CRUDE OIL – REFINED PRODUCTS EXCHANGE AGREEMENT

BETWEEN

PIPELINES AND PRODUCTS MARKETING COMPANY LIMITED (PPMC)

AND

DUKE OIL SERVICES LIMITED

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THIS AGREEMENT is made this 10th day of JAN. 2011 between **PIPELINES AND PRODUCTS MARKETING COMPANY LIMITED**, a company incorporated 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 PPMC) which shall include its successors in title and assigns of the one part;

And

DUKE OIL SERVICES LIMITED, a company incorporated under the laws of England whose office is at Capitol House, 159 Hammersmith Road, London (hereinafter called COMPANY) which shall include its successors in title and assigns of the other part

WHEREAS:

1. PPMC has an allocation of Crude Oil for purposes of processing into Refined Products for domestic utilization and currently imports Refined Products into Nigeria.

2. PPMC desires to deliver Crude Oil to COMPANY on the basis of FOB and exchange in return, Refined Products from the COMPANY.

3. COMPANY has represented that it is engaged in the business of petroleum trading and is in a position to make available to PPMC Refined Products in designated port (s) in Nigeria.

4. COMPANY wishes to deliver to PPMC, Petroleum Products of equal value of Crude Oil received from PPMC and on such terms as may be agreed by the Parties.

5. PPMC and COMPANY hereby agree to execute an agreement that will determine the terms and conditions upon which the transaction will be carried out.

Now, 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) "API" shall mean the American Petroleum Institute.

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

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

(v) "Business Day" shall mean a day when banks are open for general business in Abuja and London.

(vi) "CIF" shall mean as such term is defined under INCO Terms 2000 or as subsequently amended, except as modified by this Agreement where in the case of conflict, the terms of this Agreement shall prevail.

(vii) "Crude Oil" shall mean the Crude Oil or raw materials which can be considered technically and commercially as Crude Oil.

(viii) "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 at which the

Refined Product to be delivered under this Agreement is to be discharged.

(ix) "Dollar", "USD" and the symbol "$" shall refer to the United States Dollar.

(x) "DPK" shall mean Dual Purpose Kerosene as per the specifications attached in Appendix 2.

(xi) "Environmental Laws" shall mean all Laws and Regulations within the jurisdiction of Nigeria 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.

(xii) "FOB" shall mean as such term is defined under INCO Terms 2000 or as subsequently amended, except as modified by this Agreement where in the case of conflict, the terms of this Agreement shall prevail.

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

(xiv) "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 PPMC and /or COMPANY over all or any part of the transactions and services to be performed under this Agreement.

(xv) "Independent Inspector" shall mean a licensed person or entity which will perform sampling, quality analysis, and quantity determination of Crude Oil and or Refined Products, at the designated at Load Port.

(xvi) "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.

(xvii) "Laytime" shall mean the time allowed for loading or discharging a Vessel as the case may be as set out in Article 15.

(xviii) "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

(xix) "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 at which the Crude Oil to be delivered under this Agreement.

(xx) "Part Cargo" shall mean when a cargo is discharged in more than one discharge port, or received by more than one receiver at the discharge port.

(xxi) "Party" shall mean PPMC or COMPANY and "Parties" shall mean both PPMC and the COMPANY

(xxii) "PMS" shall mean Unleaded Gasoline as defined in Appendix 1.

(xxiii) "Refined Product(s)" shall mean any finished petroleum products (liquid or gas) described in Article 3 of this Agreement and any petroleum material or component which at any time are determined to be Refined Product pursuant to the provision of Article 3.

(xxiv) "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.

(xxv) "Vessel" shall mean any Vessel nominated by COMPANY for the lifting of Crude Oil or delivery of Refined Products cargoes pursuant to the terms of this Agreement.

ARTICLE 2 - DURATION

(i) Notwithstanding the date of execution of this Agreement unless otherwise terminated pursuant to the provisions of Article 18 below, this Agreement shall be for a period of twelve (12) months commencing on the 1st day of February, 2011 and expiring on the 30th day of January, 2012 in accordance with the provisions described below.

(ii) The Parties shall meet at least ninety (90) calendar days prior to the expiration of this Agreement to agree on the terms and conditions for any extended period. If the Parties cannot agree on the terms of the extension within the ninety (90) days, this Agreement will terminate on 30th day of January, 2012.

(iii) Subject to Article 18 hereof, either Party shall be relieved of the obligation to deliver the agreed quantity of Crude Oil or Refined

Products 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. PPMC or COMPANY shall deliver all Crude Oil or Refined Products to PPMC or COMPANY (as the case may be) which it is obliged under this Agreement within sixty (60) days from the bill of lading date of each Crude Oil or Refined Products delivery. If, after the expiry date of this Agreement, there remains less than fifty percent (50%) of the standard Cargo size of Crude oil or Refined Products due to be delivered by COMPANY to PPMC or PPMC to COMPANY (as the case may be),the defaulting Party shall in lieu and in full satisfaction of its remaining delivery obligation make a payment to the other Party for an amount that is determined by reference to the quantity of the relevant Crude Oil or Refined Product(s) in accordance with the applicable pricing formula as set out in Article 9 below.

If there remains more than 50% of the standard Cargo size of Crude Oil or Refined Products, this shall be delivered in accordance with the provisions of this Agreement.

ARTICLE 3 - DELIVERY OBLIGATIONS

(A) CRUDE OIL

PPMC agrees to deliver to COMPANY on the basis of FOB at the Load Port in Nigeria evenly over the duration of this Agreement 90,000 Barrels per calendar day of Crude Oil.

(B) REFINED PRODUCTS

i) Other than as may be mutually agreed herein, COMPANY hereby agrees to deliver Refined Products to PPMC on basis of CIF to designated Discharge Port(s) in Nigeria within a period of thirty (30) days effective from the date of Bill of Lading of the crude oil delivery by PPMC to COMPANY.

ii) The products to be delivered by COMPANY to PPMC are as stated below:

(a) PMS

(b) Any other Refined Products as may be indicated by PPMC from time to time.

iii). COMPANY hereby agrees that where PPMC at any time during the period of this Agreement requests for any other Refined Product other than PMS, COMPANY shall deliver such Products as may be demanded by PPMC provided that PPMC gives COMPANY sufficient notice to enable COMPANY re-programme its delivery plan and procure such Refined Products accordingly.

iv) COMPANY hereby agrees that each cargo to be delivered in one lot as full or part cargo shall be a minimum of 27,000mt up to a maximum of 38,000mt per cargo.

v) For the avoidance of doubt, each Cargo of Refined Products to be delivered by COMPANY in one lot as full or part cargo shall be 27,000mt up to a maximum of 38,000mt per cargo CIF one or two safe Port(s) Nigeria at one or two safe berth(s) designated by PPMC to arrive at the discharge port during the agreed delivery date range period as may be mutually agreed by the Parties.

vi) The quantities of Refined Products to be delivered by COMPANY under this Agreement shall be based on the value of the Crude Oil delivered by PPMC to COMPANY

ARTICLE 4: MONTHLY LIFTING SCHEDULES/ PROGRAMMES

4.1 The quantities of Crude Oil to be delivered to the COMPANY under this Agreement shall be evenly spread through the calendar months.

4.2 **Lifting Schedule:**

Not later than thirty (30) days before the commencement of the relevant Month that the COMPANY is programmed to lift Crude Oil, PPMC shall notify COMPANY of the estimated quantities the COMPANY shall have the right and obligation to lift during the relevant Month indicating the grades by crude names and the loading terminals. Such notification of quantities, grades and/or estimated decades of the Month are subject to change depending on the availability of Crude Oil at the relevant time.

4.3 PPMC may propose changes to the Lifting Schedule for any relevant Month. The proposal must be delivered to the COMPANY within twenty-one (21) days prior to the date the lifting shall be made by the COMPANY.

4.4 Not later than five (5) days, Saturday, Sundays and public holidays inclusive, from the date a lifting advice is given pursuant to Article 4.3 above, COMPANY shall give PPMC notice in writing of its acceptance to lift the cargo of Crude Oil.

4.5 PPMC shall not later than twenty (20) days before the beginning of the decade of the Month in which the COMPANY is programmed to lift, advice the COMPANY of the acceptance date, implying a date-range.

4.6 In the event that COMPANY has not received written notification of the acceptance date as provided in Article 4.4 above, COMPANY shall notify PPMC in writing and by phone calls contact failing which such acceptance date shall be deemed to have been received by PPMC.

ARTICLE 5 - CRUDE OIL DELIVERY AND VESSEL NOMINATION PROCEDURE

5.1 Each Vessel which is to load Crude Oil pursuant to this Contract shall be nominated in writing by the COMPANY to PPMC not less than fourteen (14) days before the first day of the date-range in which the COMPANY wishes to lift Crude Oil. Such notices ("the nomination") shall specify the following:

(a) The name of Vessel, date built and flag.

(b) The Vessel's dimensions and other specifications, which shall be within the maximum and/or minimum limits specified by PPMC from time to time and shall satisfy the standards and regulations of the terminal operator at the relevant time.

(c) The quantity and grade(s) of Crude Oil to be delivered, documentation instructions and the destination of the Vessel.

(d) The Expected Time of Arrival (ETA) of the Vessel. Any deviation exceeding six (6) hours from such original ETA or where Vessel's delayed arrival would prevent her from being berthed/moored the same day due o any night-time navigational or any other applicable restrictions shall immediately be advised by COMPANY to PPMC and terminal operator together with reasons for such deviation or delay.

5.2 With regards to any Nominated Vessel, the COMPANY warrants to PPMC that the Vessel shall:

(i) be capable of receiving Crude Oil at hourly bulk loading rates of not less than 10% of the summer deadweight of the Vessel or a maximum of 15,000mt whichever is lower;

(ii) have hose handling derricks with a minimum lifting capacity as required by PPMC's terminal regulations;

(iii) be safe and have adequate mooring arrangements which comply with accepted international standards;

(iv) be maintained and operated to accepted international standards and shall comply with all terminal and international safety precautions and regulations.

(v) comply with the requirement of the International Code for Security of Ships and Port Facilities (ISPS CODE) and the relevant amendments thereof;

(vi) be capable of receiving Crude Oil at the minimum rate specified for each terminal;

(vii) conform to the terminal regulations and any applicable local laws and regulations with respect to safety, size, Vessel movement, navigation and operating standards, documentation on board, discharge of ballast and the like;

(vii) have characteristics which shall comply in all material respects with the limits imposed by the terminal regulations;

(viii) comply with applicable regulations concerning oil spill emergency prevention and response;

(ix) comply with the applicable requirements of those international conventions regarding the control of oil pollution to which the flag state of the Vessel is a Party;

(x) be a Vessel entered in a P&I Club, which is a member of the International Group of P&I Clubs;

(xi) have in place insurance coverage for oil pollution in an amount not less than the highest standard oil pollution coverage available under the rules of the International Group of P&I Clubs;

(xii) have the owners as member of the International Tanker Owners Pollution Federation Limited (ITOPF) and the Vessel has on board a valid certificate issued pursuant to the Civil Liability Convention (CLC) 1969, or to the 1992 Protocol, as amended and

(xiii) comply with the International Safety Management Code which became effective 1st July 1998, and shall, upon request, provide a copy of the relevant valid safety management certificate and document of compliance as required under the SOLAS Convention 1974, as amended.

5.3 COMPANY shall not, except during the occurrence of Force Majeure, postpone or cancel without immediate substitution, any accepted Vessel nomination less than four (4) days before the first day of the agreed date-range. Any production loss and/or consequential damages and expenses resulting from any such cancellation or postponement shall be for COMPANY's account.

5.4 **Acceptance of Vessel:**

(a) After receipt of the Vessel nomination but in no event more than forty-eight (48) hours after receipt of the Vessel nomination, PPMC shall advise the COMPANY in writing if the Vessel is accepted as a Nominated Vessel, or is rejected. In the absence

of a timely reply the Vessel shall be deemed to be rejected. PPMC may reject the Nominated Vessel for reasons such as the following:

(i) the Vessel does not comply with the specifications of this Contract, or the terminal regulations and/or applicable laws and regulations, including without limitation health, safety and/or environmental laws, regulations, or industry standards; or

(ii) the Vessel in the reasonable belief of PPMC or the terminal operator would endanger the terminal, terminal operations, the environment, or the health or safety of individuals; or

(iii) legal restrictions including, but not limited to, international or national sanctions, to which the Vessel is subject.

(b) If the Vessel nominated by the COMPANY is rejected pursuant to this Article, for whatever reason, then the reason or reasons for such rejection will be disclosed to the COMPANY.

5.5 **Duty to Nominate Substitute Vessel:**

If a Vessel nominated by the COMPANY is rejected, the COMPANY shall nominate an alternate or substitute Vessel. Such alternate or substitute Vessel nominated shall be made in writing to the PPMC and the terminal operator not later than three (3) days after the date of disclosure by PPMC of the rejection of Vessel under Article 5.4 above.

5.6 **Acceptance of Alternate or Substitute Vessel:**

After receipt of the alternate or substitute Vessel nomination but in no event more than twenty four (24) hours after receipt of such nomination, PPMC shall advise the COMPANY in writing if the

alternate or substitute Vessel is accepted as a Nominated Vessel or is rejected in accordance with the principles set out in Article 5.4 above.

5.7 Subject to PPMC being given not less than three (3) days' notice prior to the first day of the agreed date-range, the COMPANY may substitute another Vessel provided the Vessel substituted is acceptable to PPMC and conforms with existing Federal Government Crude Oil transportation regulations and policies of the Federal Government of Nigeria.

5.8 COMPANY shall cause any Nominated Vessel to report by radio/telex/fax to the terminal operator each tanker's scheduled arrival date and hour as follows:

(a) Seven (7) days before Nominated Vessel's Expected Time of Arrival (ETA) or immediately upon leaving last port (if the Nominated Vessel becomes available less than seven (7) days steaming time before ETA).

(b) Seventy-two (72) hours before Nominated Vessel's ETA.

(c) Forty-eight (48) hours before Nominated Vessel's ETA.

(d) Twenty-four (24) hours before Nominated Vessel's ETA.

5.9 PPMC shall not be liable under this Agreement for any costs, losses or expenses incurred by the Nominated Vessel, the charterers or the Nominated Vessels' owners resulting from the failure of any loading terminal/installation to comply with the ISPS Code.

5.10 Notwithstanding any prior acceptance of Nominated Vessel by PPMC, if at any relevant time prior to the passing of risk and title the Nominated Vessel ceases to comply or is found to be non–compliant with the requirement of the ISPS Code, PPMC shall have the right not to berth such Nominated Vessel and any Demurrage resulting

therefrom shall be for COMPANY's account and PPMC hereby disclaims any liability arising therefrom.

ARTICLE 6 - REFINED PRODUCTS VESSEL NOMINATION

6.1 COMPANY shall nominate appropriate Vessel(s) for Product delivery at least fourteen (14) days prior to the first day of agreed delivery date.

6.2 Vessels nominated for Product delivery shall be in good and seaworthy condition and shall not be older than fifteen (15) years from date of manufacture. For Vessels older than fifteen (15) years, prior approval of the PPMC shall be obtained in writing and such approval shall not be unreasonably withheld. COMPANY shall at all times submit to PPMC the list of names and specifications of the relevant Vessels intended for use for Product delivery for necessary investigation.

6.3 The required Vessel specification shall include but not limited to name, age of Vessel, DWT, Flag, LOA, number of pumps, loading and discharging rates as generally required by the International Maritime Industry. For Vessels specified in the original list, PPMC shall be given at least forty eight (48) hours notice stating the Vessel's name and specification before arrival at Loadport.

6.4 The maximum draft shall not exceed 10.50metres for Atlas Cove, 7.40metres for Apapa, 10.50metres for Bonny discharge, 9.20metres for Okrika Jetty and 6.40metres for both Calabar and Warri Jetties.

6.5 COMPANY hereby warrants and undertakes, in respect of each Vessel nominated to carry a cargo that the relevant Vessel shall

be owned, leased or chartered by a member of the International Tanker Owners Pollution Federation ("ITOPF").

6.6 COMPANY shall ensure that:

(i) For Vessels carrying persistent oil as cargo, the Vessel carries on board a certificate of insurance as described in the Civil Liability Convention for Oil Pollution Damage; and

(ii) The Vessel has in place insurance cover for oil pollution no less in scope and amounts than available under the Rules of P&I Clubs entered into by the International Group of P&I Clubs.

6.7 Where Vessel has previously carried Vegetable oils as Cargo, the last three (3) cargoes before same Vessel can be nominated to carry ATK shall be as follows:

S 3RD to the last Cargo - PMS/HHK/AGO
S 2nd to the last Cargo - PMS/HHK
S last Cargo – HHK

ARTICLE 7: REFINED PRODUCTS PROGRAMMING PROCEDURE

7.1 PPMC shall establish with COMPANY agreed programming procedures, declarations and other required information which are deemed necessary for initiating and operating the agreed Product delivery programme under this Agreement.

7.2 PPMC shall advise COMPANY in writing the supply delivery programme indicating Product type, quantities and quality of Product supplied, and clearly stating the cargo size which shall

be a minimum of 27,000mt up to a maximum of 38,000mt or as maybe agreed by the Parties.

7.3 COMPANY shall confirm in writing to PPMC its acceptance of the programme within five (5) working days of receipt of supply schedule and at least ten (10) working days prior to the first day of the agreed laycan of the quantity and quality of the cargo loaded. COMPANY shall supply the said quantities of all Products within three (3) days of delivery window as advised by PPMC and accepted by COMPANY.

7.4 COMPANY shall confirm the ETA of Vessel and Product specification for acceptance by PPMC not later than ten (10) working days prior to the first day of the agreed laycan. Any delay in discharge of cargo arising from late receipt of Product specification shall be for COMPANY's account.

7.5 Where COMPANY is unable to deliver Refined Products within delivery date range or COMPANY is unable to deliver the refined product order to PPMC, COMPANY shall within twenty-five (25) days notify PPMC of its inability to carry out its delivery obligations.

Subject to Article 19 below, if the given notice is less than twenty-five (25) days, such notice will be deemed to be short notice and PPMC shall have the right to reject the notice.

7.6 Subject to Article 17.3, where COMPANY fails to perform any of the above stated obligations, PPMC shall have the right to terminate this Agreement forthwith.

7.7 Laytime of import Vessel shall be forty two (42) hours SHINC NOR and shall commence 6 (six) hours after NOR if tendered within the agreed delivery date range and office working hours

of the Ports that is 0600 - 1800 hours and will continue until hoses are disconnected.

Vessels arriving between 1800 hours and 23.59 hours on the last day of its laycan will be on all fast. For Vessels arriving before the agreed laycan, laytime shall commence 0600 hours from the 1st date of the agreed laycan and shall be for forty two (42) hours. If NOR is tendered within agreed date range but outside Port working hours (0600 - 1800 hours), then NOR shall be deemed to have been tendered at 0600 hours on the next day.

7.8 Vessels arriving after the agreed date range shall wait for a vacant berth and laytime commences on berthing. Demurrage incurred while waiting for a vacant berth will be for COMPANY's account. For Vessels arriving after the agreed date range, laytime will be for a period of forty-two (42) hours SHINC and will commence when Vessel is all fast.

7.9 Vessels arrival/NOR shall be reported to PPMC's (PPMC) Commercial Services Division and Marine Transportation Department through a reputable Agent appointed by COMPANY and acceptable to PPMC. The Agent shall be responsible for prompt berthing and un-berthing of Vessels as advised by PPMC. If the services of the Agent are considered unsatisfactory or delinquent by PPMC, COMPANY shall upon the request of PPMC immediately replace the Agent and appoint another Agent that is acceptable to the Parties.

7.10 The discharge rate of each Vessel shall not be less than 1000mt/hour, (shore facilities permitting) excluding ship to ship operations.

7.11 All delivery Vessels shall submit a set of receiver's copy of all shipping documents to the loading master at Disport. failure to do so may result in cargo rejection

7.12 The maximum allowable days difference between NOR and Bill of Lading shall be 35 days for Far East Cargoes only and where the difference exceeds 35 days, the Bill of Lading shall be deemed to be the 35th day before NOR and this shall be applied for invoice price purposes in preference to where the absolute value of the cargo using the original Bill of Lading is higher.

For cargoes other than Far East cargoes, the actual steaming days from Loadport to discharge Port shall apply. PPMC shall engage the services of its London Office or an internationally recognized independent assessor to cross check loading details before the execution of payment. In the event that the Bill of Lading has been found to be manipulated, the COMPANY shall be blacklisted from doing further business with NNPC/PPMC.

ARTICLE 8 - QUANTITY AND QUALITY DETERMINATION

8.1 All measurements of Crude Oil and Refined Products quantity and quality to confirm compliance with the 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 PPMC and COMPANY for Refined Products and DPR for Crude Oil. In the case of Refined Products, the cost of the inspection shall be borne equally between PPMC and COMPANY

Certificates of quality and quantity countersigned by an Independent Inspector will be final and binding on both Parties except that in the

event that 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 8 but merely evidence of those matters undertaken or witnessed by the Independent Inspector.

8.2 <u>Crude Oil</u>

8.2.1 **Quantity Measurement:**

(i) The quantity of Crude Oil to be delivered by PPMC under this Agreement shall be determined by manual measurements of the shore tanks immediately before and after loading by the terminal operator and/or by mechanical gauging devices. The certificate(s) of quantity and quality of the Crude Oil comprising the shipment issued shall, except in cases of manifest error or fraud, be conclusive and binding on both PPMC and COMPANY. In the event of the absence or failure of the mechanical devices, manual measurement shall suffice and shall be the final measurement.

(ii) The COMPANY or its appointed agent and/or Master of the Nominated Vessel as notified to PPMC in writing shall have the right to participate in the volumetric and temperature measurements of Crude Oil sampling with the terminal operator or PPMC's representative at the loading terminal.

The signature of the Master of the Nominated Vessel on the bill of lading shall be conclusive evidence of the quantity of Crude Oil loaded into the Nominated Vessel unless the Master prior to the departure of the said Vessel from the loading terminal shall have registered a written protest with regard to the quantity and/or temperature of the Crude Oil loaded into the said Vessel. The detailed particulars relating

to such protest shall be furnished by COMPANY to PPMC within thirty (30) days after loading. PPMC shall thereafter instruct the terminal operator to retain the sample for retest.

(iii) Only basic sediments and water (BS&W) ascertained at the loading terminal shall be deducted in computing the net quantity of the Crude Oil loaded and certified in the Bill of Lading.

(iv) Unless otherwise agreed, the measurements, sampling and testing of each delivery of Crude Oil shall be carried out at the loading terminal at the time of shipment and in accordance with the methods from time to time prescribed, approved or accepted by the American Society for Testing and Materials (ASTM) or the Institute of Petroleum (IP) or the American Petroleum Institute (API). The ASTM or the IP Petroleum Measurement Tables, 1980 edition or the latest revised edition thereof, shall be used for the correction and calculation of volumes of Crude Oil at 60°F.

(v) COMPANY shall in respect of every delivery of Crude Oil, submit to PPMC the report of the out-turn figure at the port of discharge not later than forty-five (45) days after the discharge of the Crude Oil. The report of the out-turn figure shall be duly signed by an Independent Inspector retained and paid for by the COMPANY.

8.2.2 **Crude Oil Quality Determination:**

(i) The grade or quality of the Crude Oil to be delivered under this Contract and which PPMC is obligated to deliver to the COMPANY at the designated loading terminal in Nigeria shall be Nigerian Crude Oil conforming to the normal export quality as generally made available at the time and place of loading.

(ii) This sub-section constitutes the whole of PPMC's obligations with respect to the description, quality and fitness for purpose of the Crude

Oil to be delivered and (save to the extent that exclusion thereof is not permitted or is ineffective by operation of law) all statutory or other conditions or warranties, express or implied, with respect to the description or satisfactory quality of the Crude Oil or its fitness for any particular purpose or otherwise are hereby excluded.

(iii) COMPANY shall have the right to receive one gallon sealed representative sample of the Crude Oil quality to be placed aboard the tanker concerned if so requested. PPMC shall retain representative sealed sample at the loading terminal for a maximum period of sixty (60) days after loading of each cargo of Crude Oil.

(iv) The terminal operator shall test for basic sediments and water (BS&W), specific gravity and temperature of all Crude Oil before shipment at the loading terminal. The result of the test shall be binding upon COMPANY and PPMC, and no claim shall be made by either Party concerning the quality of the Crude Oil after delivery has been made by PPMC except in the circumstances stated in Article 8(c) below:

8.2.3 **Claims in Respect of Quality and /or Quantity:**

(i) Any complaint of difference in quantity or deficiency of quality of Crude Oil made by the COMPANY after laboratory test of undischarged cargo of Crude Oil delivered at the loading terminal in Nigeria shall be admissible only if notified in writing to PPMC within forty-five (45) days of the date of loading at the relevant loading terminal and accompanied by evidence fully supporting the complaint. Both PPMC and the COMPANY shall appoint their respective Independent Inspectors who shall jointly certify the quality and/or quantity of the Crude Oil (as the case maybe) from samples taken at the loading terminal and their

findings shall be conclusive and binding on both PPMC and the COMPANY. The costs and expenses of the Independent Inspectors including costs associated with the laboratory test(s) of the samples shall be borne solely by the COMPANY.

(ii) In the event that the report as duly certified by the Independent Inspectors show that there is a difference in quantity or deficiency in the quality or grade of the Crude Oil, PPMC shall only pay the amount equivalent to the differential in the quantity or quality of the delivered Crude Oil resulting from a retest carried out on a retained sample that exceeds the industry tolerance of 0.5% BS&W.

8.3 **Refined Products**

8.3.1 **Quality Determination:**

(i) All Refined Products to be delivered under this Agreement shall comply with the specifications stipulated in Appendices 1 and 2 to this Agreement.

(ii) International Independent Inspectors shall be appointed by COMPANY at COMPANY's cost at the Loadport and their report including certificates of quality and quantity shall be communicated on completion of loading by telex, fax, or courier to PPMC. PPMC shall appoint reputable Inspection Agents to determine the outturn quantities at Disport. The report of PPMC's Inspector(s) shall be the basis for the determination of quantity and quality and shall be binding on the Parties, except where there is manifest error or fraud.

(iii) COMPANY shall advise PPMC in writing of the name and address of the Independent Inspector appointed at the Loadport before any loading shall commence.

(iv) PPMC shall appoint reputable Independent Inspectors to take four (4) respective samples from the ship's tanks upon the Vessel arrival and prior to discharge. The samples shall be sealed and signed by the Ship's Master and PPMC's authorized representatives. The first sample shall be retained by the Master of the Vessel, the second sample shall be kept for COMPANY's use if needed, and the third sample shall be tested for quality at PPMC's nominated laboratory, while the fourth sample being the tank sample shall be kept by PPMC for use as the need arises.

(v) PPMC shall advise COMPANY in writing of the name and address of the Independent Inspectors appointed at the Discharge Port.

(vi) Neither PPMC's inspection, nor failure to inspect, shall relieve COMPANY of any obligation under this Agreement and no acceptance or payment by PPMC shall constitute a waiver of the foregoing and nothing herein contained in this Agreement shall exclude or limit any warranties implied by law.

(vii) Where the results of any tests as stipulated above confirm the Product supplied to be outside the specification as stipulated in Appendices 1 and 2 to this Agreement, the affected cargo shall be rejected outright and COMPANY shall bear the full cost and expenses arising therefrom.

(viii) The taking of samples for the purposes of determining the compliance of the Refined Products with the quality provisions of this Agreement shall be carried out by a mutually acceptable Independent Inspector jointly appointed by PPMC and the COMPANY at the Discharge Port.

(ix) The Independent Inspector shall for the purpose of determining the quality of the Refined Products carry out or witness tests on a composite sample of the Refined Products taken by him or in his presence at the Discharge Port prior to commencement of Vessel discharge and in accordance with the test method(s) commensurate with current industry practice as approved by the Parties.

(x) The costs of the analysis shall be borne equally by PPMC and the COMPANY. The certificates of quality and quantity as duly countersigned by the Independent Inspector shall be final and binding on both Parties.

(xi) Samples of Crude Oil and Refined Products delivered will be retained by the Party carrying out the sampling and analysis for a period of ninety (90) days from the completion of delivery (in respect of Crude Oil being delivered) and from completion of discharge at the Discharge Port (in respect of Refined Products being delivered).

8.3.2 **Quantity Measurement:**

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

ii) The quantity of Refined Products to be delivered hereunder will be subject to PPMC specifications and such Products shall be delivered in cargo lots of 27,000mt up to a maximum of 38,000mt.

iii) COMPANY shall deliver quantities of product up to 100% of the value of:

(a) Unpaid crude oil invoices from crude oil already delivered by PPMC; and

(b) Crude Oil to be delivered in the current month (evidenced by Crude Oil nominations).

ARTICLE 9: PRICING AND INVOICING

(A) **Crude Oil Pricing:**

(i) COMPANY shall pay PPMC for the quantity of each cargo of Crude Oil delivered by PPMC as stated in the Bill of Lading on Dated Brent related basis as determined and advised by PPMC on a monthly basis

(ii) The determination of the value of each barrel of the Nigerian Crude Oil stream shall be the average of mid-range quotations for Dated Brent as published by Platt's Crude Oil Marketwire plus or minus applicable premium or discount per barrel for the applicable period. The pricing period applicable to any pricing option that PPMC may determine during any month shall be advised and notified in writing to COMPANY on a monthly basis.

(ii) Subject to the provisions hereof, COMPANY shall pay to PPMC the applicable Price for the total quantity of each shipment as stated in the bill of lading as Dated Brent related basis and certificates of quantity and quality issued pursuant to the provisions of this Contract and such Price shall be expressed in the United States Dollars per barrel F.O.B Nigerian loading terminal. The applicable Price shall be the official selling price derived from the pricing formula advised by PPMC and notified by PPMC to the COMPANY as being the F.O.B price per barrel at which Crude Oil shall be sold to the COMPANY

(iii) The pricing formula stated in this Article shall apply to the relevant month in which any delivery of crude oil is made.

(iv) Valuation of each relevant cargo of crude oil delivered shall be either by prompt, advance or deferred basis at the option of COMPANY. Any option elected by COMPANY must reach PPMC in writing not later

than six (6) business days before the first day of Laycan. Where COMPANY fails to present an acceptable option, the default option being the prompt option shall automatically apply.

(B) **Refined Products Pricing:**

(i) **DPK:**

The Average of the mean of the past five (5) consecutive platts European Market scan published quotations under the heading "CIF N.W.E BASIS ARA" for Jet A1 with Bill of Lading date as day three (3) plus a premium of $86.28 (Eighty-Six US Dollars Twenty-Eight Cents) per metric ton.

(ii) **PMS:**

The Average of the Mean of the past five (5) consecutive Platts European Market scan published quotations under the heading "Barges FOB Rotterdam" for Premium Gasoline 10ppm with Bill of Lading date as day 3 plus a premium of $81.28 (Eighty-One US Dollars Twenty-Eight Cents) per metric ton.

In the event that the Bill of Lading date is a Saturday or non Platt's publication day other than Sunday, the preceding three (3) publications shall apply. If the Bill of Lading date is on a Sunday the two quotations immediately preceding the Bill of Lading and the succeeding three (3) quotation days shall apply.

(C) **Crude Oil Invoicing:**

(i) Following each lifting of Crude Oil, and the presentation by PPMC to COMPANY of all conforming shipping documents required to be presented under the contract in respect of such delivery, PPMC shall present to COMPANY an invoice representing 100% of the contractual value of the Crude Oil delivered (the "**Crude Oil invoice**") as set out in the Agreement.

ii). The parties hereby agree that where the value of unpaid refined product invoiced exceeds the value of unpaid crude oil invoiced, or the value of unpaid refined product invoiced is below the value of unpaid crude oil invoiced, such excess or shortage (as the case may be), shall be determined and reconciled by the parties during the bi-monthly reconciliation meetings.

iii) For the avoidance of doubt, where COMPANY delivers refined products in excess of the value of 90,000 b/d of crude oil, or delivers refined products short of the value of 90,000 b/d of crude oil, such excess refined product or shortfall (as the case may be) shall be adjusted in subsequent Refined Products delivery to PPMC.

(iv) PPMC shall provide the COMPANY with the following shipping documents after each Crude Oil cargo lifting:

i. Commercial Invoice
ii. Bill of Lading
iii. Certificate of Quantity
iv. Certificate of Quality
v. Certificate of Origin
vi. Tanker's Ullage Report
vii. Tanker's Time Sheet

(D) **Refined Products Invoicing:**

i) Following each delivery of Refined Products, COMPANY shall present to PPMC, an invoice representing 100% of the contractual value of the Refined Products delivered (the "Refined Products Invoice") as set out in the Agreement.

(ii) With respect to every Refined Products delivery, COMPANY shall present to PPMC the following documents:

i. Duly signed commercial invoice on Bill of Lading quantity.

ii. One or two originals clean on board ocean Bill(s) of Lading signed by Master issued or endorsed to the order of COMPANY plus three (3) Non-negotiable copies.

iii. Certificate of quantity issued at Load Port plus three (3) copies.

iv. Certificate of quality issued at Load Port plus three (3) copies.

v. Certificate of origin plus three (3) copies.

vi. Time sheet plus three (3) copies.

vii. Ullage report plus three (3) copies.

viii. Master's receipt for sample.

ix. Copy of telex from vessel's Master or Agent stating that Notice of Readiness was tendered and/or date of completion of discharge.

(iii) In the event that the original documents mentioned above are not available at the time payment is due, payment shall be made against:

i. Duly signed commercial invoice on Bill of Lading quantity.

ii. Original Letter of Indemnity issued by COMPANY in favour of PPMC.

iii. Non-negotiable copy of Bill of Lading.

ARTICLE 10 - TITLE AND RISK OF LOSS

10.1 **Crude Oil:**

Transfer of Risk and Property

Notwithstanding any right of PPMC to retain any document pursuant to the provisions of this Agreement until payment, the risk and property in the Crude Oil delivered under this Contract shall pass to the COMPANY as the Crude Oil passes the Nominated Vessels permanent hose connection at the loading terminal. If the Crude Oil

delivered hereunder forms an unascertained part of a larger bulk, risk and property for the Crude Oil delivered hereunder shall, for the purpose of enabling property in such Crude Oil pass to the COMPANY, as such Crude Oil passes the Nominated Vessel's permanent hose connection at the loading terminal.

Any loss of or damage to the Crude Oil during loading, if caused by the Nominated Vessel or its officers or crew, shall be for the account of the COMPANY. Any claim made against PPMC in respect of damage to any facilities at the loading terminal (excluding facilities operated by the PPMC or an associate company of PPMC) caused by the COMPANY's Nominated Vessel shall be borne by COMPANY.

10.2 **Refined Products:**

Transfer of Risk and Property

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

ARTICLE 11- INSURANCE

11.1 At all times, all policies of insurance required for Product importation/shipment shall be procured by COMPANY from a reputable insurance firm acceptable to the PPMC. Whenever requested by PPMC, COMPANY shall produce copies of the insurance policies.

11.2 COMPANY shall provide the relevant marine insurance policy in accordance with the standard Lloyd's Marine Insurance Policy with Institute Cargo Clauses (A), Institute War Clauses (Cargo), Institute Strikes Clauses (Cargo) for 110 (One hundred and ten)

percent of C.I.F cargo value Insurance to cover leakage and shortage in excess of 0.50 percent of the Bill of Lading. COMPANY shall on behalf of PPMC take out the above Insurance policies with Lloyds of London and/or Institute of London Underwriters and submit copies of such policies to PPMC.

11.3 In case of any claims, COMPANY shall present a full file to the Insurance Company in order to obtain payment of Insurance indemnities to the credit of PPMC. The full file shall include but not be limited to submission of a protest letter on loss of Product by PPMC within forty five days (45) after completion of Product discharge, backed up by full report from Independent Inspectors as well as evidence of claim e.g. letter of authority from PPMC to COMPANY for processing the claim.

11.4 Notwithstanding the above PPMC shall be entitled to claim on established losses by independent Inspectors above 0.5% of cargo quantity which shall be deducted from any amount outstanding in favour of COMPANY during reconciliation.

11.5 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 12 - AUDITING

12.1 COMPANY shall grant access, and shall procure that access be granted to PPMC, and its duly authorized representatives, to the accounting records and other documents maintained by COMPANY for purposes of this Agreement. PPMC 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 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.

12.2 Upon request by COMPANY, PPMC shall provide COMPANY with all documents and records in PPMC's possession that relate to its performance under this Agreement. COMPANY shall have access to the accounting records and other documents maintained by PPMC, 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 termination of this Agreement. PPMC shall preserve all of the aforesaid documents for a period of at least one (1) year after expiration or termination of this Agreement.

ARTICLE 13 - CREDIT CONDITIONS

The COMPANY shall submit to PPMC prior to delivery of Crude Oil cargo an acceptable irrevocable and revolving stand-by Letter of Credit issued by a reputable international bank acceptable to PPMC 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). The format and the wording of the stand-by letter of credit shall be as stated in Appendix 3.

For the purposes of this Agreement such stand-by Letter of Credit shall only be considered opened at such time as a telex is received, by both the PPMC nominated Bank and PPMC, from the issuing financial institution, stating that they have opened a stand-by Letter of Credit with PPMC as the beneficiary.

All bank charges, and any additional costs, related to such Letter of Credit, shall be strictly for the account of COMPANY

ARTICLE 14 - BERTH, DISCHARGE AND LOADING CONDITIONS AND DEMURRAGE

14.1 Vessel shall tender notice of readiness ("NOR") for loading of Crude Oil or discharge of Refined Products, (as the case may be), to PPMC, 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.

14.2 **Laytime**

(i) Laytime for each Vessel loading Crude Oil and each Vessel discharging Refined Products shall be 42 hours and shall commence six (6) hours after NOR is tendered or upon berthing, whichever is earlier and will continue until hoses are disconnected, thereafter demurrage will recommence three (3) hours later should all relevant shipping documents not be on board the Vessel.

(ii) If the Vessel discharging Refined Products tenders NOR prior to the agreed date range, Laytime shall commence at 6am on first day of the agreed date range or when Vessel is all fast, whichever is earlier. If the Vessel discharging Refined Products tenders NOR later than the agreed date range it shall wait for a vacant berth and Lay time commences at all fast. In such instances PPMC will make available to COMPANY next available berth to discharge the Vessel. Demurrage incurred while waiting for a vacant berth will be for COMPANY's account and PPMC shall not bear any responsibility for such delays.

(iii) Vessels arriving later than the agreed date range shall wait for vacant berth and Laytime commences at all fast. In such

instances demurrage incurred while waiting for a vacant berth will be for COMPANY's account

(iv) In respect of Vessels discharging Refined Products, where Laytime is exceeded, PPMC shall pay demurrage for the excess time based on verifiable charter party rates at time of chartering the Vessel. In no event shall PPMC's payment to COMPANY exceed demurrage cost incurred by COMPANY. All demurrage claims shall be paid in US Dollars.

(v) In respect of Vessels loading Crude Oil, where Laytime is exceeded, PPMC shall pay demurrage for the excess time based on verifiable AFRA rates during the month of loading. In no event shall PPMC's payment to COMPANY exceed demurrage cost incurred by COMPANY. All demurrage claims shall be paid in US Dollars.

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

(vii) Any claims resulting from demurrage incurred by the Vessel shall be received with relevant supporting documents by PPMC within ninety (90) 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 ninety (90) days of the bill of lading or completion of loading or discharge, an electronically transmitted notification of a forthcoming claim within ninety (90) days from these dates shall be acceptable.

ARTICLE 15 - TAXES AND OTHER CHARGES

15.1 PPMC shall be responsible for the payment of any Taxes 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 Port in Nigeria after the Refined Products pass the Vessel's flange.

15.2 The COMPANY shall be responsible to pay all Taxes and charges imposed by any government and government agencies in connection with the delivery of Crude Oil to the COMPANY at the Load Port and the delivery of Refined Products to PPMC at the designated Discharge Port in Nigeria.

ARTICLE 16: HARBOUR/WHARFAGE/SHIPPING DUES

16.1 All taxes (whether foreign or local), fees, charges, harbour, wharfage and shipping dues payable at load and discharge Ports shall be borne by COMPANY without any liability on PPMC whether by way of re-imbursement or otherwise.

16.2 COMPANY shall at all times indemnify the PPMC against any liability and expense which may be incurred by PPMC by reason of COMPANY's failure to pay the taxes, fees, charges and levies due under this Agreement.

ARTICLE 17 - FINAL SETTLEMENT AND RECONCILIATION

(i) At the end of every two (2) months 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 venue of the reconciliation meeting will be rotated between offices of the Parties hereto or as otherwise agreed by both Parties with the first reconciliation meeting to be held in Abuja, Nigeria.

(iii) Each reconciliation meeting shall be conducted bi-monthly and shall review all matters relating to the operation of this Agreement.

(iv) A final reconciliation meeting shall be held in Abuja, Nigeria within fifteen (15) days of the expiration or termination of this Agreement. If at the final reconciliation meeting, it is established by the Parties that there remains less than fifty percent (50%) of standard Refined Products cargo size due to be delivered to PPMC by the COMPANY (as the case may be) then the provisions of Article 2 (iv) above shall apply.

(v) Any outstanding amounts that are agreed by the Parties to be due to either Party at the termination or on the expiration of this Agreement shall be paid by each Party to the other Party (as the case may be) within fifteen (15) days of receipt of the other Party's reconciliation invoice by wire transfer of USD funds to the nominated bank account as set out in its reconciliation invoice. For the purposes of the final reconciliation any outstanding quantities of Refined Products which shall be less than fifty percent (50%) of standard Crude Oil or Refined Products cargo due to be delivered to PPMC shall following the expiration of the Agreement be retained by COMPANY and valued for payment purposes in accordance with the terms of Articles 3 and 9 of this Agreement.

(vi) Following the termination or expiration of this Agreement should any amount due and payable to either PPMC or COMPANY (as the case may be) remain outstanding beyond its due date for payment as stated in this Article 17, the debtor shall pay interest to the other Party on such outstanding amounts in accordance with the provisions of Article 9 for such period of time as the amounts remain unpaid.

ARTICLE 18 - SUSPENSION AND TERMINATION

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:

18.1 by mutual written consent of the Parties;

18.2 by either PPMC or COMPANY within thirty (30) 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;

18.3 by either PPMC or COMPANY, should the other Party fail to meet its delivery obligations under Article 3 or commits any other material breach in prompt performance of any of the terms or conditions of this Agreement, and should such failure or other material breach continue without cure for thirty (30) days after written notice thereof by either Party to the other;

18.4 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 the Party;

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

18.6 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 18.6;

18.7 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;

18.8 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;

18.9 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, pursuant to Articles 18.2, 18.3, 18.4, 18.5, 18.7 and 18.8 above, hereof 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 termination of this Agreement.

ARTICLE 19 - FORCE MAJEURE

For purposes of this Agreement , the term Force Majeure Event shall mean, any act or event, whether foreseeable or unforeseeable, beyond the reasonable control of a Party and include, any of the following 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 other action of the elements, natural calamity, or 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 PPMC, 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 ("Labor Disputes");

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

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 Event, 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 Event.

During the period of a Force Majeure Event, whether declared by COMPANY or PPMC, PPMC shall not be obligated to make any payments for Crude Oil not delivered to COMPANY during the Force Majeure Event.

In the event of any delay or non performance caused by any Force Majeure Event, the Party affected shall provide verbal notice of the Force Majeure Event 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 Event, 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 18, 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 act. If after a continuous period of sixty (60) days the said act or event continues to affect performance of all of the obligations of the Party under this Agreement, the non-affected Party (the non-Affected Party) may, by giving not less than fourteen (14) days notice to the other, terminate that part of this Agreement which is subject to the continuing Force Majeure event.

ARTICLE 20 – GOVERNING LAW AND ARBITRATION

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

20.1 Any dispute, conflict, differences, claims, controversies, that may arise out of, or in connection with the performance of the transaction contemplated by this Agreement, shall be first settled amicably by COMPANY and PPMC. On failure to reach an amicable settlement, either Party shall have the right to refer

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

ARTICLE 22 - REPRESENTATIONS, WARRANTIES, AND COVENANTS OF COMPANY

COMPANY represents and warrants as follows:

22.1 COMPANY is a company duly organized, and validly existing, in good standing under the Laws of The Netherlands, and has full corporate power and authority to enter into this Agreement, and to carry out the transactions contemplated hereby. 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.

22.2 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.

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

a) violates any provision of its charter 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, agreement, arrangement, or restriction of any kind or character, to which COMPANY is 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

22.4 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, in the case of either Article 24.4 (a) or 24.4 (b) would interfere with the consummation of the transactions contemplated by this Agreement, or would materially adversely affect its business or operations, or for which PPMC would be liable with respect to such business and operations.

22.5 COMPANY 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.

22.6 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 23 - SAFETY AND HEALTH

PPMC shall furnish to COMPANY a material safety data sheet for the Crude Oil that PPMC 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 will furnish to PPMC, a material safety data sheet information on the Refined Products to be delivered under this Agreement including safety and health warnings. PPMC agrees to furnish such warnings and information to all persons whom PPMC can reasonably foresee, may be exposed to or may handle such Refined Product, including, but not limited to, PPMC's employees, agents, contractors, and customers.

ARTICLE 24 - ASSIGNMENT

(i) Except as permitted under this Article, 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 with the prior written consent of the other assign any of its right under this Agreement to its Affiliate or Subsidiary subject to the prior written consent of the other and 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) In the event of any assignment being permitted as stated in this Article it shall be a condition to the effectiveness of such assignment that the assigning Party and the assignee shall 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 the COMPANY

ARTICLE 25 - STATEMENTS

COMPANY will provide all necessary statements, required by PPMC, in connection with this Agreement.

COMPANY shall be required to provide PPMC, as frequent as possible, but in no case less than a weekly schedule, with detailed inventory records reflecting the volume of Crude Oil delivered to COMPANY and volume of Refined Products due to be delivered to PPMC.

ARTICLE 26 - TRADE CONTROLS AND BOYCOTTS

Notwithstanding anything to the contrary herein, nothing in the 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 27 - 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 and the United Kingdom relating to anti-bribery and anti-money laundering.

PPMC 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 will 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 27 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.

ii) PPMC 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.

iii) 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 procured, any agency, department or instrumentality of such government in connection with the Crude Oil or Refined Product which is the subject of the Agreement which would be inconsistent with or contravene any of the above referenced legislation

iv) Either Party may terminate the 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 28 - COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

28.1 Each Party hereby agrees to comply and to procure its personnel, directors, agents, contractors, representatives and permitted assigns to

comply with all laws, rules, regulations, valid directives and policies and bye laws applicable and necessary for the performance by each Party of its obligations under this Contract.

28.1 The BUYER shall at its sole cost take necessary steps for complying with all Nigerian statutory requirements pertaining to completion and perfection of single goods declaration (SGD) documentations and any other requirement as may be directed by the Nigerian Customs Services from time to time.

28.2 So far as it is legally able under any applicable law, each Party agrees to do all things required to give effect to this Contract including executing all required documents, and exercising all rights and powers (direct or indirect) available to it in relation to any person to ensure that the terms of this Contract are completely and punctually fulfilled, observed and performed and generally that full effect is given to the terms and conditions of this Contract.

28.3 The liability of any Party under this Article 28 shall not be discharged or impaired by any release of, or granting of time or other indulgence to any person acting on its behalf or any third Party or any other act, event or omission which but for this Article 28 would operate to impair or discharge the liability of such Party under this Article.

ARTICLE 29 - CLAIMS LIMITATION PERIOD

All claims by either Party under this Agreement shall be initiated within one year of the occurrence of the circumstances giving rise to the claim, provided that the delay, failure or omission on the part of PPMC or COMPANY in exercising or pursuing its rights herein shall not be deemed a waiver of such right, and shall not be prejudicial to either Party's right of claim.

ARTICLE 30 - LIABILITIES

Except as 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 31 – EXCHANGE OF INFORMATION AND CONFIDENTIALITY

31.1 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.

31.2 Confidentiality

31.2.1 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 receiving Party except for purposes connected with this Agreement.

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

31.2.2 **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 surely 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 Recipients 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.

31.2.3 **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 32 – MISCELLANEOUS

32.1 **Notices:**

Unless otherwise agreed in writing, any notices, statements, requests or other communications to be given by either Party, 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 subject to the provisions set out below, electronic communications to the address of the other Party specified for this purpose below, and shall, unless otherwise provided herein, be deemed to have been made on the day on which such communication is sent to PPMC and to COMPANY at the addresses and telex numbers specified below:

For PPMC:

The Managing Director
Pipelines & Products Marketing Company Limited
Block 'C', 6th Floor, NNPC Towers
Central Area
Abuja
Nigeria

Tel No: +234 (0) 9-460-83610
Fax No: +234 (0) 9-460-83634

For COMPANY:

The Managing Director
Duke Oil Services Limited
Capitol House
159 Hammersmith Road
London
W6 8BS

Tel No: + (44) 208-735-9600
Fax No: + (44) 208-748-1015

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.

32.2 **Entire Agreement:**

This Agreement, including the Appendix, 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 its subject matter, except to the extent any such prior agreement is specifically incorporated herein.

32.3 **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.

32.4 **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.

32.5 **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.

32.6 **Amendments and Waiver:**

This Agreement may be amended or modified only by a written agreement 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.

32.7 **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.

32.8 **Counterparts:**

This Agreement may be executed in counterparts by each Party and each counterpart shall be deemed to be an original, but all of which shall collectively constitute one instrument.

32.9 **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
PIPELINES AND PRODUCTS MARKETING COMPANY LIMITED

BY: (NAME) OKEKE S C

DESIGNATION: MD

SIGNATURE

In the Presence of:

Name: UZO EMELIFE

Signature:

Designation: COY SEC/LEGAL ADVISER

Address: PPMC LTD. NNPC TOWERS ABUJA

SIGNED and DELIVERED
for and on behalf of COMPANY
DUKE OIL SERVICES LIMITED

BY: (NAME) Ahmed N. Bello

DESIGNATION: Managing Director

SIGNATURE

In the Presence of:

Name: MARIATU BALA USMAN

Signature:

Designation: SUPERVISOR & TRADING OPERATIONS

Address: CAPITOL HOUSE 159 HAMMERSMITH ROAD
LONDON W6 8BS LONDON UK

APPENDIX 1: PMS SPECIFICATION

PROPERTY	LIMITS	TEST METHOD ASTM
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	
Distillate Evaporated at: 70°C, %(viv),max 125°C, %viv. max 180°C%(viv),max	 10 50 90	
End Boling Point, °C (.max)	210	
Residue, °(viv),max	2	
Cooper Corrosion, 3h At 50°C (Max)	Class 1b	
Sulphur Content, °(m/m) Max	0.10	
Existent Gum (Solvent-Washed) Mg/100ml, max.	4	
Oxidation Stability, °C (min)	360	
Reid Vapour Pressure, kPa (max.)	62.00 (9 Psi)	
Lead Content, Max	Unleaded	
Benzene, m/m (max)	2.0	
RON min	91	

APPENDIX 2

DUAL PURPOSE KEROSINE (DPK) – SPECIFICATION

The DPK product shall conform to the Joint Fuelling System Check List-Issue 14/1 embodying the most stringent requirements of the following specifications as they are stated/qualified in the Aviation Fuel Quality Requirements for Jointly Operated Systems – December, 1990.

b. DERD 2494 issue 10 June, 1988

c. IATA Guidance Material – Kerosine Type Fuel – Amended June 1988

d. ASTM D1655-88a, Kerosine Type Jet A-1

PROPERTY		LIMITS	TEST METHOD	
			IP	ASTM
APPEARANCE		Clear, bright and free from solid matter and undissolved water at normal ambient temperature		
Colour Saybolt		Report (a)	D156	
PROPERTY		LIMITS	TEST METHOD	
			IP	ASTM
COMPOSITION				
Total Acidity, mgKOH/gm	Max	0.015	354	D3242
Aromatics, %vol	max	20.0	156	D1319
Olefins, %vol	max	5.0	156	D1319
Hydrogen	%m	Report (b)		D3701

Sulphur, Total % mass Max	0.30	107	D1266 or D2622
Sulphur, Mercaptan %mass max OR Doctor Test	0.002 (c) Negative	342 30	D3227
VOLATILITY Distillation Initial Boiling Point, °C Fuel Recovered 10% vol. at °C max 20% vol. at °C 50% vol. at °C 90% vol. at °C End point, max Residue, %vol. max Loss, % vol. max	 Report 204 Report Report Report 300 1.5 1.5	123	D86
VOLATILITY Flash Point, °C min	45 Degree Centigrade	303 Or 170	D3828
PROPERTY	LIMITS	TEST METHOD IP	ASTM

Density at 15°C kg/m³		
min	0.775	303 D3828 Or
max	0.840	170 160 D1298 Or D4052
FLUIDITY		
Freezing Point °C max	-47	16 D2386
Viscosity at -20 °C max		
csu(mm2/S) max	8.0	71 D445
COMBUSTION		
Specific Energy, Net MJ/Kg (Btu/lb) min	12.8 (18400)	12 D2382 Or or 193 D4529
Smoke Point, mm. min Or	25	D1322
Luminometer Number min Or	45	D1740
Smoke Point, mm min AND Napthalenes, %vol	20 (h)	D1322
max	3.0(J)	D1840

PROPERTY	LIMITS	TEST METHOD	
		IP	ASTM
CORROSION			
Corrosion, Copper Classification (2 hours at 100°C) max	1	154	D130
Corrosion, Silver, Classification (4 hours at 50°C) max	1 (d)	227	
STABILITY			
Thermal Stability (JFTOT) at 260°C			
Filter Pressure Differential, mm Hg max	25.0	323	D3241
Tube Deposit Rating (Visual) max	Less than 3, no 'Peacock' Or 'Abnormal' Colour deposits		

CONTAMINANTS			
Copper contents Ug/Kg max (only when copper sweetening process is used in refining)	150	225	
Existent Gum, mg/100ml max	3	131	D381
PROPERTY	**LIMITS**	**TEST METHOD**	
		IP	**ASTM**
Water reaction			
Interface Rating max	1b	289	D1094
Separation Rating max	2		
Water Separation Index Modified min	70(e)		D2550 or D3948
CONDUCTIVITY			
Electrical Conductivity, ps/m min max (applies at point, time and temperature of delivery to the purchaser)	50 450	274	D2624

ADDITIVES			
Antioxidant, mg/L		-	
hydro-processed portion of fuel			
g/m³			
(Mandatory)	min	17.0	
	max	24.0	
Non-Hydro-processed portion of fuel			
g/m³			
(optional)	max	24.0	

PROPERTY		LIMITS	TESTED METHOD IP	ASTM
Metal De-activator mg/L (optional)	max	5.7(i)		
N,N-disalicyclidene – 1,2 Propanediamine g/m³				
Static Dissipator Additive, mg/L (Mandatory) ASA-3	max	(f)		
Or STADIS 450	max	1.0 3.0		
SPECIAL TESTS (Not on Certificate of quality) Shell water detector test water retention, free water mg/kg		Negative		

max	70 (g)		
PROPERTY	LIMITS	TESTED METHOD	
		IP	ASTM

APPENDIX 3

STAND - BY LETTER OF CREDIT

At the request of

.....

(hereinafter referred to as "COMPANY")

We, ...

(the Bank), hereby open our irrevocable stand-by Letter of Credit, No.

In favour of Pipelines and Products Marketing Company Limited) of

.....

(hereinafter referred to as ("PPMC") covering the market value of the Crude Oil delivered to COMPANY or the market value of the Refined Products deliverable to PPMC by COMPANY.

We hereby irrevocably and unconditionally undertake to make payment of USD.. in favour of PPMC in a designated PPMC's account No..... with ..... Bank, upon PPMC's first written request, and on the presentation of the following documentation:

(a) A copy of PPMC's Commercial Invoice showing all or part of the quantity and value of Crude Oil delivered to COMPANY or the value of Refined Product deliverable by COMPANY to PPMC.

(b) PPMC signed statement stating that payment of the above mentioned amount is due and that payment has not been made by COMPANY or COMPANY has not performed its Refined Product delivery obligation and is in breach of its obligations under the Crude - Refined Products Exchange agreement entered between PPMC and the COMPANY.

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) and (b) above, if presented to the bank, on or before the termination of the Crude - Refined Products Exchange agreement.

In addition to any payment made upon presentation of the documentation as set out in paragraphs (a) and (b), we will honour any claims by PPMC for claims for interest at the prime rate, as published by the London Inter-Bank Offer Rate (LIBOR), calculated from the due date of payment to the actual date of payment to the beneficiary.

MINUTES OF MEETING BETWEEN DUKE OIL INC AND TALEVARES PETROLEUM TRADING BV, AITEO ENERGY RESOURCES LTD & ONTARIO TRADING SA HELD AT BLOCK B, 5TH FLOOR OF NNPC TOWERS ABUJA ON 21ST JANUARY, 2011

1.0 Present

Mr. Ahmad Bello	-	ED, Duke Oil
Chief T. K. Nwakalo-Imu	-	Secretary, Duke Oil
Mariyatu Bala Usman	-	Duke Oil Operations
A. A. Muhammad	-	CSLD, NNPC
Igho Sanomi	-	CEO, Talevares Petroleum
Sam Aikhiobare	-	Aiteo Energy
Nonso Ndeokwelu	-	Talevares Petroleum.

2.0 Commencement

The meeting commenced at 10.40 a. m. Self introductions were made. CEO, Taleveras affirmed that they can represent the interest of the third company, Ontario who was unavoidably absent.

3.0 Agenda for the Meeting

I. Powers of Attorney
II. Operational Issues
III. Addendum
IV. Cirrigendum
V. AOB

Powers of Attorney

1. All parties agreed that Duke Oil should issue a Power of Attorney to the three companies, as the companies would need same for trade finance purposes.
2. It was agreed that the Power of Attorney (POA) should include a definition clause which would limit the application of the POA to the particular transaction under consideration.

Operational issues

The three companies undertook to notify Duke Oil in writing of every nomination made by PPMC as well as all petroleum products brought in exchange for crude oil.

Corrigendum

The meeting noted the error in the dates of the Agreement and agreed that the effective date for the execution of the contract shall be 10th January, 2011.

The meeting also entered all the omitted contact details of both Duke Oil and the parties. The page containing the entries were signed by all parties.

Addendum

The meeting agreed to execute an addendum to the Operation and Managing Agreement, so as to reflect the intended company being Duke Oil Incorporated.

Signed

Mr. Ahmad Bello -ED, Duke Oil .....

Chief T. K. Nwakalo-Imu -Secretary, Duke Oil .....

Igho Sanomi -CEO, Talevares Petroleum .....

Sam Aikhiobare -Aiteo Energy .....

I FASANA B A, MD CATARIC TRADING SA LTD, CONFIRM THAT I AM BOUND BY THE DECISIONS TAKEN HEREIN.

24/01/11

DUKE OIL INC.
POWER OF ATTORNEY

THIS POWER OF ATTORNEY is executed this 24TH day of JANUARY, 2011 by Duke Oil Incorporated, a company incorporated under the laws of Republic of Panama, having its registered office situate at Arias Fabrega and Fabrega, Bank of America Building, 50th Street, Panama, c/o Duke Oil (UK) Services Limited (hereinafter referred to as the "Duke")

WHEREAS:

A. Duke holds a Term Crude Oil - Refined Products Exchange Agreement dated 10th January, 2011

B. TALEVERAS Petroleum Trading BV (TALEVERAS) has represented to Duke that it has the capacity, experience and is willing to perform its obligations under the said Agreement with Duke

C. Duke has entered into an AGREEMENT dated 10th January, 2011 with TALEVERAS for the Operation and Management of its Term Crude Oil - Refined Products Exchange Agreement with PPMC dated 10th January, 2011

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS
that Duke as the holder of a term Crude Oil - Refined Products Exchange Agreement with PPMC do hereby make, constitute and appoint TALEVERAS as its true and lawful Attorney for and in its name and on its behalf to do or execute all or any of the acts and things hereinafter mentioned, that is to say:

1. To sign, operate, execute and deliver a Term Crude Oil - Refined Products Exchange Agreement between Pipeline Products Marketing Company with the Duke Oil Inc. (a subsidiary of Nigerian National Petroleum Corporation), Abuja-Nigeria for 30,000 Barrels of Crude Oil per day, under the laws of the Federal Republic of Nigeria.

2. To undertake all other steps and sign any additional documents which the Attorney may deem necessary or advisable in connection with the transaction.

3. To sign, endorse, execute and deliver all receipts, releases, discharges, re-conveyances or other instruments, deeds or documents, whatsoever, that may be necessary for the completion of the transactions contemplated herein.

4. To execute all deeds and other instruments necessary or proper for transferring the interests to the respective bona fide purchasers thereof.

5. Generally, to exercise all rights and privileges and perform all duties and take such other steps as the Attorney may consider necessary or desirable to do now or hereafter as may appertain to Duke in relation to the interests and in connection with the transactions contemplated herein.

6. **Affirmation**

Duke shall not be held responsible and hereby disclaims any liability howsoever that may arise as a result of any third party loss, damage, claim, demand, litigation or a threat to litigation, whether directly or indirectly and whether or not it is in connection with the information, disclosure, advertisements, sale or publications that may be made by Taleveras for purposes of the transactions contemplated herein.

7. **Expiration Period**

This Power of attorney is specifically given for the purpose of the transaction contemplated in the Agreements between the Parties and shall be for a period of twelve months commencing on the 1st day of February, 2011 and expiring on the 30th day of January, 2012.

This Power of attorney shall be irrevocable until the completion of the contemplated transactions as prescribed in the Agreements after which it shall become invalid, and shall have no further effect unless if the Ageements are renewed. In any event, however, the provisions as to affirmation stated above shall survive the expiry of this Power of Attorney.

8. **Applicable Law and Dispute Resolution**

This Power of Attorney shall be governed under Nigerian Law and any dispute, conflict or differences that may arise in connection with its interpretation, validity or implementation shall be settled amicably by Duke and TALEVERAS and failing such settlement it shall be finally settled by a court of competent jurisdiction in Nigeria.

9. **Definition**

In this Power of Attorney, "Transaction" means "the relationship between Duke and TALEVERAS under which TALEVERAS performs the exchange contract that was executed between Duke and PPMC on the 10th day of January, 2011, which expires on the 30th day of January, 2012, and under no circumstances can it be construed to include any other transaction".

IN WITNESS WHEREOF this Power of Attorney has been duly executed as a deed this 24th day of JANUARY, 2011

SIGNED, SEALED and DELIVERED as a DEED by

Ahmed Mr Bello

.....

Executive Director
Duke Oil Inc.

Witness:.....

Name: LITTEE KAMASHINGR NWAKALO-IMO

Signature:.....

Title: COMPANY SECRETARY

Otu Medo Esq. LL.B (Hons), B.L, LL.M, MCI Arb. (UK)
NOTARY PUBLIC
DCH - 568 PRINCE & PRINCESS ESTATE, ABUJA

January 24, 2011