7.12 The size of the Barge shall be as much as possible in conformity with the nominated quantity. However, if the Seller accepts a larger Barge than the Barge required to lift the Product, the demurrage, if any, payable to the Buyer by the Seller shall be in relation to the Barge that would be appropriate to lift the volume of the Product.
- 7.13 Barges, which as a result of unforeseen circumstances ashore, are not handled on the agreed date, will be handled with priority as soon as these circumstances have been remedied.
- 7.14 The Barge nominated has to be accepted by both the Seller and the Loading Terminal.
- 7.15 Where the Agreement is for multiple liftings during an agreed delivery period, liftings shall take place evenly spread over such delivery period. For the avoidance of doubt, each such lifting shall be construed as a separate and independent operation.

8 Safe Berth and Utilization

- 8.1 The Seller shall exercise due diligence that the Loading Terminal nominated under the Agreement is safe. However, the Seller does not make any representations, express or implied, concerning navigational conditions in public channels or waterways which the Barge must use in order to reach or depart the referred loading places and which may require the exercise of special precautions or safety measures. The Seller shall not warrant the safety of any such places or facilities and shall be under no liability except for loss or damage suffered by the Buyer and directly caused by the Seller's or its agents' gross negligence.
- 8.2 If the Seller does not know the Loading Terminal at the time of nomination, the Seller shall make its best effort to provide the information pertaining to the Loading Terminal to the Buyer without unnecessary delay.

- 8.3 The Buyer warrants that it has informed the owner of the nominated Barge of the owner's obligation to have made a thorough check of any navigational conditions as are likely to exist at the approach of the Loading Terminal about the time of the Barge's arrival so as to prevent and avoid any hazards or controllable risks. Additionally, the Buyer warrants that the Barge owner has been advised regarding the quantity and quality of Product to be loaded.
- 8.4 The Buyer shall be solely responsible to ensure that the Barge, upon arrival at the Loading Terminal, throughout the loading operation and upon departure from the Loading Terminal, is both in a seaworthy and Product worthy conditions and fully equipped to affect loading operations from the Loading Terminal facilities both safely, with prompt dispatch and with efficiency. All delays, costs and risks relating to the Barge's failure to be in either seaworthy or Product worthy condition upon arrival at the Loading Terminal, throughout the loading operation and upon departure from the Loading Terminal, shall vest entirely on the Buyer, regardless of whether or not the Seller or the Loading Terminal has inspected the Barge or whether the Seller or the Loading Terminal has given or failed to give the Buyer or the Barge any advice concerning the seaworthy or Product worthy condition of the Barge at the time of loading.
- 8.5 All duties, fees, taxes, quay dues and other charges of every description, whether or not similar and howsoever described, due in respect of the Barge as well as pilotage, mooring and towage expenses incurred at the Loading Terminal shall be for the account of the Buyer.
- 8.6 The Seller may require a Barge to shift berths. All direct costs (including damages for delay) of shifting berths shall be for the Seller's account if required for the Seller's purposes and for the Buyer's or Barge's account if beyond the Seller's control. Time consumed on account of shifting due to reasons attributable to the Buyer or the Barge shall not count as used Laytime or if the Barge is on demurrage, as demurrage.
- 8.7 The Buyer's Barge shall vacate the berth as soon as loading hoses or arms have been disconnected and terminal clearance is granted or implied, whether released or not. In the event that any Barge fails to vacate the berth at such time as described herein, any loss or damage suffered by the Seller or its supplier resulting from such failure, including demurrage incurred due to delay in the berthing of another Barge or vessel awaiting loading or discharging, shall be paid by the Buyer to the Seller.
- 8.8 The Buyer shall ensure that each Barge complies with all applicable regulations and rules, including those of Governmental Authorities, at the Loading Terminal. The Buyer shall reimburse the Seller for any loss, costs or damages incurred by the Seller due to any failure to comply with such rules, regulations and directions. In the event that any Barge nominated by the Buyer does not comply with this provision, the Seller or the Operator may refuse to accept the Barge.

9 Laytime

- 9.1 Unless otherwise agreed, Laytime shall be calculated according to TTB (Tankschiff Transport Bedingungen) rules, latest edition dated November 12, 1993 as amended from time to time.

10 Demurrage

- 10.1 Demurrage shall be calculated according to TTB rules, latest edition dated November 12, 1993 as amended from time to time.

- 10.2 Demurrage claims, if any, to be received by the Seller within 30 (thirty) Days from completion of loading and fully documented, including but not limited to: invoice and laytime calculation, time sheet, copy of the original invoice of the Barge owner together with the Barge owner's laytime calculation, evidence of nomination and copy of the transport agreement.
- 10.3 Should these documents not be received within the above stipulated time limit of 30 (thirty) Days, any such claim shall be timebarred, and hence not claimable. Notwithstanding the above, the demurrage claim shall be received by the Seller before 14.00 CET (Central European Time) on the 30th day. However if the 30th day falls on a Saturday, Sunday or a non Working Day the claim shall be received prior to 14.00 CET on the preceding Working Day.
- 10.4 The Seller shall not be responsible for any demurrage claim made in respect of TBN (to be nominated) nominations, incomplete documentary instructions and for reason mentioned under Paragraph 7.12 hereof.

11 Documents

- 11.1 If the Product is loaded under AAD (Accompanying Administrative Document) procedures, the Buyer shall undertake and provide at the Buyer's expense that the AAD shall be duly endorsed at destination and be returned to the Loading Terminal within the 15th (fifteenth) Day of the Month following the Month of loading. The Buyer shall immediately inform the Seller of the date of clearance of the relevant documents, of the date the Product is discharged from the Barge and the authorized names and signatures of the relevant authorities.

12 Pollution Prevention and Requirements

- 12.1 The Buyer warrants that the Barge:
- a. shall comply with all applicable rules, regulations and directions of governmental, local and port authorities (and of the Loading Terminal) and conform in all respects to all relevant national and international regulations and agreements;
 - b. shall belong to the European Barge Inspection Scheme (EBIS) and be certified for the relevant trade and at all times have a valid certificate onboard as well as an inspection report that is not older than 12 (twelve) months and shall be available in EBIS;
 - c. is entered in a P and I club which is a member of the International Group of P and I clubs;
 - d. through its owner has in place and shall maintain throughout the entire period of the voyage to and from the Loading Terminal insurance cover for oil pollution in an amount of not less than the highest standard oil pollution cover available under the rules of the international group of P and I clubs (currently USD 1 billion);
 - e. shall have a valid ADNR (Accord Europeen Relatif au Transport International des Merchandises Dangereuses par voie de Navigation Interieure Rhenane) certificate on board (where applicable); as from 1st January 1995 barges are obliged to be equipped with an operational overfill protection system in accordance with the ADNR regulations;
 - f. shall have on board a drug and alcohol policy.
- 12.2 The Buyer also warrants that each Barge nominated to carry the Product shall:
- a. have hull, machinery, boilers, tanks, equipment and facilities which are in good order and condition, in every way fit for the service required and fit to load and carry the shipment; and
 - b. have a full and efficient complement of master, officers and crew; and

c. have the cargo tanks adequately clean and suitable prior to receiving the shipment.

12.3 Notwithstanding any prior acceptance, the Seller shall have the right to reject a Barge on any reasonable ground if more recent information regarding the Barge becomes available to the Seller at any time after such prior acceptance.

12.4 In the event the Barge does not meet any of the requirements set out herein above, the Seller or the Seller's supplier may at any time refuse to berth or load or continue to load the Barge with the scheduled loading, and shall be under no obligation to supply the Product which would otherwise have been deliverable to the Buyer on such Barge and the Seller shall be entitled, without prejudice to any other legal remedy of the Seller, to terminate the Agreement and/or cancel or suspend any shipment. Any resulting delay or expenses shall be for the Buyer's account, including but not limited to any time lost or demurrage incurred in respect of the Barge and any demurrage incurred by the Seller or the Seller's supplier in respect of other Barges and/or vessels waiting at the Loading Terminal.

13 Disposal

13.1 The Buyer shall not under any circumstances dispose of the Product delivered under the Agreement to countries with which the Norwegian Government has decided not to have trade relations. Without diminution of such obligation on the Buyer, the Seller undertakes to inform the Buyer as soon as practicable of any changes in such laws, regulations, rules or guidelines which become known to the Seller. The 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 13.

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

13.3 Without prejudice to the foregoing provisions of this Paragraph 13, in the event of any failure to comply with such undertakings or if the Seller has reasonable grounds for believing that such undertakings will not be complied with, the Seller may at its sole discretion terminate the Agreement forthwith or forthwith suspend delivery under the Agreement until further notice to commence or complete loading hereunder on notifying the Buyer either in writing or orally.

14 Taxes, Duties and Charges

14.1 Without prejudice to the Paragraph 8.5 hereof, the Buyer shall be responsible for the payment of any taxes, duties, imposts, fees or other charges arising at the Loading Terminal and which arise from the sale and delivery to the Buyer of the Product in respect of any stage after the property and risk of the Product has passed to the Buyer according to Paragraph 3 hereof.

14.2 The value added tax (VAT) and excise duty or mineral oil tax (MOT) rules and regulations effective from January 1993 of the European Union (EU) shall apply. Either Party shall promptly and correctly complete and submit all documents required in connection with the sale of the Product, and will be considered as responsible Party for any costs and expenses that may arise from its failure to comply with the EU regulations. The Provisions as outlined in Appendix 2 shall form part of this Paragraph 14.2.

14.3 If the Loading Terminal requests overtime payment for loading the Barge, these costs are for the Buyer's account.

15 Force Majeure

- 15.1 Neither the Seller nor the Buyer shall be deemed in breach of the Agreement as a result of, and be liable to the other for, any failure, omission or delay in its performance in whole or in part of any terms and conditions of the Agreement to the extent that such failure, omission or delay arises or results from any cause beyond the reasonable control of either Party including but not limited to;
- a. compliance, voluntary or involuntary, with any order, demand or request of any government or of any international, national, port, transportation, local or other authority or agency or person purporting to be or to act with such authority;
 - b. Strike, lockout or other labour difficulty or disputes from whatever cause arising;
 - c. natural calamity, fire, explosion, perils of the sea, storms, floods, hazardous weather or other Acts of God;
 - d. war, hostilities declared or undeclared, embargo, blockade, civil unrest, riots, terrorism, sabotage and any consequence thereof;
 - e. hindrances to transportation or delivery, loss of tanker tonnage whether or not by requisition, wreckage of equipment, breakdown of machinery at facilities or installations;
 - f. curtailment, failure or cessation of Products and/or feedstocks supplies from any of the Seller's Products and/or feedstocks sources or anticipated sources, whether or not for the purpose of the Agreement.

Such cause(s) shall also relieve the Seller of any liability when these involve the Seller's supplier or other authority or agency or of any body or person purporting to be or act with such authority or agency.

- 15.2 Nothing in this Paragraph 15 shall relieve the Buyer of any of its obligations to make payments due or provide security to the Seller under the Agreement by the due dates or according to the provisions of Paragraph 5, which obligations are absolute.
- 15.3 If, as a result of an event of force majeure, the Seller is cut off from any one or part of its sources or its anticipated sources of any Product and /or feedstocks situated in whatever country or the loading or transportation of the Product is delayed, hindered, interfered with, curtailed or prevented, the Seller shall be entitled to withhold, reduce or suspend Product deliveries hereunder to such extent as the Seller shall in its absolute discretion determine. In such event, the Seller shall not be bound to acquire by purchase or otherwise additional quantities of Product and/or feedstock from other suppliers to satisfy the Buyer's requirement hereunder. However, should the Seller thereafter purchase or otherwise acquire additional Product, the Seller shall not be required to allocate any to the Buyer.
- 15.4 The Party seeking relief under this Paragraph 15 shall advise the other Party as soon as practicable, by prompt written notice, of the circumstances causing the failure to fulfil its obligations and shall thereafter provide to the other Party all such information as is reasonably available regarding the progress and possible cessation of such circumstances. Subject to the provisions of this Paragraph 15, performance of obligations under the Agreement shall be resumed as soon as reasonably possible after such circumstances have ceased. The time of the Seller to make or the Buyer to receive delivery hereunder shall not extend any contractual period. If any delivery hereunder shall be so delayed or prevented for more than the contractual period envisaged under the Agreement, either Party may terminate the actual delivery with respect to such delivery upon giving written notice.

16 Change in the Seller's Supplies

- 16.1 The Seller has the right to withhold, reduce, suspend or terminate deliveries of the Product to be made available to the Buyer to the extent that the Seller's actions is being 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.

17 New and Changed Regulations

- 17.1 It is understood by the Parties that the Seller is entering into the Agreement in reliance on the laws, rules, regulations, decrees, agreements, concessions and arrangements ("Regulations") in effect on the date hereof with governments, government instrumentalities or public authorities affecting the Product sold hereunder including, but without limitation to the generality of the foregoing, those relating to the production, acquisition, gathering, manufacturing, transportation, storage, trading or delivery thereof, insofar as such Regulations affect the Seller or the Seller's suppliers).
- 17.2 If at any time and from time to time during the currency of the Agreement any Regulations are changed or new Regulations have become or are due to become effective, whether by law, decree or regulation or by response to the insistence or request of any governmental or public authority or any person purporting to act therefor, and the material effect of such changed or new Regulations (a) is not covered by any other provision of the Agreement, and (b) has or will have a material adverse economic effect on the Seller, the Seller shall have the option to request renegotiation of the price(s) or other pertinent terms of the Agreement. The Seller may exercise such option at any time after such changed or new Regulations are promulgated by written notice to the Buyer, such notice to contain the new price(s) or terms desired by the Seller. If the Parties do not agree upon new price(s) or terms satisfactory to both Party within 15 (fifteen) Days after the date of the Seller's notice, either Party shall have the right to terminate the Agreement immediately at the end of such 15 (fifteen) Day period. Any Product delivered during such 15 (fifteen) Day period shall be sold and purchased at the price(s) and on the terms applying under the Agreement without any adjustment in respect of the new or changed regulations.

18 Suspension and Termination

- 18.1 The Seller may at its sole discretion, and in addition to any other legal remedies it may have, forthwith upon giving written notice to the Buyer either suspend deliveries under the Agreement or terminate the Agreement if:
- a. the Buyer for any reason whatsoever fails to make any payment due to the Seller under the Agreement by the due date or otherwise is in substantial breach of its obligations under Paragraph 5 of the Conditions of Sale; or
 - b. the Buyer fails to take delivery of the Product in accordance with the provisions of the Agreement and such failure is not excused by any other provision of the Agreement; or
 - c. 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 the Buyer or its Parent Company; or
 - d. there is a major change in the direct or indirect ownership of the Buyer; or
 - e. the 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 the Seller's reasonable opinion expected to be unable or unwilling to pay its debts as the same become due; or

- f. a receiver is appointed or an encumbrancer takes possession of the whole or a significant part of the assets or undertaking of the Buyer or its Parent Company; or
- g. the 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 the Buyer or its Parent Company and is not discharged within 14 (fourteen) Days.

- 18.2 In the event of the Seller suspending deliveries of the Product in any of the circumstances referred to in (a) - (g) of this Paragraph 18.1, the Seller may so long as the event continues, and in addition to any other legal remedies it may have, forthwith upon giving notice to the Buyer terminate the Agreement.
- 18.3 If, pursuant to the provisions of this Paragraph 18, the Seller withholds, reduces or suspends deliveries of the Product, then the Seller shall be under no obligation to make up any quantity of the Product that would have been delivered to the Buyer but for such withholding, reduction or suspension.
- 18.4 Any termination of the Agreement shall be without prejudice to the rights and obligations of each Party as accrued at the date of termination.

19 Liability

- 19.1 Except as expressly provided in the Agreement, neither the Seller nor the Buyer shall be liable, for indirect, consequential or special losses or damages of any kind arising out of or in any way connected with the performance of, or failure to, perform the Agreement. In any event shall the Seller not be liable for more than the difference between the contract price and the market value of the quantity of the Product in respect of which damages are claimed at the date of completion of loading.
- 19.2 The Buyer shall hold harmless and indemnify the Seller from and against any action or claim from third parties for loss, damage, injury or death to or of third parties which might be alleged to have been caused by the Product.
- 19.3 There are no guarantee or warranties, express or implied of merchantability, fitness, and suitability for any particular purposes or use or otherwise which extend beyond the specification of the Product defined in the Agreement.

20 Trade Mark(s)

- 20.1 Nothing in the Agreement, whether express or implied, shall be deemed to confer any right upon the Buyer to apply or use any trade mark(s) owned by the Seller or any of its Affiliates to any Product supplied under the Agreement.

21 Assignment

- 21.1 Neither Party shall assign any of its rights and obligations under this 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. Any assignment not made in accordance with the terms of this Paragraph 21 shall be void.

22 Applicable Law, Litigation and Arbitration

- 22.1 The Agreement shall be governed by and construed in accordance with English law to the exclusion of any other law that may be imputed in accordance with choice of law rules applicable in any jurisdiction. Neither Party shall be precluded from pursuing arrest, attachment and/or other conservatory actions in the courts of any other country or from exercising any of its contractual rights in relation to the Product or the Barge provided for elsewhere in the Agreement.
- 22.2 The Parties hereto accept London High Court as the proper legal venue for the settlement of any controversy or dispute that may arise in connection with, or as a result of, the Agreement and that cannot be resolved by mutual agreement between the Parties.
- 22.3 The United Nations Convention on contracts for the International Sale of Goods (1980) shall not govern this contract or the performance thereof.
- 22.4 Third Party Rights: No term of the Agreement shall be enforceable under the Contracts (Rights of Third Parties) Act 1999 by any person, company or other legal entity that is not a party to the Agreement (a third party) against one of the Parties to the Agreement. The Parties may revoke or vary the Agreement, in whole or part, without the consent of any third party.

23 General Provision

- 23.1 This Agreement and all information obtained by one Party from the other Party shall be treated as confidential.
- 23.2 The headings appearing in the Agreement are for convenience only.
- 23.3 Any variation or change to the Agreement shall be made in writing.
- 23.4 Severability: If any provision of the Agreement is declared to be illegal, invalid or otherwise unenforceable by a court of competent jurisdiction or either Party's compliance with any ruling or resolution of the United Nations or the European Union has a like or similar effect, the remainder of the Agreement (and of such provision) shall not be affected to the extent necessary to delete such illegal, invalid or unenforceable (or part thereof).
- 23.5 Recording of conversations: Each Party acknowledges and agrees to the taping or electronic recording of conversations between them at any stage, whether by one or other or both of them, and that any such taping or recording may be submitted as evidence in any proceedings relating to the Agreement.
- 23.6 Consents, etc.: Each Party shall be responsible for obtaining all consents, authorizations, approvals and assurances of whatsoever nature necessary to enable it to comply with its obligations under the Agreement

24 HSE Compliance

- 24.1 The Buyer warrants that the Barge that shall be nominated by the Buyer under the Agreement shall at all times - whilst the Barge entering to and staying at and leaving from the Loading Terminal - strictly observe the HSE (Health, Safety and the Environment) policy or guidelines in force of the Loading Terminal or the port where the Loading Terminal lies.

- 24.2 Should the Barge fail to observe any and all the guidelines and/or directions of the Loading Terminal pertaining to HSE that would result in losses, damages, costs, expenses or fines or any other costs against the Seller, the Buyer undertakes that it shall indemnify the Seller for such losses, damages, costs, expenses, fines etc. within 14 (fourteen) Days of receipt of the Seller's invoice.

25 Waiver

- 25.1 The failure of the Seller or the Buyer at any time to require performance by the other of any provision hereof shall in no way affect the right of a Party to require any performance which may be due thereafter pursuant to such provision. Nor shall the waiver by the Seller or the Buyer of any breach of any provision of this Agreement be taken or held to be a waiver of any subsequent breach of such provision.

26 Notices

- 26.1 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 or facsimiles transmission, or by courier to the address of the other Party specified for this purpose in the Agreement and shall, unless otherwise provided herein, be deemed to have been given on the Day on which such communication ought to have been received in due course of postal, telegraphic, telex or facsimile transmission.

-----End of Conditions of Sale-----

Appendix 1 – Stand-By Letter of Credit Format

Format of Irrevocable Stand-By Letter of Credit as required pursuant to Paragraph 5 of the Agreement;

Quote

STANDBY LETTER OF CREDIT:

We hereby issue our irrevocable Standby letter of credit no:.....

By order and for account of applicant:

.....
.....
.....

(Hereinafter referred to as the Buyer)

In favor of beneficiary:

Statoil ASA
N-4035 STAVANGER
NORWAY

(Hereinafter referred to as the Seller)

For an amount of:

Approximately USD , subject to special condition I below.

Covering non-payment of the amount due for the purchase of approximately [insert quantity] of [insert goods] according to purchase/sale Agreement between the Buyer and the Seller.

This Standby Letter of Credit is available with the issuing bank by payment at sight against presentation of the following documents.

A) Copy of the Seller's commercial invoice;

B) Seller's signed statement stating that payment of the Seller's invoice(s) is due, and that payment has not been made by the Buyer.

This Standby Letter of Credit expires at our counters at [insert place] on [insert date].

SPECIAL CONDITIONS:

1. The amount of the credit will automatically fluctuate in accordance with the loaded quantity and price formula in the purchase/sale Agreement above and below the amount of this Standby L/C and without any further amendment.
2. All issuing bank's charges are for the Buyer's account.
All other bank charges, if any, are for the Seller's account.
3. Documents presented via telefax are acceptable.

Upon receipt of documents in full compliance with this Standby Letter of Credit terms and conditions, we shall effect payment according to your instructions, with value latest 3 (three) Working Days after receipt of documents.

This Standby Letter of Credit is subject to the ISP98 (International Standby Practices, International Chamber of Commerce, Paris Publication no.590).

The construction, validity and performance of this Standby Letter of Credit shall be governed by and construed in accordance with English law and any dispute shall be submitted to the exclusive jurisdiction of High Court of Justice in London.

Please insert contact details:

Bank:

Contact person:

Telephone:

Telefax:

Unquote

Appendix 2 - Supplement for Value Added Tax (VAT) and Excise Duty or Mineral Oil Tax (MOT)

The Provisions below shall apply only where the Loading Terminal or discharge port is located within the European Union (EU).

- 2.1 Where Value Added Tax (VAT) or similar tax becomes payable under the rules applicable at the Loading Terminal or discharge port, the Seller shall issue an invoice setting out such VAT and the date for its payment. Payment for such VAT shall be made to the Seller in addition to the price for the Product and in the same terms and conditions as provided for the price of the Product.
- 2.2 A sale of Product may be zero rated for VAT provided that:
 - 2.2.1 If the destination of the Product is within the EU, the Buyer provides to the Seller within 30 (thirty) Days of the date of completion of loading evidence satisfactory to the EU states in which the Loading Terminal and discharge port are located that the Product has been received by the Buyer, or some other party acting on its behalf, within another EU state, or such other evidence as is satisfactory to the relevant authorities in the above mentioned EU states to allow zero rating of the supply of the Product; and
 - 2.2.2 Before transfer of property in the Product to the Buyer, a valid VAT registration number issued by an EU state other than the EU state in which the Loading Terminal is situated, and evidence satisfactory to the EU states in which the Loading Terminal and discharge port are located that the transport arrangements for the Product qualify for zero rating; or
 - 2.2.3 If the destination of the Product is outside the EU, the Buyer provides to the Seller, within 30 (thirty) Days of completion of loading of the Product, evidence satisfactory to the EU state in which the Loading Terminal is located of receipt of the Product by the Buyer, or some other party acting on its behalf, at a destination outside the EU.
 - 2.2.4 All requirements and formalities related to the application of this zero rate are fulfilled by the Seller and the Buyer and provided further a transaction under the national rules applicable at this place is zero rated; then a sale of the Product may be effected in a warehouse.
 - 2.2.5 Under the national rules of the Loading Terminal or discharge port the transaction is zero rated and all the requirements and formalities related to the application of this zero rate are fulfilled by the Seller and the Buyer.
- 2.3 In circumstances where either sub-provisions 2.2.1, 2.2.2, 2.2.3, 2.2.4 or 2.2.5 above may apply, the Seller shall issue an invoice in respect of the Product which is zero rated for VAT. However, if the Buyer fails to comply with the requirements set out in sub-provisions referred to above within the allotted time frame or in the event of any fraud or misappropriation in respect of the Product and/or the document/information referred to above, the Seller shall be entitled to issue a further invoice for the amount of any VAT payable on the Product (inclusive of excise duty if appropriate) together with interest at the rate stipulated under the VAT rules applicable. Such invoice may be rendered either in local currency of the country in which VAT is payable or, at the Seller's option, in the agreed currency for the Product under the Agreement. Any such invoice shall be paid in accordance with Paragraph 5 of the Agreement in circumstances where either sub-provisions 2.2.1, 2.2.2, 2.2.3, 2.2.4 or 2.2.5 above may apply.

- 2.4 The Buyer shall indemnify the Seller in respect of any costs, penalties and interest incurred by the Seller as a result of the Buyer's failure to pay, or delay in paying, any VAT in accordance with the Agreement.
- 2.5 If the Seller is subsequently able to obtain a credit or repayment from the authorities of any such VAT which has been paid by the Buyer, the Seller shall within 5 (five) Working Days reimburse the Buyer with the net amount so credited or repaid less any costs, penalties and interest and the Seller shall use all reasonable efforts, at the cost of the Buyer, to obtain such credit or repayment.
- 2.6 Excise Duty or Mineral Oil Tax (MOT) may be payable in respect of the Product on its leaving bonded premises at the Loading Terminal unless;
 - 2.6.1 By the 15th (fifteenth) Day of the Month following the Month in which loading of the Product hereunder from bonded premises is completed with an Accompanying Administrative Document (AAD), a properly completed copy 3 (three) thereof, together with proof of discharge of the shipment, is returned to the Seller; or
 - 2.6.2 The Buyer has provided to the Seller evidence satisfactory to the EU state where the Product was taken out of bonded premises, that the Product was delivered to a non-EU state either duty paid or into bonded premises; or
 - 2.6.3 The Buyer can provide evidence satisfactory to the EU state where the Product was taken out of bonded premises without an AAD as a result of the Buyer's nomination that the Product was delivered into bonded premises within the EU in circumstances where such deliveries allow for suspension of Mineral Oil Tax.
 - 2.6.4 The national rules of the place of transaction allow for the exemption or suspension of excise duty or mineral oil tax and the all requirements and formalities related to application of the exemption or suspension of excise duty or mineral oil tax are fulfilled by the Seller and the Buyer.
- 2.7 If none of the exceptions set out in sub-provisions 2.6.1 to 2.6.4 above are complied with, or in the event of any fraud or misappropriation in respect of the Product and/or the documents referred to in sub-provisions 2.6.1 to 2.6.4 above, the Buyer shall indemnify, and hold indemnified, the Seller against all liability in respect of Excise Duty and Mineral Oil Tax incurred by the Seller and/or reimbursements of amounts equivalent to such Duty or Tax by the Seller directly or indirectly to its supplier or the owner of the bonded premises from which the Product was dispatched, including any interest, penalties and costs in respect thereof. In addition, notwithstanding compliance with sub-provisions 2.6.1 to 2.6.4 above, the Buyer shall remain liable under the above indemnity for any Excise Duty or Mineral Oil Tax claimed by any relevant EU state in respect of discrepancies between the loaded and discharged quantities.
- 2.8 For the purpose of this Paragraph, "evidence satisfactory" to an EU state shall, as a minimum require a certificate of discharge of the Product.
- 2.9 In case of any difficulties related to the settlement for VAT or Excise Duty/Mineral Oil Tax purposes, the Party, facing these difficulties, will inform the other Party at its earliest opportunity.
- 2.10 If any of the provisions of this Appendix 2 is found to be void or unenforceable, such provision shall be deemed to be deleted thereof. The Parties shall thereupon negotiate in good faith in order to agree on mutually acceptable terms that shall be substituted for the provision found to be void and unenforceable.