CRUDE OIL OFFSHORE PROCESSING AGREEMENT

BETWEEN

NIGERIAN NATIONAL PETROLEUM CORPORATION

AND

AITEO ENERGY RESOURCES LIMITED

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THIS Agreement is made this 31ST day of OCT 2014 between **NIGERIAN NATIONAL PETROLEUM CORPORATION**, a corporation established under the laws of the Federal Republic of Nigeria, and having its head office at NNPC Towers, Herbert Macaulay Way, Central Business District, Abuja, Nigeria (hereinafter called NNPC) which shall include its successors in title and assigns of the one part;

And

AITEO ENERGY RESOURCES LIMITED (a subsidiary of AITEO S.A.) a company incorporated under the laws of the Federal Republic of Nigeria whose registered office is at 5/7, Dockyard Road, Apapa, Lagos (hereinafter called COMPANY) which shall include its successors in title and assigns of the other part.

WHEREAS:

1. NNPC has an allocation of Crude Oil meant for processing locally into Refined Products for domestic consumption and NNPC currently imports Refined Products into Nigeria.

2. NNPC desires to deliver Crude Oil on the basis of FOB (as such term is defined under INCO Terms 2000 or as subsequently amended, except as may be modified by this Agreement where in the case of conflict, the terms of this Agreement shall prevail) at the Load Port in Nigeria to COMPANY for purposes of processing offshore Nigeria and to receive from the COMPANY at the Discharge Port, Refined Products for use in Nigeria.

3. COMPANY represents that it has access to operational Refinery(ies), whose services it shall make available for purposes of processing the Crude Oil delivered by NNPC under the terms as stated hereunder.

4. NNPC and COMPANY hereby set out the terms and conditions upon which the Agreement shall be carried out.

NOW THEREFORE, the Parties hereby agree as follows:

ARTICLE 1 - DEFINITIONS

Where used in this Agreement, except as otherwise required by the context, the words defined in the following sections of this Article 1 shall have the meanings respectively ascribed thereto.

(i) "**Affiliate**" or "**Subsidiary**" shall mean a legal entity which directly or indirectly owns a Party (Parent), or which is directly or indirectly owned by a Party. Ownership means the ownership, directly or indirectly, through one or more intermediaries, of more than fifty (50) percent of the issued shares or voting rights in a company, partnership, or legal entity.

(ii) "**Access**" shall mean commercial/legal transaction between COMPANY and a Refinery(ies)

(iii) "**API**" shall mean the American Petroleum Institute.

(iv) "**ASTM**" shall mean the American Society for Testing and Materials.

(v) "**Barrel**" shall mean a barrel of forty-two U.S. gallons measured at 60 degrees Fahrenheit, and "B/CD", shall mean Barrels per day.

(vi) "**Business Day**" shall mean a day when banks are open for general business in Abuja London, Dubai and New York.

(vi) "**Crude Oil**" shall mean the liquid petroleum, which has been treated but not refined and includes condensates but excludes basic sediments and water.

(vii) "**Discharge Port**" shall mean the berth, dock, anchorage, submarine line, single point or single berth mooring facility, offshore location, alongside Vessels or lighters or any other place within Lagos Nigeria at which the

Refined Products to be delivered under this Agreement will be discharged.

(viii) "**Dollar**", or "**USD**" shall refer to the United States Dollar.

(ix) **"Environmental Laws"** shall mean all Laws and Regulations within the jurisdiction of the location of the Refineries and Refinery Facilities which involve, relate to, or affect the environment in any way, including, but not limited to, those which purport to govern air emissions, water discharges, spills, hazardous or toxic substances, solid or hazardous waste, and occupational health and safety, as may be amended from time to time.

(x) **"Gallon"** shall mean a U.S. standard gallon of 231 cubic inches at 60 degrees Fahrenheit.

(xi) **"Governmental Authority"** shall mean any federal, state, or local governmental body or agency or subdivision thereof, including, but not limited to, any legislative, administrative, or judicial body which has jurisdiction to exercise authority or control over NNPC and /or COMPANY over all or any part of the transactions and services to be performed under this Agreement.

(xii) **"Independent Inspector"** shall mean a licensed person or entity jointly appointed by the parties which shall perform sampling, quality analysis, and quantity determination of Crude Oil at the Load Port and Refined Products at the Discharge Port.

(xiii) **"Laws and Regulations"** shall mean all applicable treaties, statutes, regulations, codes, laws, ordinances, licenses, decisions, orders of any relevant Governmental Authorities, interpretations, or license, permit or compliance requirements (a) which apply to the Refineries and the Refinery Facilities or to the Load Port and Discharge Port or to the performance of either Party of any obligation under this Agreement, or (b) which may be enforced or issued by any Governmental Authority having

jurisdiction over the operations of the Refineries and/or the Refinery Facilities.

(xiv) **"Laytime"** shall mean the time allowed for loading or discharging a Vessel as the case may be as set out in Article 14.

(xv) **"Liabilities"** shall mean losses, claims, charges, damages, deficiencies, assessments, interests, penalties, costs, and expenses of any kind (including, without limitation, related attorneys' fees and other fees, court costs, and other disbursements), whether directly or indirectly arising out of or related to any suit, proceeding, judgment, settlement or judicial or administrative order.

(xvi) **"Load Port"** shall mean the berth, dock, anchorage, submarine line, single point or single berth mooring facility, off shore location, alongside Vessels or lighters or any other place within Nigeria at which the Crude Oil is to be loaded.

(xvii) **"NSV"** shall mean the net standard volume of Crude Oil reduced to a standard temperature of 60 Fahrenheit and expressed in Barrels. The net standard volume is the volume of Crude Oil after all free water, water in suspension, and sediments have been deducted.

(xviii) **"Part Cargo"** shall mean when a cargo is discharged in more than one Discharge Port or loaded from more than one terminal..

(xix) **"Party"** shall mean NNPC or COMPANY and **"Parties"** shall mean both NNPC and the COMPANY.

(xx) **"Refined Product(s)"** shall mean any finished petroleum products (liquid or gas) described in Articles 7 and 12 of this Agreement and any petroleum material or component which at any time are determined to be Refined Product pursuant to the provisions of Articles 7 and 12 hereto.

(xxi) **"Refinery"** ' shall mean refinery used for processing by COMPANY and designated for purposes of processing Crude Oil under this Agreement as described in Appendix 1.

(xxii) **"Refinery Facilities"** shall mean all the facilities at the relevant Refinery or any associated or adjacent facility, used by COMPANY including, the Refinery, Crude Oil receiving facilities, and Refined Products delivery facilities, pipelines, storage tanks and any blending facilities within or outside the Refinery .

(xxii) **"Taxes"** shall mean any and all federal, state, and local taxes, duties, fees, charges, and dues applicable to Crude Oil and Refined Products, **including without limitation, loading fees, sales and use taxes, ad valorem** taxes, except for taxes on income.

(xxiii) **"TCV"** shall mean the total calculated volume of Crude Oil reduced to a standard temperature of 60</p> Fahrenheit and expressed in Barrels. The total calculated volume is inclusive of all free water, water in suspension, and sediments.

(xxiv) **"Vessel"** shall mean any vessel provided by the COMPANY for purposes of delivery of Crude Oil or Refined Products cargoes pursuant to the terms of this Agreement.

(xxv) **"Sales Date"** for Gasoline, Gasoil, Kerosene, VGO, Fuel Oil shall mean the actual date the Refined Products are sold ex-Refinery gate by COMPANY falling within the 15th to 60th day after the bill of lading date of the respective Crude Oil cargo processed; with the bill of lading Date being day zero.

(xxvi) Sales Date for LPG shall mean the 23rd day after the bill of lading Date of the Crude Oil, with the 23rd day being day three (3).

ARTICLE 2

DURATION

(i) Notwithstanding the date of execution of this Agreement and unless otherwise terminated pursuant to the provisions of Article 19, this Agreement shall be valid for a period of twenty-four (24) months commencing from 1st January 2015 and shall expire on 31st December 2016 with the option for renewal.

(ii) The Parties shall meet at least ninety (90) days prior to the expiration of this Agreement to agree on the terms and conditions for any extension period. If the Parties fail to agree on the terms of the extension within the ninety (90) days period, this Agreement shall terminate as stated in sub-Article (i) above.

(iii) NNPC shall deliver to COMPANY a quantity of 90,000 thousand (Ninety thousand) Barrels of Crude Oil per day plus or minus 5% prior to the date of the expiration of this Agreement as stated in Article 2(i) provided, however, that NNPC shall be relieved of the obligation to deliver the agreed quantity in the event of an early termination of this Agreement pursuant to the provisions of this Agreement, or if the Parties shall agree to a reduction in the agreed quantity.

(iv) Notwithstanding the expiry date of this Agreement, COMPANY shall subject to a minimum cargo size of 15,000 metric tons plus or minus 10%, begin to deliver all Refined Products to NNPC which it is entitled under this Agreement within two (2) months from the bill of lading date of the relevant Crude Oil delivery. If, after the expiry date of this Agreement, there remains less than 15,000 metric tons of Refined Products due to be delivered by COMPANY to NNPC, COMPANY shall in lieu of and in full satisfaction of its remaining delivery obligation make a payment to NNPC for an amount that is determined by reference to the quantity of the relevant Refined Products and the applicable pricing formula as set out in Article 14 below.

ARTICLE 3

DELIVERY OBLIGATIONS

3.1 CRUDE OIL

NNPC shall deliver to COMPANY, over the duration of this Agreement, 90,000 Barrels per day of one or more of the grades of Crude Oil in the parcel sizes specified against each Crude Oil grade as set out in Article 5 below.

The delivery of Crude Oil shall be FOB at the nominated Load Port.

NNPC may only substitute alternate Crude Oil upon mutual agreement of the Parties.

3.2 Refined Products

Other than as may be provided in Article 3 (iii), COMPANY shall deliver in accordance with the provisions of Article 12 below, Refined Products to NNPC at the Discharge Port in Nigeria on CIF basis (as such term is defined by INCO Terms 2000 or as subsequently amended, except as may be modified by this Agreement where in the case of conflict, the terms of this Agreement shall prevail) in preferable parcel size of 30,000 – 60,000 metric tonnes plus or minus 10%. The quantities of Refined Products to be delivered by COMPANY under this Agreement shall be based on the processing yields of the relevant cargo of Crude Oil delivered by NNPC to the COMPANY as stated in Article 6.
Upon NNPC acceptance, COMPANY can deliver a minimum parcel of 15,000MT subject to applicable freight rate to be agreed by the Parties.

3.3 Refined Products Conversion

In lieu and in discharge of the COMPANY's delivery obligation in respect of LPG, VGO and Fuel Oil, COMPANY shall pay to NNPC,

for the relevant quantities of the Refined Products yielded from the grade of Crude Oil delivered to the designated Refinery valued in accordance with the terms stipulated in Articles 14 (i), 14 (ii) and 14 (vi) respectively.

ARTICLE 4

PROCESSING LEVELS

(i) The quantity of Crude Oil to be processed by COMPANY for NNPC in the Refinery during the period of this Agreement shall average 90,000 Barrels per day over the course of each month. Actual daily run rates may be lower or higher subject to the Refinery's operational tolerance.

(ii) COMPANY shall provide NNPC on a monthly basis, or at such other intervals as the Parties may mutually agree, a consolidated material balance showing actual Crude Oil receipts and Refined Products deliveries.

(iii) NNPC shall, subject to Article 16, have title to Crude Oil and Refined Products processed under this Agreement with bill of lading or sea way bill (as the case may be) as proof of quantity and title.

(iv) Nothing in this Agreement shall be deemed to grant title to, or create a security interest in any asset of COMPANY or the Refinery (including without limitation any inventory, partially Refined Products, or Refined Products).

(v) Crude Oil shall be processed in the Refinery at the processing yields specified in Article 6 below.

ARTICLE 5 –

TYPES AND QUALITY OF CRUDE OIL

(i). The Crude Oil to be delivered by NNPC to the COMPANY under this Agreement shall be the types of Crude Oil as set out below and shall be in parcel cargo size of 950,000 Barrels (plus or minus 5%) subject to the Parties mutual agreement as specified against each Crude Oil:

(a) Bonny Light Crude Oil of normal export quality;

(b) Erha Crude Oil of normal export quality;

(c) Qua Ibo Light Crude Oil of normal export quality;

(d) Forcados Blend Crude Oil of normal export quality;

(e) Yoho Blend Crude Oil of normal export quality;

(f) Bonga Crude Oil of normal export quality;

(g) Brass Blend Crude Oil of normal export quality;

(h) Escravos Crude Oil of normal export quality;

(i) Antan Crude Oil of normal export quality;

(j) Okwori Crude Oil of normal export quality.

(k) Amenam Crude Oil of normal export quality.

(l) EA Crude Oil of normal export quality.

(m) Akpo Crude Oil of normal export quality.

(n) Agbami Crude Oil of normal export quality.

(o) Zafiro Crude Oil of normal export quality.

ii) Subject to the mutual agreement of the Parties, NNPC may include additional Crude Oil grades other than the ones specified under Article 5(i) above.

iii). NNPC may substitute Crude Oil grades upon prior mutual agreement of the Parties regarding the applicable processing fees and the Refined Products yield pattern applicable to the Refined Products conversion factors.

iv) For each Crude Oil cargo delivered, an equivalent processing tonnage in metric tonnes shall be calculated by dividing the volume of Crude Oil delivered, measured in US Barrels net of bound sediments and water, by the specific gravity and API as stated on the bill of lading of the relevant Crude Oil cargo.

ARTICLE 6

REFINED PRODUCTS YIELDS

6.1. Notwithstanding the actual Refinery yields, the yields of Refined Products (expressed as percentages by weight per metric tonnes of Crude Oil delivered), the Crude Oil processed for NNPC by COMPANY in the Refinery under this Agreement shall be determined by reference to the equivalent processing tonnage calculated in accordance with the provisions of Article (iv) above, which quantity shall be multiplied by the yields for each Refined Product as stated in Table 1 below. The tonnage yields representing the quantity of the Refined Products shall be delivered to NNPC by the COMPANY from the Refinery. For the avoidance of doubt, the total of the yields of the Refined Products do not equal 100% with the balance representing an allowance for the Refinery fuel and loss. Table 1 below shows the agreed yields by Crude Oil grade and by weight percentage:

Table 1:
Products Yield Pattern, %WT

Crude Type→	ANTAN	BONNY	BONGA	ESC	FORC	OKWORI	ERHA	YOHO	QUA	BRASS
LPG	1.4	1.9	1.1	1.0	1.0	1.5	1.6	1.5	1.6	1.5
MOGAS	18.0	21.0	19.0	15.0	18.3	22.0	19.2	16	17.0	16.5
JET A1	18.0	25.0	22.0	18.0	24.3	29.7	24.1	20.0	19.4	19.0
GASOIL	21.0	27.1	28.1	31.0	28.0	28.0	33.1	30.0	30.5	31.0
VGO	9.0	9.0	9.0	10.0	9.0	9.0	9.0	10.5	10.0	10.0
FUEL OIL	22.3	5.5	10.3	14.5	8.9	0.3	2.5	11.5	11.0	11.5
RF&L	10.3	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5

Crude Type→	AGBAMI	AMENAM	ZAFIRO	EA	AKPO
LPG	3.8	2.3	1.4	1.1	2.9
MOGAS	22.7	20.8	17.0	15.2	23.2
JET A1	18.1	17.4	18.0	20.2	17.6
GASOIL	31.1	30.4	22.0	37.5	30.1
VGO	9.0	9.0	12.0	9.0	9.0
FUEL OIL	4.8	9.6	19.3	6.5	6.7
RF&L	10.5	10.5	10.3	10.5	10.5

ARTICLE 7

REFINED PRODUCTS SPECIFICATIONS

(i) The quality of the Refined Products shall be in accordance with the Refined Products specifications as set out in Appendices 2, 3, and 4 to this Agreement.

(ii) The Refined Product quality specifications referred to in this Article may be revised, by mutual agreement at NNPC's request, if technically possible and feasible within the specific period of time, taking into consideration possible operational limits in the Refinery.

ARTICLE 8

PROCESSING FEES AND FREIGHT COSTS

8.1 PROCESSING FEES

During the term of this Agreement, NNPC shall pay COMPANY a Processing Fee amounting to two US dollars fifty cents (US$2.50) per Barrel of Crude Oil delivered to COMPANY (the "Processing Fee"). The

Processing Fee shall be calculated based on US$2.50 multiplied by the NSV of Crude Oil delivered for processing under this Agreement.

The Processing Fee shall be paid by NNPC for Refined Products meeting Nigerian specification as stated in Appendix 2.

8.2 CRUDE OIL AND REFINED PRODUCTS FREIGHT AND COSTS

For each cargo of Crude Oil delivered by NNPC, COMPANY shall, at all times throughout the duration of this Agreement and including any period of extension of this Agreement, be responsible for the freight using its Vessel and NNPC shall pay for the freight costs as shall be invoiced by the COMPANY in accordance with the charter rate agreed between NNPC and the COMPANY as set out below:

(i). CRUDE OIL

For 130,000 MT (950,000 barrels) cargo size, Worldscale TD5 as per formula set out below shall apply for discharge:

BALTIC INDEX TANKER ROUTE (BITR) TD5 Worldscale rate as published Baltic Exchange London using the published rate 21 days prior to the first day of laycan (if weekend or holiday, the first published rated one day after that day) plus the BITR TD5 rate for the two publishing days before that day and the two TD5 publishing days after that day divided by 5.

For 260,000 MT (1,900,000 barrels) cargo size, Worldscale TD4 as per formula set out below shall apply for discharge:

BALTIC INDEX TANKER ROUTE (BITR) TD4 Worldscale rate as published Baltic Exchange London using the published rate 21 days prior to the first day of laycan (if weekend or holiday, the first published rated one day after that day) plus the BITR TD4 rate for the two

publishing days before that day and the two TD4 publishing days after that day divided by 5.

(ii). **REFINED PRODUCTS**

For each cargo of Refined Products to be delivered by COMPANY to NNPC, COMPANY shall be responsible for the freight using its Vessel. NNPC shall pay for the freight costs as shall be invoiced by COMPANY in accordance with the charter rate agreed between NNPC and the COMPANY as set out below:

For 15,000 – 60,000 MT cargo sizes, Worldscale TC2 shall apply.

Freight rates shall always be based on the Worldscale t rate published by the Worldscale Association and such rate shall be as may be amended yearly as per the Worldscale Association publication. The relevant index is the rate published by the Baltic Exchange of London (BCTI/Baltic Clean Tanker Index)

The applicable rate shall be the rate published ten (10) days prior to the first day of the laycan (if weekend or holiday, the first published rate on the date immediately after that day) plus the corresponding rate for the two publishing days before that day and the two publishing days after that day divided by 5.

ARTICLE 9
TAXES AND OTHER CHARGES

NNPC shall be responsible for the payment of all taxes, port dues, verifiable operations fees, jetty fees, (where applicable) and charges imposed by Governmental Authority at the Crude Oil Load Ports before the Crude Oil passes into the Vessel's flange and the Refined Products Discharge Ports in Nigeria after the Refined Products have passed the Vessel's flange.

For purposes of clarity, verifiable operations fees shall mean the fees of the Mooring Master for conducting STS operations and the cost for hiring of speed boat and tug boat where Nigerian Ports Authority fails to do so.

COMPANY shall be responsible to pay all taxes and charges imposed by any government and governmental agencies in connection with the delivery of Crude Oil by COMPANY at the Discharge Port and the lifting of Refined Products for NNPC from the designated Load Port.

ARTICLE 10

PAYMENTS

(i) On or before the 13th day of each month, the Parties shall calculate and agree on each and every amount due between the Parties from the preceding month expressed in USD using the calculated values including, but not limited to:

a) Any amounts owed by COMPANY to NNPC in lieu of its delivery obligation for LPG, VGO and Fuel Oil;

b) Any Crude Oil Processing Fees, Port dues and Vessel freight costs owed by NNPC to COMPANY;

c) Any amounts owed by NNPC to COMPANY or COMPANY to NNPC (as the case may be) in respect of demurrage claims pursuant to Article 15 below;

d) Any amounts owed by NNPC or COMPANY in respect of its portion of the charges for the services of Independent Inspectors.

(ii) On or before the 13th day of each month each Party shall send to the other in writing by electronic means and an original copy by courier of the summary of the amounts due and owing by each Party for that month,

including the total amount owed by either NNPC to COMPANY or COMPANY to NNPC and their respective invoices.

(iii) Subject to Article 10 (vi) and (vii) below, if there is an amount owed by COMPANY to NNPC, then COMPANY shall pay such amount to NNPC's nominated bank account against NNPC's invoice on the 15th day after the submission of NNPC's invoice to COMPANY.

(iv) Subject to Article 10 (vi) and (vii) below, if there is an amount owed by NNPC to COMPANY, then NNPC shall pay such amount to COMPANY's nominated bank account against COMPANY's commercial invoice on the 15th day after the submission of COMPANY's invoice to NNPC.

(v) All payments due under the provisions of this Article 10 shall be made in USD by wire transfer for value on the due date of payment following receipt of invoice from COMPANY or NNPC (as the case may be) and as submitted in accordance with the provisions of Article 10 (ii) above.

(vi) In the event that the payment due date falls on a non-Business Day then payment shall be made on the first Business Day when banks are open for general business in the relevant jurisdictions immediately after the payment due date.

(vii) If payment required to be made by either Party under this Agreement is not made on the payment due date, such outstanding payment shall attract interest at the interest rate of LIBOR. The interest shall be calculated from the one month LIBOR rate, as published by British Bankers Association in REUTERS Page LIBOR, or if this ceases to be published, any applicable substitute thereof. Interest shall be payable for each day of default and computation shall be on simple interest.

ARTICLE 11

CRUDE OIL DELIVERY AND NOMINATION PROCEDURE

(i) The Crude Oil shall be delivered FOB at the Load Port in Nigeria. The Vessels nominated by COMPANY for delivery of Crude Oil shall be acceptable to NNPC. NNPC shall deliver Crude Oil to COMPANY in accordance with the provisions of Article 11. The quantity of Crude Oil delivered by NNPC under this Agreement shall be determined at the nominated Load Ports and as further specified in Article 13.

(ii) NNPC shall nominate in writing to COMPANY not later than the twentieth (20th) day of M-2 where M is the month in which the nominated delivery decade falls except that where this date falls prior to the commencement date of this Agreement then NNPC's nomination(s) shall be made to COMPANY within two (2) Business Days of the date of execution of this Agreement. The nomination shall indicate the following:

a) the Crude Oil grade;

b) the proposed parcel size of Crude Oil to be delivered pursuant to the provisions of Article 5;

c) the delivery decade within month M within which delivery of the Crude Oil shall take place.

(iii) COMPANY shall within two (2) Business Days of receipt of NNPC's Crude Oil nomination as specified in Article 11 (ii) above, confirm its acceptance of the nomination.

(iv) COMPANY shall advise NNPC not later than twenty five (25) days before the nominated Laycan (except that where this date falls prior to the commencement date of this Agreement then COMPANY's Vessel nomination(s) shall be made to NNPC not later than fifteen (15) days after the execution of this Agreement) and such nomination shall include the following details:

a. the name, the date built, summer deadweight and cargo tank capacity excluding slop tanks and flag of its Crude Oil Vessel; and

b. the two (2) day delivery date range within the nominated delivery decade when loading of the Vessel will commence.

(v) The Vessel nomination shall not be effective unless it is received and acceptance confirmed by NNPC not later than ten (10) days prior to the first day of the delivery date range. Provided that NNPC shall have the right to:

(a) reject any nomination made by COMPANY if the nominated Vessel has not been passed as acceptable by any of the major international oil companies (such companies being, Shell, ExxonMobil, Chevron and Conoco Philips) etc; or

(b) reject the Vessel, on substantiated grounds of safety which grounds are communicated to COMPANY prior to acceptance of Vessel nomination.

(vi) Upon receipt of an acceptable Vessel nomination and two (2) day delivery date range from COMPANY, NNPC shall, subject to the provisions of Article 11(v) above, and not later than two (2) Business Days after receipt of the Vessel nomination, confirm the acceptance of the Vessel.

(vii) The first cargo of Crude Oil shall be delivered by NNPC to COMPANY during the month of January, 2015.

ARTICLE 12

REFINED PRODUCTS DELIVERY, LIFTING SCHEDULE, PRODUCTS BUY – BACK AND PRE-DELIVERY

12.1 PRODUCTS DELIVERY

(i) COMPANY shall, pursuant to its obligations under this Agreement, deliver Refined Products to NNPC at the Discharge Port in Nigeria on the following basis:

a) **LPG**

COMPANY's delivery obligation in respect of all LPG yielded from Crude Oil delivered under this Agreement shall be discharged by an obligation on COMPANY to pay NNPC in lieu of the delivery of the quantities of these Refined Products at a price calculated in accordance with the terms of Article 14.

b) **Gasoline**

All the quantities of Gasoline yielded from Crude Oil delivered under this Agreement shall be delivered by COMPANY to NNPC in accordance with the terms of this Agreement.

c) **Dual Purpose Kerosene (DPK)**

All the quantities of DPK yielded from Crude Oil delivered under this Agreement shall be delivered by COMPANY to NNPC in accordance with the terms of this Agreement. Provided that on or before ten (10) Business Days before the bill of lading date for each cargo of Crude Oil delivered under this Agreement, NNPC may give notice in writing to COMPANY that all the quantities of DPK yielded from that cargo of Crude Oil shall, subject to mutual agreement of the Parties, be substituted for an equivalent amount of Gasoline to be delivered to NNPC as stated in Article 6.

d) **Gasoil**

All the quantities of Gasoil yielded from Crude Oil delivered under this Agreement shall be delivered by COMPANY to NNPC in accordance with the terms of this Agreement. Provided that on or before ten (10) Business Days before the bill of lading date for each cargo of Crude Oil delivered under this Agreement, NNPC may give notice in writing to COMPANY that all the quantities of Gasoil yielded from that cargo of Crude Oil shall, subject to mutual agreement of the Parties, be substituted for an equivalent amount of Gasoline or DPK to be delivered to NNPC as stated in Article 6.

e) **Vacuum Gas Oil (VGO)**

COMPANY's delivery obligation in respect of all VGO yielded from Crude Oil delivered under this Agreement shall be discharged by an obligation on COMPANY to pay NNPC in lieu of the delivery of this quantity of Refined Product at a price calculated in accordance with the terms of Article 14, or at the discretion of NNPC and upon mutual agreement of the parties substituted for an equivalent amount of Gasoline or DPK to be delivered to NNPC as stated in Article 6

f) **Fuel Oil**

COMPANY's delivery obligation in respect of all Fuel Oil yielded from Crude Oil delivered under this Agreement shall be discharged by an obligation on COMPANY to pay NNPC in lieu of the delivery of this quantity of Refined Product at a price calculated in accordance with the terms of Article 14 or at the discretion of NNPC and upon mutual agreement of the partiess substituted for an equivalent amount of Gasoline or DPK to be delivered to NNPC as stated in Article 6

ii). COMPANY shall make all volumes of Refined Products yielded from any cargo of Crude Oil under this Agreement available for delivery to NNPC.

Refined Products shall be delivered by COMPANY to NNPC in parcel sizes in the range of 15,000 to 60,000 metric tons plus or minus ten percent (10%). Such delivery shall be made during one or more of five (5) day delivery date ranges as may be nominated by COMPANY to NNPC.

Subject to the provisions of sub Articles (iii) and (iv) of this Article 12, COMPANY shall not later than the fifth (5) day after the bill of lading date of the relevant Crude Oil cargo delivery nominate to NNPC;

a) the parcel sizes of the Refined Products to be delivered.

b) the five (5) day delivery date range during which delivery of the relevant Refined Products shall be made to NNPC. The first day of each such delivery date range shall commence in the period falling fifteen (15) days after the bill of lading date of the relevant Crude Oil cargo.

c) NNPC shall notify COMPANY of the designated Discharge Port.

In the event that any amount of Refined Products yielded from a grade of Crude Oil delivered under this Agreement which by reason of available quantity limitations cannot be delivered in a cargo made up exclusively of the relevant Refined Products in excess of the minimum quantity parcel size of 15,000 metric tons as stated in Article 12 (ii), such amount of Refined Products shall be added to the relevant quantity of the Refined Products yielded from the subsequent cargo of Crude Oil delivered for processing and such combined Refined Products shall be delivered according to delivery timetable for Refined Products from the said subsequent cargo of Crude Oil.

The Parties may, by mutual consent, agree to take delivery of Refined Products before the fifteenth (15th) day from the relevant Crude Oil cargo bill of lading date or in a quantity greater or smaller than the quantity stated in Article 12 (ii) above.

COMPANY has the right in its sole option to elect to top-up the quantity of relevant Refined Products yielded and delivered from any cargo of Crude Oil so as to achieve a full cargo with a view to minimizing dead freight. Any such top-up volume so delivered shall be deducted from the quantity of Refined Products yielded from the next Crude Oil delivered under this Agreement or paid for by NNPC at the pricing set out in Article 13 (ii) or 13 (iv) or 13 (v) (as the case may be).

COMPANY shall nominate to NNPC a three (3) day delivery date range (within the original five day nomination) at the Discharge Port for each cargo of Refined Products and the parcel size of the relevant Refined Products to be delivered by COMPANY to NNPC, with at least fifteen (15) day notice of the first date of each such delivery range. In respect of each Vessel which is nominated by COMPANY to deliver Refined Products hereunder, such nomination shall further specify:

(a) the date built, summer deadweight and cargo tank capacity excluding slop tanks and flag (as detailed in Q88 to be submitted);

(b) the Expected Time of Arrival (ETA) of the Vessel and any other information that may be required by NNPC with prior notification to COMPANY;.

(c) full documentation instructions from COMPANY; and

(d) details of any cargo on board or to be laden on board if loading a part cargo.

(vi) The Vessel nomination shall not be effective unless it is received and acceptance confirmed by NNPC not later than two (2) days after receipt of the Vessel nomination from COMPANY. In the event that NNPC does not accept the Vessel nomination, it shall have the right within two (2) days of the receipt of the nomination to reject any nomination made by COMPANY if the nominated Vessel has not been passed as acceptable by any of the

major international oil companies (such companies being, Shell, ExxonMobil, Chevron and Conoco Philips) etc.

(vii) In the event that a Vessel nominated by COMPANY is rejected by NNPC under any of the conditions stated in this Agreement, COMPANY shall have the right to nominate a substitute vessel without penalty to perform the delivery obligations within the delivery date range. In the event that the delivery date range has expired, an extended period may be granted by NNPC at its sole discretion to enable COMPANY deliver the Refined Products, provided that all cost associated thereto shall be borne by COMPANY.

(ix) Prior to delivery of Refined Products, COMPANY shall provide all applicable Material Safety Data Sheets (MSDS) for Refined Products to NNPC.

(x) COMPANY shall be responsible for all applicable Environmental Protection Agency anti-dumping and gasoline programme reporting requirements with respect to the Crude Oil processed under this Agreement.

(xi) In the event of nominated Refinery downtime including but not limited to unforeseen mechanical faults, commercial issues or maintenance; or on the occurrence of such acts or events specified in Article 21, COMPANY shall deliver the Refined Products from another Refinery or facility subject to the stipulated terms and conditions of this Agreement and at no extra cost to NNPC.

ARTICLE 13

CRUDE OIL & REFINED PRODUCTS QUANTITY AND QUALITY DETERMINATION

13.1 All measurements of Crude Oil and Refined Products quantity and quality specifications set out in this Agreement shall be determined in accordance with the latest API and ASTM standards and principles in effect at the time

of delivery at the Load Port and at the Discharge Port (as the case may be) by a mutually acceptable Independent Inspector jointly appointed by NNPC and COMPANY. The costs of the inspection shall be borne equally between NNPC and COMPANY. Certificates of quality and quantity countersigned by an Independent Inspector shall be final and binding on both Parties except where the Independent Inspector did not undertake or did not witness the measurement of quantity or the taking of samples or the analysis of such samples, then the certificates of quantity and quality issued or countersigned by him must expressly reflect this and it will not, in these circumstances, be a certificate of quantity and quality for the purposes of this Article 13 but merely evidence of those matters undertaken or witnessed by the Independent Inspector.

13.2 CRUDE OIL QUANTITY AND QUALITY DETERMINATION

(i) Quantity

The quantity of Crude Oil delivered by NNPC to COMPANY, and upon which NNPC's entitlement of Refined Products is to be evaluated, shall be determined at the Load Port by measuring the TCV quantity and reducing this quantity to NSV.

(ii) Quality

(a) The sediment and water of the relevant grade of Crude Oil delivered to COMPANY shall be as determined by analysis, carried out by the Independent Inspector, on a representative sample of the Crude Oil being delivered. The representative sample used shall be taken by an automatic inline sampler.

(b) In the event that an inline sampler is not fitted, is out of order, malfunctions during the transfer, or the Independent Inspector considers that the samples drawn by said inline sampler are not representative of the Crude Oil delivered (by making comparisons to free water and sediment and water (S&W) content of Crude Oil delivered to COMPANY), then the

sediment and water deduction shall be determined by composite samples drawn from the relevant storage tanks at the Load Port.

(iii) Where COMPANY desires to bring up a claim in respect of quantity and quality of Crude Oil loaded from NNPC, COMPANY shall notify NNPC of such quantity and quality claims within fifteen (15) days from the bill of lading date, prior to the submission of a formal claim within the period of forty-five (45) days window from the bill of lading date.

13.3 REFINED PRODUCTS QUANTITY AND QUALITY DETERMINATION

(i) Quantity Measurement

Measurements of Refined Products quantity shall be determined at the Discharge Port by a mutually acceptable Independent Inspector jointly appointed by NNPC and the COMPANY.

(ii) Out Turn Quantity Measurement

Ship to Ship Transfer (STS): The bill of lading quantity advised by the Parties' mutually agreed by Independent Inspector shall be the measurement criteria for the out turn quantity provided that in the absence of a mutually agreed and advised quantity bill of lading, then, the average between the discharge figure of the mother Vessel and the receipt figure of the daughter vessel shall apply, for as long as the quantity variance is within industry accepted tolerance.

Where there are valid vessels experience factors ("VEFs") for both mother Vessel and daughter vessel, the VEFs shall be applied in the quantity calculation.

Where only one or neither of the Vessels has a valid (VEF), no VEF shall be applied. In that case, the average between the discharge figure of the mother Vessel and the receipt figure of the daughter vessel as indicated in paragraph (a) above, shall apply, for as long as the quantity variance is within industry accepted tolerance.

d) For Apapa Port discharges, the out turn quantity shall be determined based on the Vessel arrival figures pursuant to the report of the Independent Inspectors as indicated in Article 13.3 (i) above.

e) For Ports other than Apapa, the shore receipt figures shall apply, pursuant to the report of Independent Inspectors appointed by NNPC and COMPANY as indicated in Article 13.3 (i) herein.

ARTICLE 14

REFINED PRODUCTS PRICING

14.1 COMPANY shall, where applicable under the terms of this Agreement, satisfy its Refined Products delivery obligation under this Agreement by paying NNPC the monetary value for volumes of Refined Products not delivered to NNPC in accordance with the relevant pricing formula as set out below.

(i) **LPG**

The LPG shall be priced in accordance with the following formula:

The mean average of the five (5) consecutive published quotations for Butane under the heading North West Europe FOB Sea-going (i.e. the daily mean average of the high and low quotes) as published in Platt's European Marketscan less USD$40.00 per metric tonne.

The five (5) consecutive published quotations around the twenty-third (23rd) day after the Crude Oil bill of lading date, with twenty-third (23rd) day being day three (3).

(ii). **Gasoline**

The price which shall apply for purposes of payment by COMPANY to NNPC for any amount due in satisfaction and in lieu of COMPANY's Refined Products delivery obligation in respect of Gasoline, or be used in calculating an equivalent amount of Gasoline if a quantity of DPK, Gasoil,

or VGO is agreed to be converted into additional Gasoline shall be the average of the mean of five consecutive Platt's European Marketscan published quotations under the heading "Cargoes FOB Med" for Premium Gasoline 10ppm plus twenty-eight (28) US Dollars per metric tonnes.

(iii) **DPK**

The price which shall apply for purposes of payment by COMPANY to NNPC for any amount due in satisfaction and in lieu of COMPANY's Refined Products delivery obligation in respect of DPK by COMPANY to NNPC, or be used in calculating an equivalent amount of Gasoline if a quantity of DPK is agreed to be converted into additional Gasoline shall be the average of the mean of five consecutive Platt's European Marketscan published quotations under the heading **"CIF N.W.E Basis ARA for Jet A1** plus fourteen (14.00) US Dollars per metric tonne.

(iv) **Gasoil**

The price which shall apply for purposes of payment by COMPANY to NNPC for any amount due in satisfaction and in lieu of COMPANY's delivery obligation in respect of Gasoil by COMPANY from NNPC, or be used in calculating an equivalent amount of Gasoline if a quantity of Gasoil is agreed to be converted into additional Gasoline shall be the average of the mean of five consecutive Platt's European Marketscan published quotations under the heading **"Cargoes FOB Med Gasoil 0.1%** plus ten (10.00) US Dollars per metric tonne.

(v) **VGO**

The price which shall apply for purposes of payment by COMPANY to NNPC for any amount due in satisfaction and in lieu of COMPANY's delivery obligation in respect of VGO by COMPANY to NNPC, or be used in calculating an equivalent amount of Gasoline if a quantity of VGO is agreed to be converted into additional Gasoline shall be the average of the mean of five consecutive Platt's European Marketscan published quotations around the Sales Date of the relevant Refined Product (with

ARTICLE 15

BERTH, DISCHARGE AND LOADING CONDITIONS, AND DEMURRAGE

15.1 NOTICE OF READINESS

i) Vessel shall tender notice of readiness (``NOR") for loading of Crude Oil to NNPC, on arrival at the customary anchorage or at the pilot station, whichever is applicable. The NOR can be tendered at any time by letter, telegraph, wireless, or telephone (to be confirmed in writing by telex, letter or email), either directly or through the Vessel's agents.

ii) Vessel shall tender NOR for discharge of Refined Products to Pipeline and Products Marketing Company Limited (PPMC) on arrival, through the COMPANY's Agent to PPMC's Office, Lagos, Commercial Services Division and Marine Transportation Department.

iii) If the Vessel discharging Refined Products tenders NOR prior to the agreed date range, Laytime shall commence at 6 a.m. on first day of the agreed date range or when Vessel is all fast, whichever is earlier.

iv) If the Vessel discharging Refined Products tenders NOR later than the agreed date range, it shall wait for a vacant berth and Laytime commences at all fast. In such instances, NNPC shall make available to COMPANY next available berth to discharge the Vessel cargoes. Demurrage incurred while waiting for a vacant berth shall be for COMPANY's account and NNPC shall not bear any responsibility for such delays.

15.2 LAYTIME

i) Laytime for each Vessel loading Crude Oil shall be 36 hours and shall commence six (6) hours after NOR is tendered or upon berthing; whichever is earlier and shall continue until hoses are disconnected;

ii) Laytime for Refined Product import Vessel shall be thirty six (36) hours SHINC and shall commence six (6) hours after NOR is tendered within the agreed delivery date range and within working hours ie 0800 – 1800 hours and shall continue until hoses are disconnected.

iii) Vessels arriving from 1800 hours on the last day of its laycan shall be on all fast. For Vessels arriving before the agreed laycan, Laytime shall commence 0600 hours from the first date of the agreed laycan or all fast whichever is earlier; and the Laytime shall be for thirty six (36) hours. If NOR is tendered within the agreed laycan but outside working hours of 0800 – 1800 hours, then, NOR shall be deemed to have been tendered at **0600 hours of the following day and Laytime shall be for thirty-six (36)** hours plus 6 hours.

(iii) NNPC shall contact Vessels upon receipt of a valid NOR with a set of all shipping documents, and immediately sign the date and time that such Vessels are contacted. Only such date and time signed and stamped by NNPC shall be deemed to be the valid date and time for NOR tendering. The Agent shall be responsible for prompt berthing and unberthing of Vessels as advised by NNPC. If the services of the Agent are considered unsatisfactory or delinquent by NNPC, COMPANY shall upon the request of NNPC, immediately replace the Agent and appoint another Agent that is acceptable to the Parties.

iv) In respect of Vessels discharging Refined Products, where Laytime is exceeded, NNPC shall pay demurrage for the time in excess of thirty six (36) hours commencing six (6) hours after NOR is tendered or Vessel at berth, whichever comes first. Laytime for each Vessel discharging Refined Products shall be thirty Six (36) hours to commence six (6) hours after NOR is tendered.

v) Where Vessel discharges by way of (STS) time shall stop when all STS equipment provided by NNPC is properly discharged from the mother Vessel and Vessel has cast off. Any and all NNPC floating storage is to be considered as STS operation.

DEMURRAGE

i) Payment for demurrage shall be made in accordance with the provisions of Article 10. In no event shall NNPC's payment to COMPANY exceed demurrage cost incurred by COMPANY. All demurrage claims shall be paid in USD.

ii) If the Vessel shifts berth for any reason, other than a reason on the part of NNPC, then the time taken to shift berth shall count against Laytime or time on demurrage and on COMPANY's account.

iii) Time on demurrage shall not count on any act of international, national, port, transportation, local government and/or any agency of government or other governmental authority, which delays, prohibits or restricts the delivery of Crude Oil and/or Refined Products.

iv) Any claims resulting from demurrage incurred by the Vessel shall be received with relevant supporting documents by NNPC within eighty-five (85) days from the date of loading of Crude Oil or discharge of the Refined Products. If either Party is unable to support a demurrage claim within eighty-five (85) days of the bill of lading or completion of loading or discharge, an electronically transmitted notification of a forthcoming claim within eighty-five (85) days from these dates shall be acceptable.

v) No demurrage shall be paid where a nominated Vessel is VLCC or ULCC.

ARTICLE 16

FINAL SETTLEMENT AND RECONCILIATION

(i) At the end of each quarter there shall be a reconciliation meeting between the Parties for all Refined Products and Crude Oil cargoes delivered under the terms of this Agreement.

(ii) The reconciliation meeting shall be held at a venue mutually agreed by the parties.

(iii) Each reconciliation meeting shall be carried out within thirty (30) days of the end of each quarter and shall review all matters relating to the operation of this Agreement.

(iv) A final reconciliation meeting shall be held within fifteen (15) days of the expiration or termination of this Agreement and Each Party shall bear its own cost. If at the final reconciliation meeting, it is established by the Parties that there remains less than fifteen thousand (15,000) metric tonnes of Refined Products due to be delivered to NNPC by COMPANY then the provisions of Article 2 (iv) above shall apply.

(v) Any outstanding amount that is agreed by the Parties to be due to the other Party at the termination or on the expiration of this Agreement shall be paid by such Party to the other Party within fifteen (15) days of receipt of the other Party's reconciliation invoice by wire transfer in USD funds to the nominated bank account as set out in such reconciliation invoice. For the purposes of the final reconciliation, any outstanding quantities of Refined Products which shall be less than 15,000 metric tonnes due to be delivered to NNPC shall following the expiration or termination of this Agreement be retained by COMPANY and valued for payment purposes in accordance with the terms of Articles 2 and 10 of this Agreement.

(a) Following the termination or expiration of this Agreement, should any amount due and payable to either NNPC or COMPANY (as the case may be) remain outstanding beyond the due date for payment as stated in this Article 16, the Party in default shall pay interest to the other Party on such outstanding amounts in accordance with the provisions of Article 10 for such period of time as the amount remain unpaid.

(b) The Parties hereby agree that only such Crude Oil and Refined Products deliveries made from the date of signing of this Agreement, shall be reconciled based on the terms and conditions of this Agreement.

ARTICLE 17

TITLE AND RISK OF LOSS

17.1 Crude Oil

The risk in and title to Crude Oil cargoes delivered by NNPC pursuant to this Agreement shall pass from NNPC to COMPANY at the nominated Load Port after the Crude Oil has passed the Vessel's flange.

17.2 Refined Products

The risk in and title to the Refined Products cargoes delivered by COMPANY to NNPC pursuant to this Agreement shall pass from COMPANY to NNPC at the Discharge Port in Nigeria after the Refined Products have passed the Vessel's flange.

17.3 In the event of loss of Crude Oil after title and risk have passed to COMPANY or loss to Refined Products before title and risk have passed to NNPC, COMPANY shall promptly, and in accordance with the terms of this Agreement and at its sole risk, deliver Refined Products in quantities commensurate with the Refined Product yields specified in Article 6 for the quantity of Crude Oil delivered under this Agreement.

17.4 COMPANY shall to the extent required by any applicable laws or regulations carry and maintain in force appropriate insurance(s) with companies satisfactory to NNPC in respect of worker's compensation and employer's liability insurance for all its employees engaged in performing work hereunder.

17.5 COMPANY shall procure and maintain in force appropriate normal and customary general liability insurance coverage for injury, death, or property damage, including any Liabilities under any environmental laws or for any environmental damages.

ARTICLE 18

AUDITING

i). COMPANY shall grant access, and shall procure that access be granted to NNPC, and its duly authorized representatives, to the accounting records and other documents maintained by COMPANY for purposes of processing Crude Oil pursuant to this Agreement. NNPC shall have the right to inspect or audit such records and such other documents at any reasonable time or times during the term of this Agreement, or within one (1) year after the expiration or termination of this Agreement. COMPANY shall preserve, and shall procure the preservation of the aforesaid records and documents for a period of at least one (1) year after the expiration or termination of this Agreement.

ii). Upon request by COMPANY, NNPC shall provide COMPANY with all documents and records in NNPC's possession that relate to its performance under this Agreement. COMPANY shall have access to the accounting records and other documents maintained by NNPC, which relate to this Agreement, and shall have the right to inspect or audit such records at any reasonable time or times during the term of this Agreement, or within one (1) year after the expiration or termination of this Agreement.

NNPC shall preserve all of the aforesaid documents for a period of at least one (1) year after the expiration or termination of this Agreement.

ARTICLE 19

SUSPENSION AND TERMINATION

19.1 In addition to any rights of termination or suspension otherwise granted to the Parties under the terms of this Agreement, this Agreement may be terminated at any time as follows:

i by mutual written consent of the Parties;

ii by either NNPC or COMPANY, within a hundred and eighty (180) days after receipt of notice from the other that any representation or warranty made by the other Party is untrue in any material respect, or any condition to such Party's obligations cannot be satisfied;

iii by either NNPC or COMPANY, should the other Party fail to meet its payment obligations under Article 10 for three (3) consecutive months or commits any material breach of any of the terms or conditions of this Agreement, and such failure or material breach continue without cure for thirty (30) days after receipt of written notice thereof from the other Party.

iv by either Party, if the other files a petition or otherwise commences or authorizes the commencement either by itself or by a third party, of a proceeding or case under any bankruptcy, reorganization, or similar law, for the protection against creditors, or has any such petition filed or proceeding commenced against it;

v by either Party, if the other Party becomes bankrupt or insolvent, or makes an assignment of this Agreements for the benefit of its creditors (however evidenced);

vi by either Party, if there is a major change in the direct or indirect ownership of the other Party that may have material adverse effect on the

performance of this Agreement, provided that any major change for the purpose of corporate re-structuring shall not apply under this Article 19.6;

vii by either Party, if a receiver is appointed or an encumbrancer takes possession of the whole or a significant part of the assets or undertaking of the other Party;

viii by either Party, if the other Party 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 against any significant part of the property of the other Party, and is not discharged within fourteen (14) days;

ix If the transactions contemplated by this Agreement are terminated as provided herein, then:

a) all confidential information received by any Party hereto, with respect to the other Party or any of its Affiliates, shall be treated in accordance with this Agreement; and

b) notwithstanding the foregoing, the termination of this Agreement shall not in any way limit or restrict the rights and remedies of any Party against the other Party hereto in respect of any violation or breach of any of the representations, warranties, covenants, and agreements or other provisions of this Agreement occurring prior to the date of termination of this Agreement.

19.2 **Consequences of Termination**

In the event of termination and subject to Article 15 (iv) and (v) herein, the conditions stipulated under Articles 2 and 10 of this Agreement shall apply. COMPANY or NNPC shall be entitled to Crude Oil deliveries or Refined Products deliveries (as the case may be) that may be outstanding to either of the Parties prior to the date of termination.

Neither of the Parties shall be entitled to any claim for compensation or loss of anticipated profit or other economic loss resulting from such termination.

ARTICLE 20

CREDIT CONDITIONS

20.1 **Submission of Letter of Credit**

(i) COMPANY shall submit to NNPC prior to delivery of Crude Oil cargo either an acceptable irrevocable and revolving stand-by letter of credit or an irrevocable standby letter of credit (shipment by shipment) issued by a reputable international bank acceptable to NNPC in the current value of the cargo of Crude Oil delivered as security for the Crude Oil or Refined Products delivery obligations (as the case may be).

(ii) The submission of the letter of credit shall be made seven (7) days prior to the first day of laycan. The format and wordings of the stand-by letter of credit shall be as stated in Appendix 5.

(iii) Where COMPANY pre-delivers Refined Products to NNPC in line with Article 12.2 (iv), the provisions of Article 20.1 herein shall not apply.

(iv) The stand-by letter of credit shall be considered opened when a swift is received, by both NNPC nominated Bank and NNPC, from the issuing financial institution, stating that they have opened a stand-by letter of credit with NNPC as the beneficiary.

(v) All bank charges, and any additional costs, required for the opening of the letter of credit, shall be strictly for the account of COMPANY.

ARTICLE 21

FORCE MAJEURE

21.1 For purposes of this Agreement, the term Force Majeure shall mean, any act or event, whether foreseeable or unforeseeable, beyond the

sales date of Refined Products being day three (3)) under the heading **"FOB Rotterdam of VGO 0.6% less** sixty (60.00) US Dollars per metric tonne.

(vi) **Fuel Oil**

The price which shall apply for purposes of payment by COMPANY to NNPC for any amount due in satisfaction and in lieu of COMPANY's delivery obligation in respect of Fuel Oil by COMPANY to NNPC, or be used in calculating an equivalent amount of Gasoline if a quantity of Fuel Oil is agreed to be converted into additional Gasoline shall be the average of the mean of five consecutive Platt's European Marketscan published quotations around the Sales Date of the relevant Refined Product (with bill of lading date of Refined Products being day three (3)) under the heading **"New York (NY) Harbour No.6, 0.3%S less** sixty-seven (67.00) US Dollars per metric tonne.

(vii) Sales Date for the relevant Refined Products (Gasoline, Kerosene, Gasoil, VGO and Fuel Oil) shall be a date falling within the range between the fifteenth (15th) day to the Sixtieth (60th) day after the Crude Oil bill of lading date.

14.3 For the avoidance of doubt, in the case of pre-delivered Refined Products including such pre-delivered Refined Products yielded from the Refinery in-tank Crude Oil, the above provision on Sales Date as stated in Article 14.1 (vii) shall apply. COMPANY shall submit copies of the crude tank ullage report along with the Sales Date of the Refined Products.

14.4 All prices indicated under this Article 14 shall be calculated to three (3) decimal places.

ARTICLE 15

BERTH, DISCHARGE AND LOADING CONDITIONS, AND DEMURRAGE

15.1 NOTICE OF READINESS

i) Vessel shall tender notice of readiness (``NOR") for loading of Crude Oil to NNPC, on arrival at the customary anchorage or at the pilot station, whichever is applicable. The NOR can be tendered at any time by letter, telegraph, wireless, or telephone (to be confirmed in writing by telex, letter or email), either directly or through the Vessel's agents.

ii) Vessel shall tender NOR for discharge of Refined Products to Pipeline and Products Marketing Company Limited (PPMC) on arrival, through the COMPANY's Agent to PPMC's Office, Lagos, Commercial Services Division and Marine Transportation Department.

iii) If the Vessel discharging Refined Products tenders NOR prior to the agreed date range, Laytime shall commence at 6 a.m. on first day of the agreed date range or when Vessel is all fast, whichever is earlier.

iv) If the Vessel discharging Refined Products tenders NOR later than the agreed date range, it shall wait for a vacant berth and Laytime commences at all fast. In such instances, NNPC shall make available to COMPANY next available berth to discharge the Vessel cargoes. Demurrage incurred while waiting for a vacant berth shall be for COMPANY's account and NNPC shall not bear any responsibility for such delays.

15.2 LAYTIME

i) Laytime for each Vessel loading Crude Oil shall be 36 hours and shall commence six (6) hours after NOR is tendered or upon berthing; whichever is earlier and shall continue until hoses are disconnected;

ii) Laytime for Refined Product import Vessel shall be thirty six (36) hours SHINC and shall commence six (6) hours after NOR is tendered within the agreed delivery date range and within working hours ie 0800 – 1800 hours and shall continue until hoses are disconnected.

iii) Vessels arriving from 1800 hours on the last day of its laycan shall be on all fast. For Vessels arriving before the agreed laycan, Laytime shall commence 0600 hours from the first date of the agreed laycan or all fast whichever is earlier; and the Laytime shall be for thirty six (36) hours. If NOR is tendered within the agreed laycan but outside working hours of 0800 – 1800 hours, then, NOR shall be deemed to have been tendered at **0600 hours of the following day and Laytime shall be for thirty-six (36)** hours plus 6 hours.

(iii) NNPC shall contact Vessels upon receipt of a valid NOR with a set of all shipping documents, and immediately sign the date and time that such Vessels are contacted. Only such date and time signed and stamped by NNPC shall be deemed to be the valid date and time for NOR tendering. The Agent shall be responsible for prompt berthing and unberthing of Vessels as advised by NNPC. If the services of the Agent are considered unsatisfactory or delinquent by NNPC, COMPANY shall upon the request of NNPC, immediately replace the Agent and appoint another Agent that is acceptable to the Parties.

iv) In respect of Vessels discharging Refined Products, where Laytime is exceeded, NNPC shall pay demurrage for the time in excess of thirty six (36) hours commencing six (6) hours after NOR is tendered or Vessel at berth, whichever comes first. Laytime for each Vessel discharging Refined Products shall be thirty Six (36) hours to commence six (6) hours after NOR is tendered.

v) Where Vessel discharges by way of (STS) time shall stop when all STS equipment provided by NNPC is properly discharged from the mother Vessel and Vessel has cast off. Any and all NNPC floating storage is to be considered as STS operation.

DEMURRAGE

i) Payment for demurrage shall be made in accordance with the provisions of Article 10. In no event shall NNPC's payment to COMPANY exceed demurrage cost incurred by COMPANY. All demurrage claims shall be paid in USD.

ii) If the Vessel shifts berth for any reason, other than a reason on the part of NNPC, then the time taken to shift berth shall count against Laytime or time on demurrage and on COMPANY's account.

iii) Time on demurrage shall not count on any act of international, national, port, transportation, local government and/or any agency of government or other governmental authority, which delays, prohibits or restricts the delivery of Crude Oil and/or Refined Products.

iv) Any claims resulting from demurrage incurred by the Vessel shall be received with relevant supporting documents by NNPC within eighty-five (85) days from the date of loading of Crude Oil or discharge of the Refined Products. If either Party is unable to support a demurrage claim within eighty-five (85) days of the bill of lading or completion of loading or discharge, an electronically transmitted notification of a forthcoming claim within eighty-five (85) days from these dates shall be acceptable.

v) No demurrage shall be paid where a nominated Vessel is VLCC or ULCC.

ARTICLE 16

FINAL SETTLEMENT AND RECONCILIATION

(i) At the end of each quarter there shall be a reconciliation meeting between the Parties for all Refined Products and Crude Oil cargoes delivered under the terms of this Agreement.

(ii) The reconciliation meeting shall be held at a venue mutually agreed by the parties.

(iii) Each reconciliation meeting shall be carried out within thirty (30) days of the end of each quarter and shall review all matters relating to the operation of this Agreement.

(iv) A final reconciliation meeting shall be held within fifteen (15) days of the expiration or termination of this Agreement and Each Party shall bear its own cost. If at the final reconciliation meeting, it is established by the Parties that there remains less than fifteen thousand (15,000) metric tonnes of Refined Products due to be delivered to NNPC by COMPANY then the provisions of Article 2 (iv) above shall apply.

(v) Any outstanding amount that is agreed by the Parties to be due to the other Party at the termination or on the expiration of this Agreement shall be paid by such Party to the other Party within fifteen (15) days of receipt of the other Party's reconciliation invoice by wire transfer in USD funds to the nominated bank account as set out in such reconciliation invoice. For the purposes of the final reconciliation, any outstanding quantities of Refined Products which shall be less than 15,000 metric tonnes due to be delivered to NNPC shall following the expiration or termination of this Agreement be retained by COMPANY and valued for payment purposes in accordance with the terms of Articles 2 and 10 of this Agreement.

(a) Following the termination or expiration of this Agreement, should any amount due and payable to either NNPC or COMPANY (as the case may be) remain outstanding beyond the due date for payment as stated in this Article 16, the Party in default shall pay interest to the other Party on such outstanding amounts in accordance with the provisions of Article 10 for such period of time as the amount remain unpaid.

(b) The Parties hereby agree that only such Crude Oil and Refined Products deliveries made from the date of signing of this Agreement, shall be reconciled based on the terms and conditions of this Agreement.

ARTICLE 17

TITLE AND RISK OF LOSS

17.1 **Crude Oil**

The risk in and title to Crude Oil cargoes delivered by NNPC pursuant to this Agreement shall pass from NNPC to COMPANY at the nominated Load Port after the Crude Oil has passed the Vessel's flange.

17.2 Refined Products

The risk in and title to the Refined Products cargoes delivered by COMPANY to NNPC pursuant to this Agreement shall pass from COMPANY to NNPC at the Discharge Port in Nigeria after the Refined Products have passed the Vessel's flange.

17.3 In the event of loss of Crude Oil after title and risk have passed to COMPANY or loss to Refined Products before title and risk have passed to NNPC, COMPANY shall promptly, and in accordance with the terms of this Agreement and at its sole risk, deliver Refined Products in quantities commensurate with the Refined Product yields specified in Article 6 for the quantity of Crude Oil delivered under this Agreement.

17.4 COMPANY shall to the extent required by any applicable laws or regulations carry and maintain in force appropriate insurance(s) with companies satisfactory to NNPC in respect of worker's compensation and employer's liability insurance for all its employees engaged in performing work hereunder.

17.5 COMPANY shall procure and maintain in force appropriate normal and customary general liability insurance coverage for injury, death, or property damage, including any Liabilities under any environmental laws or for any environmental damages.

ARTICLE 18

AUDITING

i). COMPANY shall grant access, and shall procure that access be granted to NNPC, and its duly authorized representatives, to the accounting records and other documents maintained by COMPANY for purposes of processing Crude Oil pursuant to this Agreement. NNPC shall have the right to inspect or audit such records and such other documents at any reasonable time or times during the term of this Agreement, or within one (1) year after the expiration or termination of this Agreement. COMPANY shall preserve, and shall procure the preservation of the aforesaid records and documents for a period of at least one (1) year after the expiration or termination of this Agreement.

ii). Upon request by COMPANY, NNPC shall provide COMPANY with all documents and records in NNPC's possession that relate to its performance under this Agreement. COMPANY shall have access to the accounting records and other documents maintained by NNPC, which relate to this Agreement, and shall have the right to inspect or audit such records at any reasonable time or times during the term of this Agreement, or within one (1) year after the expiration or termination of this Agreement.

NNPC shall preserve all of the aforesaid documents for a period of at least one (1) year after the expiration or termination of this Agreement.

ARTICLE 19

SUSPENSION AND TERMINATION

19.1 In addition to any rights of termination or suspension otherwise granted to the Parties under the terms of this Agreement, this Agreement may be terminated at any time as follows:

i by mutual written consent of the Parties;

ii by either NNPC or COMPANY, within a hundred and eighty (180) days after receipt of notice from the other that any representation or warranty made by the other Party is untrue in any material respect, or any condition to such Party's obligations cannot be satisfied;

iii by either NNPC or COMPANY, should the other Party fail to meet its payment obligations under Article 10 for three (3) consecutive months or commits any material breach of any of the terms or conditions of this Agreement, and such failure or material breach continue without cure for thirty (30) days after receipt of written notice thereof from the other Party.

iv by either Party, if the other files a petition or otherwise commences or authorizes the commencement either by itself or by a third party, of a proceeding or case under any bankruptcy, reorganization, or similar law, for the protection against creditors, or has any such petition filed or proceeding commenced against it;

v by either Party, if the other Party becomes bankrupt or insolvent, or makes an assignment of this Agreements for the benefit of its creditors (however evidenced);

vi by either Party, if there is a major change in the direct or indirect ownership of the other Party that may have material adverse effect on the

performance of this Agreement, provided that any major change for the purpose of corporate re-structuring shall not apply under this Article 19.6;

vii by either Party, if a receiver is appointed or an encumbrancer takes possession of the whole or a significant part of the assets or undertaking of the other Party;

viii by either Party, if the other Party 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 against any significant part of the property of the other Party, and is not discharged within fourteen (14) days;

ix If the transactions contemplated by this Agreement are terminated as provided herein, then:

a) all confidential information received by any Party hereto, with respect to the other Party or any of its Affiliates, shall be treated in accordance with this Agreement; and

b) notwithstanding the foregoing, the termination of this Agreement shall not in any way limit or restrict the rights and remedies of any Party against the other Party hereto in respect of any violation or breach of any of the representations, warranties, covenants, and agreements or other provisions of this Agreement occurring prior to the date of termination of this Agreement.

19.2 **Consequences of Termination**

In the event of termination and subject to Article 15 (iv) and (v) herein, the conditions stipulated under Articles 2 and 10 of this Agreement shall apply. COMPANY or NNPC shall be entitled to Crude Oil deliveries or Refined Products deliveries (as the case may be) that may be outstanding to either of the Parties prior to the date of termination.

Neither of the Parties shall be entitled to any claim for compensation or loss of anticipated profit or other economic loss resulting from such termination.

ARTICLE 20

CREDIT CONDITIONS

20.1 **Submission of Letter of Credit**

(i) COMPANY shall submit to NNPC prior to delivery of Crude Oil cargo either an acceptable irrevocable and revolving stand-by letter of credit or an irrevocable standby letter of credit (shipment by shipment) issued by a reputable international bank acceptable to NNPC in the current value of the cargo of Crude Oil delivered as security for the Crude Oil or Refined Products delivery obligations (as the case may be).

(ii) The submission of the letter of credit shall be made seven (7) days prior to the first day of laycan. The format and wordings of the stand-by letter of credit shall be as stated in Appendix 5.

(iii) Where COMPANY pre-delivers Refined Products to NNPC in line with Article 12.2 (iv), the provisions of Article 20.1 herein shall not apply.

(iv) The stand-by letter of credit shall be considered opened when a swift is received, by both NNPC nominated Bank and NNPC, from the issuing financial institution, stating that they have opened a stand-by letter of credit with NNPC as the beneficiary.

(v) All bank charges, and any additional costs, required for the opening of the letter of credit, shall be strictly for the account of COMPANY.

ARTICLE 21

FORCE MAJEURE

21.1 For purposes of this Agreement, the term Force Majeure shall mean, any act or event, whether foreseeable or unforeseeable, beyond the

reasonable control of a Party and that delays, impairs or renders impossible a Party's ability to perform under this Agreement: including but not limited to:

(i) Fire, earthquake, explosion, lightning, epidemic, hurricane, flood, drought, hazardous weather, landslide, collision, stranding, storm, disease, pestilence, and natural calamity, or any other Act of God;

(ii) Strike, grievance or action by and among workers, lockout, labor dispute, or any other labor difficulties, for whatever reason, by any labor group or individuals, whether or not involving employees of COMPANY or NNPC, the Refinery, Vessels or sub-contractor and whether or not such labor difficulty could be settled by acceding to any demands of any such labor group or individuals .

(iii) War, hostilities, whether declared or undeclared, revolution or insurrection, civil commotion, unrest, riot or disorder, act of the public enemy, pirates, or other belligerents, terrorism, sabotage, blockade or embargo;

(iv) Any act of international, national, port, transportation, local government, agency of government or other Governmental Authority, which prohibits or restricts the delivery of the Crude Oil and/or Refined Products.

21.2 If the performance of this Agreement by a Party of its obligations under this Agreement is prevented, delayed, restricted, or interfered with, in whole or in part, or rendered impossible by a Force Majeure, the Party so affected, upon giving prompt notice to the other Party, shall be excused from such performance of its obligations provided that the Party so affected shall use its reasonable efforts to avoid or remove such causes of non-performance, and all the Parties shall continue performance of their respective obligations hereunder with the utmost dispatch whenever such causes are removed. The provisions stated above shall not be construed or interpreted as:

(a) Requiring any Party to accede to any demands of employees or labor unions, which such Party, in its sole discretion, shall consider unreasonable; or

(b) Relieving any Party from its obligations to pay, when due, any amount owed by such Party for a period prior to the occurrence of the Force Majeure.

21.3 During the period of a Force Majeure, whether declared by COMPANY or NNPC, NNPC shall not be liable for the payment of any Processing Fee for Crude Oil not delivered to. COMPANY.

21.4 In the event of any delay or non-performance caused by any Force Majeure the Party affected shall provide verbal notice of the Force Majeure as soon as possible, but no later than two (2) Business Days after the time at which such Party had knowledge of the Force Majeure provide the other Party with written notice of the nature, cause, date of commencement, and anticipated extent of such delay or non-performance.

Notwithstanding the other provisions of this Article 21, the Parties shall on the occurrence of the said act(s) or event(s) consult together with the primary aim of determining mutually acceptable measures for reducing the difficulties that may arise from the occurrence of the Force Majeure including but not limited to sourcing Refined Products from any unaffected Refinery. If after a consecutive period of sixty (60) days, the said act or event continues to affect the performance of all of the obligations of the Party under this Agreement, either Party may, by giving not less than fourteen (14) days notice to the other, terminate this Agreement. .

ARTICLE 22

GOVERNING LAW AND ARBITRATION

22.1 This Agreement shall be construed in accordance with, and governed by, the Laws of the Federal Republic of Nigeria.

22.2 The Parties shall endeavor to resolve, promptly and in good faith, any dispute that may arise under this Agreement. The Parties hereby agree that any dispute or controversy arising hereunder which cannot be resolved amicably by negotiations of the senior management of the Parties, shall be exclusively and definitively resolved by arbitration, conducted by three arbitrators in accordance with the arbitration rules of the International Chamber of Commerce (ICC), from time to time in force, which rules are deemed incorporated by reference herein. The place of arbitration shall be Lagos, Nigeria. The costs of any arbitration shall be borne equally by the Paries. Each Party shall be responsible for its own legal fees and expenses.

22.3 The award of the arbitrators shall, unless there is manifest error in law or fact or miscarriage of justice, be final and binding on the Parties.

ARTICLE 23

RELEASE FROM PERFORMANCE UNDER LAW

Without prejudice to Article 21, if any circumstance outside the control of both Parties arises which renders it unlawful for either or both Parties to fulfill its or their contractual obligations; the Parties shall be released from further performance, and discharged from this Agreement within 180 days.

ARTICLE 24

REPRESENTATIONS, WARRANTIES, AND COVENANTS OF NNPC

NNPC represents and warrants as follows:

24.1 NNPC is as at the date of this Agreement, a corporation duly established, and validly existing and in good standing under the Laws of the Federal Republic of Nigeria, and has full corporate power and authority to enter into this Agreement, and to carry out the transactions contemplated herein. The execution and delivery of this Agreement, and the consummation of the transactions contemplated herein, have been duly and validly authorized.

24.2 This Agreement has been duly and validly executed and delivered by , and constitutes a valid and binding obligation of NNPC, enforceable against it in accordance with its terms.

24.3 Neither the execution nor delivery of this Agreement by NNPC, nor the consummation by NNPC of the transactions contemplated hereby:

a) violates any provision of its enabling status;

b) constitutes a breach or default (or an event which, with the giving of notice or passage of time, or both, would constitute a default) under, or will result in the termination of, or accelerate the performance required by, or result in the creation or imposition of any security interest, lien, charge, or other encumbrance upon any assets of, or any material agreement, commitment, understanding, arrangement, or restriction of any kind or character, to which NNPC is a party, or by which NNPC or any of its assets is bound; or

c) violates any statute, laws, regulation, or rule, or any judgment, decree, order, writ, or injunction of any court or Governmental Authority, applicable to NNPC, or to its business and operations.

24.4 NNPC is in compliance with all material Laws and Regulations applicable to its operations, and has not received any notification that it is not presently so in compliance.

24.5 NNPC shall maintain all licenses applicable to its operations as may be required by law. NNPC shall promptly notify COMPANY of any change in status, with respect to the licenses required under the law for its operations.

ARTICLE 25

REPRESENTATIONS, WARRANTIES, AND COVENANTS OF COMPANY

COMPANY represents and warrants as follows:

25.1 COMPANY is a company duly organized, and validly existing, in good standing under the Laws of the Federal Repubic of Nigeria, and has full corporate power and authority to enter into this Agreement, and to carry out the transactions contemplated herein. The execution and delivery of this Agreement by COMPANY, and the consummation of the transactions contemplated hereby have been duly and validly authorized by all necessary corporate action of COMPANY.

25.2 This Agreement has been duly and validly executed and delivered by COMPANY and constitutes a valid and binding obligation of COMPANY, enforceable against it in accordance with its terms.

25.3 To the best of its knowledge, neither the execution nor delivery of this Agreement by COMPANY, nor the consummation by COMPANY of the transactions contemplated hereby:

a) Violates any provision of its incorporation/registration documents;

b) constitutes a breach or default (or an event which, with the giving of notice or passage of time, or both, would constitute a default) under, or will result in the termination of, or accelerate the performance required by, or result in the creation or imposition of any security interest, lien, charge, or other encumbrance upon any assets of, or any material agreement, commitment, understanding, arrangement, or restriction of any kind or character, to which COMPANY is a party, or by which COMPANY or any of its assets is bound; or

c) Violates any statute, laws, regulation, or rule, or any judgment, decree, order, writ, or injunction of any court or Governmental Authority, applicable to COMPANY, or to its business and operations.

25.4 On the date of this Agreement and to the best of its knowledge:

(a) there are no judgments, orders, writs, or injunctions of any court or Governmental Authority, or other regulatory or administrative agency, commission, or arbitration panel, domestic or foreign, presently in effect or pending or threatened against COMPANY; and

(b) there are no claims, actions, suits or proceedings, or investigations by or before any court or Governmental Authority, or other regulatory or administrative agency, commission, or arbitration panel, pending or threatened by or against COMPANY, which, would interfere with the consummation of the transactions contemplated by this Agreement, or would materially or adversely affect its business or operations, or for which COMPANY would be liable with respect to such business and operations.

25.5 COMPANY is in compliance with all material Laws and Regulations applicable to its operations, and has not received any notification (orally or in writing) that it is not presently being compliant.

25.6 In addition, COMPANY warrants there is no litigation pending that to the best of its knowledge could reasonably be expected to adversely affect COMPANY's ability to perform its obligations under this Agreement.

ARTICLE 26

SAFETY AND HEALTH

NNPC may (where applicable) and upon written request by COMPANY furnish to COMPANY a Material Safety Data Sheet for the Crude Oil that NNPC may deliver to COMPANY hereunder, including safety and health warnings. COMPANY agrees to furnish such warnings and information to all persons whom COMPANY can reasonably foresee, may be exposed to or may handle such Crude Oil, including, but not limited to, COMPANY's employees, agents, contractors, and customers.

COMPANY shall furnish to NNPC, the Material Safety Data Sheet information on the Refined Products to be delivered under this Agreement including safety and health warnings. NNPC agrees to furnish such warnings and information to all persons whom NNPC can reasonably foresee, may be exposed to or may handle such Refined Product, including, but not limited to, NNPC's employees, agents, contractors, and customers.

ARTICLE 27

ASSIGNMENT

(i) Neither Party shall assign or transfer any or all of its rights or obligations under this Agreement without the prior written consent of the other Party, which consent shall not be unreasonably withheld.

(ii) Either Party may subject to the prior written consent of the other assign any of its right under this Agreement to its Affiliate or subsidiary provided that the assigning Party shall remain liable to the other Party for the full performance of all its obligations under this Agreement notwithstanding that the other Party has given its consent.

(iii) No assignment permitted under this Article shall come into effect until the assigning Party demonstrate and confirm by written certificate to the satisfaction of the other Party that the assignee shall adhere to and comply with the financial obligations of this Agreement including the provision of acceptable guarantee in the form of stand-by letter of credit where such assignment is being made by COMPANY.

ARTICLE 28

STATEMENTS

COMPANY will provide all necessary statements, required by NNPC, in connection with this Agreement. COMPANY shall provide NNPC, as frequently as possible, but in no event less than a weekly schedule, with detailed inventory

records reflecting the volume of Crude Oil delivered for processing, and volume of Refined Products delivered to NNPC.

ARTICLE 29

TRADE CONTROLS AND BOYCOTTS

Notwithstanding anything to the contrary herein, nothing in this Agreement is intended, and nothing herein should be interpreted or construed, to induce or require a Party hereto to act in any manner (including failing to take any actions in connection with a transaction) which is inconsistent with, penalised or prohibited under any applicable Laws and Regulations to which such Party is subject, which relate to foreign trade controls, export controls, embargoes or international boycotts of any type.

ARTICLE 30

FACILITATION PAYMENTS AND ANTI-CORRUPTION

In recognition of the principles of the Organisation for Economic Co-operation and Development (OECD) Convention on Combating of Bribery of Foreign Public officials in International Business Transactions, each of the Parties hereby warrants and undertakes to the other that in connection with this Agreement, they shall each comply with all applicable laws, rules, regulations or decrees and/or official government orders of the Federal Republic of Nigeria relating to anti-bribery and anti-money laundering.

NNPC and COMPANY each warrants and undertakes that it or any other person acting on its behalf has not and covenants that it and any such person shall not, directly or indirectly in connection with this Agreement and the matter resulting there from, offer, pay, offer to pay, promise to pay or authorize the giving of money or anything of value to any official, or to any other person while knowing or being aware of a high probability that all or a portion of such money or thing of value will be offered, given or promised, directly or indirectly to an official, in order that the official will act or refrain from acting in relation to the performance

of official duties, in order to obtain or retain business for, or to direct business to, any person, or to obtain any other improper advantage or benefit.

For purposes of this Article the word 'official' shall mean any officer or representative engaged or holding a position in any office of the Federal Government of Nigeria or State or Local government or any official or representative of any foreign company or foreign government.

NNPC and COMPANY each represents, warrants and undertakes to the other that they shall not, directly or indirectly in connection with this Agreement:

a) pay, offer, give or promise to pay or authorize the payment of, any monies or other things of value to:

(i) a government official or an officer or employee of a government or any department, agency or instrumentality of any government;

(ii) an officer or employee of a public international organization;

(iii) any person acting in an official capacity for or on behalf of any government or department, agency, or instrumentality of such government or of any public international organization;

(iv) any political party or official thereof, or any candidate for political office;

(v) or any other person, individual or entity at the suggestion, request or direction or for the benefit of any of the above-described persons and entities, or.

In particular, each Party represents and warrants to the other that it has not made any payments or given anything of value to officials, officers or employees of the government of the country in which the Crude Oil originated or the Refined Product was processed in connection with the Crude Oil or Refined Product which is the subject of this Agreement which

would be inconsistent with or contravene any of the above referenced legislation.

Either Party may terminate this Agreement forthwith upon written notice to the other at any time, if in their reasonable judgment the other is in breach of any of the above representations, warranties or undertakings.

ARTICLE 31

COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

COMPANY shall have exclusive responsibility for certification of all Refined Products under this Agreement, pursuant to applicable Environmental Laws and other laws including Anti-Dumping regulations.

ARTICLE 32

LIABILITIES

Except as may be otherwise provided in this Agreement, neither Party shall be liable for any indirect, incidental, special, or consequential damages, sustained by the other Party as a result of anything relating to this Agreement, excluding those resulting from third party claims.

ARTICLE 33

EXCHANGE OF INFORMATION AND CONFIDENTIALITY

33.1 **Exchange of Information**

The Parties shall maintain close communication and mutually provide and exchange available information directly relevant to the fulfillment of the terms and conditions of this Agreement, and shall procure that such available information shall be provided and exchanged for purposes of this Agreement.

33.2 Confidentiality

32.2.1 Duty of Confidentiality:

The terms of this Agreement and any information directly or indirectly provided, exchanged, disclosed or furnished whether orally, in writing or in any electronic, digital or other form, by either Party to the other Party in connection with or in relation to this Agreement which is not already known to the Party receiving the information (Recipient Party) or already in the public domain (other than as a result of the breach of the provisions of this Article) shall be kept confidential and shall not be sold, traded, published or otherwise disclosed to any third party in any manner whatsoever by the Recipient Party except for purposes connected with this Agreement.

All such information shall be referred to as "Confidential Information".

33.2.2 Permitted Disclosure:

The Confidential Information may be disclosed by the Recipient Party:

(i) to any legal counsel, finance consultant, insurance company, underwriter or provider of finance or credit guarantee in relation to matters contemplated under this Agreement to the extent that such disclosure is to assist the Recipient Party in meeting its obligations under this Agreement.

(ii) If required and to the extent required by any applicable law, rules or regulations or any Governmental Authority or agency of

the government or the rules of any recognized stock exchange in connection with the shares of the Recipient Party.

(iii) to any of its subsidiary including the employees, directors and authorized representatives provided it is on a need to know basis; or

(iv) to any intended assignee of the Recipient Party's interest under this

Agreement provided however that:

(a) such intended assignee has entered into a confidentiality agreement with the intended assignor on terms to restrict disclosure of the Confidential Information on a need to know basis and solely for the purpose of the proposed assignment;

(b) a copy of such confidentiality agreement has been furnished to the non-assigning Party for its acceptance of the terms;

(v) to any arbitrator appointed in accordance with the provisions of this Agreement.

33.2.3 **Duration of Confidentiality:**

The foregoing obligation with regard to the Confidential Information shall remain valid and binding on the Parties for seven (7) years after the termination or expiration of this Agreement.

ARTICLE 34

MISCELLANEOUS

34.1 **Notices:**

Unless otherwise agreed in writing, any notices, statements, requests, or other communications to be given by either Party to the other pursuant to this Agreement, shall be made in writing, and unless otherwise provided herein, be sufficiently made if sent by prepaid first class post, facsimile,

telex or electronic communications and shall, unless otherwise provided herein, be deemed to have been made on the day on which such communication is sent to the addresses and telex numbers specified below:

IF TO NNPC:

The Group Managing Director
Nigerian National Petroleum Corporation
NNPC Towers
Herbert Macaulay Way
Central Business District
Abuja
Nigeria

Tel No: +234 94608 2500-1
Fax No: +234 9413 0198

IF TO COMPANY:

The Managing Director
AITEO Energy Resources Limited
5/7, Dockyard Road,
Apapa,
Lagos

Tel No: .....
Fax No: .....

Any electronic communications to be made between the Parties under or in connection with this Agreement:

(a) may be made by electronic mail or other electronic means if the Parties:

(i) agree that, unless and until notified to the contrary this is to be an acceptable form of communication;

(ii) notify each other in writing of the electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and

(iii) notify each other of any change to the electronic mail address or any other such information supplied by them; and

(b) will be effective only when actually received in a readable form.

34.2 **Entire Agreement:**

This Agreement, including the Appendixes, contains the entire understanding of the Parties with respect to its subject matter. There are no commitments, agreements, promises, representations, warranties, covenants, or undertakings other than those expressly set forth herein. This Agreement supersedes all prior agreements, including agreement in principle, and undertakings between the Parties with respect to this subject matter, except to the extent any such prior agreement is specifically incorporated herein.

34.3 **Severability Provisions:**

If, at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provisions under the law of any other jurisdiction will in anyway be affected or impaired.

34.4 **Headings:**

The Article headings contained herein are for reference purposes only, and shall not affect in any way the meaning or interpretation of this Agreement.

34.5 **Counterparts:**

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which together constitute one and the same instrument.

34.6 **Amendments and Waiver:**

This Agreement may only be amended or modified by a written instrument duly executed by each of the Parties hereto.

No failure to exercise, nor any delay in exercising, on the part of any Party any right or remedy under the provisions of this Agreement shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise of any right or remedy. The rights and remedies provided in this Agreement are cumulative and not exclusive of any right or remedies provided by law.

34.7 Disclaimer of Agency:

Nothing in this Agreement shall be construed to establish any agency or partnership relationship among the Parties, and the Parties specifically disclaim any intention to create such a relationship.

34.8 **Third Party Rights:**

The Parties agree that no person who is not a Party to this Agreement shall have any right of enforcement or any right to agree any amendment, variation, waiver or settlement under or arising from or in respect of this Agreement or to rescind or terminate this Agreement.

For purposes of this provision, "Person" shall mean any person, entity, company, individual, authority, corporation, partnership, unincorporated entity, trust, organization or other legal entity including governmental authority.

IN WITNESS WHEREOF the duly authorized representatives of the Parties have caused this Agreement to be executed the day and year first above written.

SIGNED AND DELIVERED
for and on behalf of:
NIGERIAN NATIONAL PETROLEUM CORPORATION

Name: Joseph Dauda

Designation: Group Managing Director

Signature:

In the Presence of:

Name: I OGUNE

Designation: Secretary to the Corporation

Signature:

SIGNED and DELIVERED
for and on behalf of:
AITEO ENERGY RESOURCES LIMITED

Name: BENEDICT PETERS

Designation: DIRECTOR

Signature:

In the Presence of:

Name: Ndaly Usman Hassan

Signature:

Designation: Legal

Address: 5/7 Bock-yard Road Ow
Apapa Lagos Nigeria

APPENDIX 1

GASOLINE SPECIFICATION

Property	Limits	Test Method
Appearance	Clear and Bright	Visual
Colour	Ox blood red	Visual
Free Water	Nil	Visual
Suspended Matter	Nil	Visual
Specific Gravity at 15/15°C	0.720 - 0.780	D1298/D0452(1)
Distillate Evaporated at; 70°C, % (v/v), max 125°C, % (v/v), max 180°C, % (v/v), max	 10 50 90	D86
End Boiling Point, °C (max)	210	D86
Residue, % (v/v) max	2	D86
Copper Corrosion, 3h at 50°C (max)	Class 1b	D130
Sulphur Content, % (m/m) max	0.10	D5453
Existent Gum (solvent washed), mg/100mL max	4	D381
Oxidation Stability °C (min)	360	D525
Reid Vapour Pressure, kPa (max.)	62.0 (9psi)	D323
Lead Content, max	5ppm	EN237
Benzene, %m/m (max)	2.0	D3606
RON, min	91	D2699

APPENDIX 4

IRREVOCABLE AND REVOLVING STAND-BY LETTER OF CREDIT

WE XYZ BANK (HEREINAFTER REFERRED TO AS 'THE BANK'), WITH REFERENCE TO THE OFFSHORE PROCESSING AGREEMENT BETWEEN NIGERIAN NATIONAL PETROLEUM CORPORATION AND AITEO ENERGY RESOURCES LTD., DATED XXXXXXX, 2014, WE HEREBY OPEN OUR IRREVOCABLE AND REVOLVING (AS DEFINED HEREUNDER) STAND-BY LETTER OF CREDIT NO XXXXXXXXX, FOR AN AMOUNT OF USD XXXXXXXX+/- 5 PCT (US DOLLARS XXXXXXXXXXXXX MILLIONS XXXXXXX HUNDREAD THOUSAND PLUS/MINUS FIVE PERCENT ONLY) IN FAVOR OF NIGERIAN NATIONAL PETROLEUM CORPORATION (HEREINAFTER REFERRED TO AS 'NNPC'), COVERING THE MARKET VALUE OF THE CRUDE OIL DELIVERED TO AITEO ENERGY RESOURCES LTD OR THE MARKET VALUE OF THE REFINED PRODUCTS DELIVERABLE TO NNPC BY AITEO ENERGY RESOURCES LTD.

WE HEREBY IRREVOCABLY AND UNCONDITIONALLY UNDERTAKE TO PAY AT SIGHT UP TO A MAXIMUM OF USD XXXXXXXXXX IN FAVOUR OF NNPC IN A DESIGNATED ACCOUNT AS FOLLOWS:

BENEFICIARY: NIGERIAN NATIONAL PETROLEUM CORPORATION (NNPC)
DEUTSCHE (BANKERS TRUST) BANK, AMERICAS, NEW YORK, NEW YORK, AMERICA
SWIFT CODE: BKTRUS33
FOR THE CREDIT OF: UNITED BANK FOR AFRICA PLC
SWIFT CODE: UNAFNGLA
ACCOUNT NO: 4010011
FOR FURTHER CREDIT TO: NNPC/PPMC CRUDE OIL SALES ACCOUNT
ACCOUNT NUMBER: 00880131003701

UPON NNPC's FIRST WRITTEN REQUEST, AND ON PRESENTATION OF THE
FOLLOWING DOCUMENTATION AT THE COUNTERS OF THE BANK:

A) A COPY OF NNPC'S COMMERCIAL INVOICE EVIDENCING ALL OF THE QUANTITY AND VALUE OF CRUDE OIL DELIVERED BY NNPC TO AITEO ENERGY RESOURCES LTD AND THE VALUE OF REFINED PRODUCTS STILL DELIVERABLE IN COMPENSATION BY AITEO ENERGY RESOURCES LTD TO NNPC WITH REFERENCE TO THE CRUDE OIL PROCESSING AGREEMENT COUNTRACT DATED XXXXXXXX, 2014 TOGETHER WITH A COPY OF A STATEMENT DULY SIGNED AND SENT BY AITEO ENERGY RESOURCES LTD TO NNPC ACCEPTING THE AMOUNT OF NNPC's COMMERCIAL INVOICE.

B) NNPC's SIGNED STATEMENT, STATING THAT PAYMENT OF THE ABOVE MENTIONED AMOUNT IS DUE AND THAT PAYMENT HAS NOT BEEN MADE BY
AITEO ENERGY RESOURCES LTD AND THAT AITEO ENERGY RESOURCES LTD HAS NOT PERFORMED ITS REFINED PRODUCT DELIVERY OBLIGATION AND IS IN BREACH OF ITS OBLIGATIONS UNDER THE PROCESSING AGREEMENT ENTERED BETWEEN NNPC AND AITEO ENERGY RESOURCES LTD.) DATED XXXXXXXXX, 2014 TOGETHER WITH A COPY OF A STATEMENT SENT BY AITEO ENERGY RESOURCES LIMITED TO NNPC EVIDENCING SUMMARY OF THE CRUDE OIL VOLUMES AND VALUE LIFTED FROM NNPC, PRODUCT VOLUMES AND VALUE DELIVERED TO NNPC AND ANY AMOUNTS DUE AND OWING BY EITHER NNPC
OR AITEO ENERGY RESOURCES LTD, AND SHOWING DUE DATE FOR INTEREST CALCULATION.

C) FULL SET 3/3 ORIGINALS 'CLEAN ON BOARD' BILLS OF LADING ISSUED OR ENDORSED TO THE ORDER OF, XYZ BANK EVIDENCING SHIPMENT(S) OF CARGO(S) OF CRUDE OIL AS EVIDENCED ABOVE IN A) ABOVE (CHARTER PARTY B/L ACCEPTABLE)

WE HEREBY AGREE THAT ALL REQUESTS FOR PAYMENT IN ACCORDANCE
WITH THE TERMS STIPULATED HEREIN WILL BE DULY HONOURED UPON PRESENTATION OF THE DOCUMENTATION AS SET OUT IN PARAGRAPHS (A), (B) AND (C) ABOVE, IF PRESENTED TO THE BANK, ON OR BEFORE THE TERMINATION OF THE PROCESSING AGREEMENT OR EXPIRY DATE OF THIS STANDBY LETTER OF CREDIT (WHICHEVER IS EARLIER).

PARTIAL DRAWINGS WILL BE ALLOWED.
TRANSHIPMENTS ALLOWED

IN ADDITION TO ANY PAYMENT MADE UPON PRESENTATION OF THE DOCUMENTATION AS SET OUT IN PARAGRAPH (A), (B) AND (C) ABOVE, WE WILL HONOUR ANY CLAIMS BY NNPC FOR CLAIMS FOR INTEREST AT THE PRIME RATE, AS PUBLISHED BY THE LONDON INTER-BANK OFFER RATE (LIBOR), ONE MONTH AS CALCULATED FROM THE DUE DATE OF PAYMENT (DUE DATE AS PER DOCUMENT (B) ABOVE) TO THE ACTUAL DATE OF PAYMENT TO THE BENEFICIARY.

ALL RELATED BANKING CHARGES AND COMMISSIONS, WHETHER FOR NNPC OR AITEO ENERGY RESOURCES LTD SHALL BE SOLELY FOR THE ACCOUNT OF AITEO ENERGY RESOURCES LTD

THIS IRREVOCABLE AND REVOLVING (AS DEFINED HEREUNDER) STAND-BY

LETTER OF CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE
FOR DOCUMENTARY CREDIT, INTERNATIONAL CHAMBER OF COMMERCE,
PARIS (ICC PUBLICATION NO. 600 LATEST VERSION)

VALIDITY DATE: XX OF XXXX 2015 AT THE COUNTERS OF THE BANK.

THIS STANDBY LETTER OF CREDIT IS VALID FROM DATE OF ITS ISSUANCE UNTIL ITS VALIDITY DATE (XXXXXXX 2015). THE AMOUNT AVAILABLE UNDER THIS STANDBY LETTER OF CREDIT SHALL BE REDUCED BY THE AMOUNT OF ANY DRAWING MADE BY BENEFICIARY THEREUNDER.

THE TERM 'REVOLVING' USED ABOVE MEANS THAT THE AMOUNT AVAILABLE UNDER THIS STANDBY LETTER OF CREDIT WILL BE REINSTATED TO ITS NOMINAL VALUE (REGARDLESS OF ANY PREVIOUS AVAILABLE BALANCE) ON A MONTHLY BASIS UPON RECEIPT BY THE BENEFICIARY OF A DULY AUTHENTICATED SWIFT MESSAGE ISSUED BY BANK

DOCUMENTS TO BE SENT TO OUR ADDRESS:
XYZ BANK

TRADE FINANCE SERVICE CENTER

XXXXXXXXXXXXXXX

XXXXXXXXXXXXXXX

ATTN : xxxxxxxxxxxxxxxxxxxxxx.com

xxxxxxxxxxxxxxxxxxxxxx.com

THIS TELEX IS THE OPERATIVE CREDIT INSTRUMENT AND NO MAIL CONFIRMATION WILL FOLLOW

UNQUOTE