



TENDER NOTICE

CEYLON PETROLEUM CORPORATION (CEYPETCO)

**BID FOR THE SUPPLY OF
A CARGO OF 700,000 BBLs +/- 5% OF**

MURBAN CRUDE OIL (OPTION A)

OR

DAS BLEND CRUDE OIL (OPTION B)

OR

SAHARAN BLEND CRUDE OIL (OPTION C)

OR

EL SHARARA CRUDE OIL (OPTION D)

OR

SIBERIAN LIGHT CRUDE OIL (OPTION E)

REF: CR/35/2022

FOR DELIVERY AT SPBM1 COLOMBO, SRI LANKA

**CHAIRMAN
SPECIAL STANDING CABINET APPOINTED PROCUREMENT COMMITTEE (SSCAPC)
C/O. COMMERCIAL MANAGER
07TH FLOOR
CEYLON PETROLEUM CORPORATION
No. 609, DR. DANISTER DE SILVA MAWATHA
COLOMBO 09, SRI LANKA.**

28/06/2022

INVITATION FOR BIDS

CEYLON PETROLEUM CORPORATION (CEYPETCO)

**BID FOR THE SUPPLY OF A CARGO OF 700,000 BBLs +/- 5% OF MURBAN CRUDE OIL (OPTION A) OR 700,000 BBLs +/- 5% OF DAS BLEND CRUDE OIL (OPTION B) OR 700,000 BBLs +/- 5% OF SAHARAN BLEND CRUDE OIL (OPTION C) OR 700,000 BBLs +/- 5% OF EL SHARARA CRUDE OIL (OPTION D) OR 700,000 BBLs +/- 5% OF SIBERIAN LIGHT CRUDE OIL (OPTION E) FOR DELIVERY AT SPBM 1 COLOMBO ON DELIVERED AT PLACE (DAP) (INCOTERMS 2010)
REF: CR/35/2022**

SECTION 1- INSTRUCTIONS TO BIDDERS (ITB)

1.1. INTRODUCTION

THE CHAIRMAN, SPECIAL STANDING CABINET APPOINTED PROCUREMENT COMMITTEE (SSCAPC), ON BEHALF OF CEYLON PETROLEUM CORPORATION (HEREIN AFTER REFERRED TO AS 'CEYPETCO') INVITES FIRM OFFERS FROM THE SUPPLIERS REGISTERED WITH CEYPETCO UNDER THE CATEGORY OF "CRUDE OIL" FOR THE SUPPLY OF A CARGO OF **700,000 BBLs +/- 5% OF MURBAN CRUDE OIL (OPTION A) OR 700,000 BBLs +/- 5% DAS BLEND CRUDE OIL (OPTION B) OR 700,000 BBLs +/- 5% OF SAHARAN BLEND CRUDE OIL (OPTION C) OR 700,000 BBLs +/- 5% OF EL SHARARA CRUDE OIL (OPTION D) OR 700,000 BBLs +/- 5% OF SIBERIAN LIGHT CRUDE OIL (OPTION E) ON DAP COLOMBO BASIS (INCOTERMS 2010) FOR DISCHARGE OF FULL CARGO QUANTITY AT SINGLE POINT BUOY MOORING 1 (SPBM 1) COLOMBO, SRI LANKA DURING LAYCAN **26-30/10/2022**.**

INTERESTED SUPPLIERS MAY REQUEST FURTHER INFORMATION/CLARIFICATIONS FROM THE COMMERCIAL MANAGER OF CEYLON PETROLEUM CORPORATION [TEL: 0094-115664649; FAX: 0094-115455406; E-MAIL: cm@ceypetco.gov.lk, commercial.crude@ceypetco.gov.lk].

1.2. ISSUE OF BIDDING DOCUMENT

- LOCAL AGENTS OF THE REGISTERED SUPPLIERS COULD OBTAIN THE BIDDING DOCUMENT FROM THE COMMERCIAL MANAGER OF CEYLON PETROLEUM CORPORATION BETWEEN 0900 HRS. AND 1500 HRS. (SRI LANKA TIME) ON ANY WORKING DAY COMMENCING **28TH JUNE 2022 UP TO 11TH JULY 2022**.

OR

- REGISTERED SUPPLIERS COULD DOWNLOAD THE RELEVANT BID DOCUMENT FROM THE CEYPETCO WEBSITE www.ceypetco.gov.lk

1.3. ELIGIBILITY FOR BIDDING

ONLY THE SUPPLIERS WHO HAVE CURRENTLY BEEN REGISTERED WITH CEYPETCO UNDER THE CATEGORY OF "CRUDE OIL" ARE ELIGIBLE TO SUBMIT BIDS. **THOSE SUPPLIERS WHO ARE SUSPENDED BY CEYPETCO ARE NOT ELIGIBLE FOR BIDDING.**

1.4. SUBMISSION OF BIDS

PLEASE REFER CLAUSE 2.25.

1.5. LOCAL AGENT AND LOCAL AGENCY COMMISSION

PLEASE REFER CLAUSE 2.13.

1.6. AWARD OF THE TENDER

PLEASE REFER CLAUSE 2.17.

1.7. PRICING METHODOLOGY / CURRENCY

ALL VALUES SHALL BE QUOTED IN UNITED STATES DOLLARS (USD).

1.8. BID SECURITY GUARANTEE

- 1.8.1. PRIOR TO THE BID OPENING, ALL BIDDERS SHALL ESTABLISH **A BID SECURITY GUARANTEE FOR UNITED STATES DOLLARS THREE HUNDRED THOUSAND (USD 300,000/=)** FOR THE TENDER UNDERTAKING THAT THE BID WILL BE HELD VALID FOR THE SPECIFIED PERIOD AND THAT THE BID WILL NOT BE WITHDRAWN DURING THAT PERIOD. SUCH SECURITY SHALL BE IN THE FORM OF A BANK GUARANTEE ISSUED/CONFIRMED BY A LICENCED COMMERCIAL BANK IN SRI LANKA OR A BANK BASED IN ANOTHER COUNTRY BUT THE GUARANTEE CONFIRMED & ASSURED BY A LICENCED COMMERCIAL BANK IN SRI LANKA, IN FAVOR OF CEYLON PETROLEUM CORPORATION AND PAYABLE TO THE SAME ON DEMAND. **THE ORIGINAL BID SECURITY GUARANTEE SHALL BE SUBMITTED ALONG WITH THE OFFER.**

IMPORTANT

PLEASE NOTE THAT ALL BIDDERS IRRESPECTIVE OF WHETHER THEY ARE RECOGNIZED GOVERNMENT OWNED INSTITUTIONS/SUBSIDIARIES AND/OR OIL MAJORS SHALL SUBMIT THE BID SECURITY GUARANTEE.

- 1.8.2. THE BID SECURITY GUARANTEE SHALL BE VALID FOR A MINIMUM THIRTY (30) DAYS FROM THE DATE OF CLOSING OF THE BID. **THE FORMAT OF BID SECURITY GUARANTEE IS ANNEXED HERETO AS ANNEX - 'A'.**
- 1.8.3. FAILURE TO SUBMIT THE BID SECURITY GUARANTEE INCONFORMITY WITH THE BID REQUIREMENT, ON OR BEFORE THE CLOSING TIME OF BID **BY ANY BIDDER**, WILL RESULT IN THE BID BEING REJECTED. CEYPETCO SHALL BE ENTITLED TO FORFEIT THE BID SECURITY GUARANTEE IN THE EVENT THE SUCCESSFUL BIDDER FAILS TO ENTER INTO THE CONTRACT, WITHIN A PERIOD OF SEVEN (7) WORKING DAYS SUBSEQUENT TO WRITTEN INSTRUCTIONS FROM CEYPETCO TO ENTER INTO THE SAID CONTRACT.
- 1.8.4. THE BID SECURITY GUARANTEE OF THE SUCCESSFUL BIDDER WILL BE RETURNED ONLY AFTER RECEIPT OF THE PERFORMANCE SECURITY GUARANTEE BY THE SUCCESSFUL BIDDER. CEYPETCO SHALL BE ENTITLED TO ENCASH ON THE BID SECURITY GUARANTEE UNLESS A PERFORMANCE SECURITY GUARANTEE IS PROVIDED BY THE SUCCESSFUL BIDDER, ON THE DATE SPECIFIED BY CEYPETCO.
- 1.8.5. THE BID SECURITY GUARANTEE FROM THE UNSUCCESSFUL BIDDERS WILL BE RETURNED AFTER THE AWARD IS MADE TO THE SUCCESSFUL BIDDER.

1.9. CORRECTION OF ERRORS

WHERE THERE IS A DISCREPANCY BETWEEN THE AMOUNT IN FIGURES AND IN WORDS, THE AMOUNT IN WORDS WILL GOVERN.

SECTION 2 - TERMS & CONDITIONS OF THE BID

2.1 BUYER

CEYLON PETROLEUM CORPORATION (CEYPETCO)
NO. 609,
DR. DANISTER DE SILVA MAWATHA,
COLOMBO 09,
SRI LANKA.

2.2 CONTRACTUAL CARGO QUANTITY

- 2.2.1 THE TOTAL QUANTITY OF **700,000 BBLS +/- 5% OF MURBAN CRUDE OIL (OPTION A) OR 700,000 BBLS +/- 5% DAS BLEND CRUDE OIL (OPTION B) OR 700,000 BBLS +/- 5% OF SAHARAN BLEND CRUDE OIL (OPTION C) OR 700,000 BBLS +/- 5% OF EL SHARARA CRUDE OIL (OPTION D) OR 700,000 BBLS +/- 5% OF SIBERIAN LIGHT CRUDE OIL (OPTION E)** REQUIRED UNDER THIS CONTRACT IS AS FOLLOWS.

PRODUCT	TOTAL CONTRACTUAL QUANTITY
MURBAN CRUDE OIL (OPTION A) OR DAS BLEND CRUDE OIL (OPTION B) OR SAHARAN BLEND CRUDE OIL (OPTION C) OR EL SHARARA CRUDE OIL (OPTION D) OR SIBERIAN LIGHT CRUDE OIL (OPTION E)	700,000 BBLS PLUS/MINUS 5 PERCENT (+/- 5%)

- 2.2.2 THE TOTAL QUANTITY OF THIS DELIVERY OF **700,000 BBLS +/- 5% OF MURBAN CRUDE OIL (OPTION A) OR 700,000 BBLS +/- 5% DAS BLEND CRUDE OIL (OPTION B) OR 700,000 BBLS +/- 5% OF SAHARAN BLEND CRUDE OIL (OPTION C) OR 700,000 BBLS +/- 5% OF EL SHARARA CRUDE OIL (OPTION D) OR 700,000 BBLS +/- 5% OF SIBERIAN LIGHT CRUDE OIL (OPTION E)** SHALL BE AS PER THE **ANNEX-'B'** WHERE CARGO SIZE IS 700,000 BBLS LOADED WITHIN THE PLUS/MINUS 5 PER CENT (+/- 5%) TOLERANCE.
- 2.2.3 ANY DEVIATION TO THE PLUS/MINUS 5% (+/-5%) QUANTITY TOLERANCE WILL ONLY BE CONSIDERED UNDER SPECIAL CIRCUMSTANCES, ON MUTUAL AGREEMENT BETWEEN CEYPETCO AND THE SUCCESSFUL SUPPLIER/BIDDER.

2.3 DELIVERY OF MURBAN CRUDE OIL (OPTION A) OR DAS BLEND CRUDE OIL (OPTION B) OR SAHARAN BLEND CRUDE OIL (OPTION C) OR EL SHARARA CRUDE OIL (OPTION D) OR SIBERIAN LIGHT CRUDE OIL (OPTION E) AT SPBM 1, COLOMBO

- 2.3.1 THE SUCCESSFUL SUPPLIER/BIDDER SHALL DELIVER THE FULL CARGO OF **MURBAN CRUDE OIL (OPTION A) OR DAS BLEND CRUDE OIL (OPTION B) OR SAHARAN BLEND CRUDE OIL (OPTION C) OR EL SHARARA CRUDE OIL (OPTION D) OR SIBERIAN LIGHT CRUDE OIL (OPTION E)** AS GIVEN IN **ANNEX - 'B'** ON **DAP COLOMBO BASIS (INCOTERMS 2010)** AT SPBM 1 COLOMBO, SRI LANKA DURING LAYCAN **26-30/10/2022**.
- 2.3.2 IT IS IMPERATIVE THAT THE SHIPMENT IS DELIVERED IN COLOMBO DURING THE FIVE DAY DELIVERY LAYCAN IN ONE TANKER IN ONE LOT.

2.3.3 THE FIVE DAY DELIVERY LAYCAN SHALL BE COMMENCED FROM 0001 HRS OF THE FIRST DAY OF THE DELIVERY LAYCAN UP TO THE 2400 HRS OF THE SECOND DAY OF THE DELIVERY LAYCAN.

2.3.4 FOR MURBAN CRUDE OIL, PORT OF LOADING FOR THE CARGO SHALL BE JEBEL DHANNA, U.A.E. AND/OR FUJAIRAH, U.A.E.

FOR DAS BLEND CRUDE OIL, PORT OF LOADING FOR THE CARGO SHALL BE DAS ISLAND, U.A.E.

FOR SAHARAN BLEND CRUDE OIL, PORT OF LOADING FOR THE CARGO SHALL BE ARZEW, ALGERIA OR BETHIOUA, ALGERIA AND ANY LOADING PORT UNDER UNITED STATES SANCTIONS ARE NOT APPLICABLE.

FOR EL SHARARA CRUDE OIL, THE PORT OF LOADING FOR THE CARGO SHALL BE ZAWIA, LIBYA.

FOR SIBERIAN LIGHT CRUDE OIL, THE PORT OF LOADING FOR THE CARGO SHALL BE NOVOROSSIYSK, RUSSIAN FEDERATION.

ANY CRUDE OIL SIMILAR OR IDENTICAL TO IRANIAN CRUDE WILL NOT BE PERMITTED. IN THE EVENT THAT THE CARGO AT THE DISCHARGE PORT IS FOUND TO BE SIMILAR OR IDENTICAL TO IRANIAN LIGHT CRUDE OIL, CEYPETCO RESERVES THE RIGHT TO REJECT THE CARGO STRAIGHTAWAY AND CLAIM DAMAGES FROM THE SUPPLIER. TESTS WILL BE CARRIED OUT AT THE LOAD PORT AND ALSO BEFORE DISCHARGING AT THE BUYER'S PORT AS PER THE CLAUSE 2.9. THE DECISION TO ACCEPT THE CARGO AFTER TEST RESULTS (AT MAXIMUM WAITING TIME OF TEN (10) HOURS AT DISPORT FOR RESULTS) IS SOLELY AT THE DISCRETION OF CEYPETCO.

2.4 IMPORTANT

IT IS IMPERATIVE THAT THE CARGO IS DELIVERED AT SPBM 1, COLOMBO IN ONE LOT DURING THE CONTRACTUAL FIVE DAY DELIVERY LAYCAN AND UNDER NO CIRCUMSTANCES THE CARGO WILL BE ACCEPTED IN TWO SEPARATE TANKERS. IF THE SUCCESSFUL SUPPLIER/BIDDER FAILS TO DELIVER THE CARGO DISCHARGE AT SPBM 1, COLOMBO IN ONE LOT DURING THE CONTRACTUAL FIVE DAY DELIVERY LAYCAN AGREED UPON, THE SUCCESSFUL SUPPLIER/BIDDER WOULD BE HELD LIABLE FOR HEAVY PENALTIES AND ALL CONSEQUENTIAL LOSSES.

2.5 THIRD PARTY CARGO

TENDERERS ARE NOT PERMITTED TO CARRY ANY THIRD PARTY CARGO ALONG WITH EACH CARGO IN THE SAME TANKER.

2.6 QUALITY

2.6.1 THE SUCCESSFUL SUPPLIER/BIDDER SHALL ENSURE THAT THE MURBAN CRUDE OIL / DAS BLEND CRUDE OIL / SAHARAN BLEND CRUDE OIL / EL SHARARA CRUDE OIL OFFERED IS IN CONFORMITY WITH THE RELEVANT SPECIFICATIONS GIVEN IN "ANNEX – 'C-1', 'C-2', 'C-3', 'C-4' AND 'C-5' RESPECTIVELY. TENDERERS SHOULD FURNISH THE FULL ASSAY OF MURBAN CRUDE OIL / DAS BLEND CRUDE OIL / SAHARAN BLEND CRUDE OIL / EL SHARARA CRUDE OIL / SIBERIAN LIGHT CRUDE OIL FOR THE EVALUATION OF BIDS. **THE BIDS FROM SUPPLIER/BIDDER WHO DO NOT FURNISH**

THE FULL ASSAY OF THE MURBAN CRUDE OIL / DAS BLEND CRUDE OIL / SAHARAN BLEND CRUDE OIL / EL SHARARA CRUDE OIL / SIBERIAN LIGHT CRUDE OIL WILL NOT BE CONSIDERED FOR EVALUATION.

- 2.6.2 FOR MURBAN CRUDE OIL QUALITY IS AS MADE AVAILABLE AT ADNOC/ADCO TERMINAL AT THE TIME OF LOADING. SELLER TO PROVIDE COPY OF CERTIFICATE OF QUANTITY AND QUALITY ISSUED BY ADNOC/ADCO AND COPY OF CERTIFICATE OF ORIGIN ISSUED BY ADNOC/ADCO CONFIRMING THAT THE CRUDE OIL SHIPPED ON VESSEL IS DERIVED FROM THE CURRENT PRODUCTION OF THE MURBAN CRUDE OIL FIELD.
- 2.6.3 FOR DAS BLEND CRUDE OIL QUALITY IS AS MADE AVAILABLE AT DAS ISLAND TERMINAL AT THE TIME OF LOADING. SELLER TO PROVIDE COPY OF CERTIFICATE OF QUANTITY AND QUALITY ISSUED BY ADNOC/ADCO AND COPY OF CERTIFICATE OF ORIGIN ISSUED BY ADNOC/ADCO CONFIRMING THAT THE CRUDE OIL SHIPPED ON VESSEL IS DERIVED FROM THE CURRENT PRODUCTION OF THE DAS BLEND CRUDE OIL FIELD.
- 2.6.4 FOR SAHARAN BLEND CRUDE OIL QUALITY IS AS MADE AVAILABLE AT THE LOADING TERMINAL AT THE TIME OF LOADING. SELLER TO PROVIDE COPY OF CERTIFICATE OF QUANTITY AND QUALITY ISSUED OR ENDORSED BY THE TERMINAL OR ENDORSED BY THE INDEPENDENT INSPECTOR AND COPY OF CERTIFICATE OF ALGERIAN ORIGIN ISSUED BY THE SUPPLIER OR TERMINAL OR ANY OTHER LOCAL BODY OR CHAMBER OF COMMERCE CONFIRMING THAT THE CRUDE OIL SHIPPED ON VESSEL IS DERIVED FROM THE CURRENT PRODUCTION OF THE SAHARAN BLEND CRUDE OIL FIELD.
- 2.6.5 FOR EL SHARARA CRUDE OIL QUALITY IS AS MADE AVAILABLE AT THE LOADING TERMINAL AT THE TIME OF LOADING. SELLER TO PROVIDE COPY OF CERTIFICATE OF QUANTITY AND QUALITY ISSUED OR ENDORSED BY THE TERMINAL OR ENDORSED BY THE INDEPENDENT INSPECTOR AND COPY OF CERTIFICATE OF LIBYAN ORIGIN ISSUED BY THE SUPPLIER OR TERMINAL OR ANY OTHER LOCAL BODY OR CHAMBER OF COMMERCE CONFIRMING THAT THE CRUDE OIL SHIPPED ON VESSEL IS DERIVED FROM THE CURRENT PRODUCTION OF THE EL SHARARA CRUDE OIL FIELD.
- 2.6.6 FOR SIBERIAN LIGHT CRUDE OIL QUALITY IS AS MADE AVAILABLE AT THE LOADING TERMINAL AT THE TIME OF LOADING. SELLER TO PROVIDE COPY OF CERTIFICATE OF QUANTITY AND QUALITY ISSUED OR ENDORSED BY THE TERMINAL OR ENDORSED BY THE INDEPENDENT INSPECTOR AND COPY OF CERTIFICATE OF RUSSIAN ORIGIN ISSUED BY THE SUPPLIER OR TERMINAL OR ANY OTHER LOCAL BODY OR CHAMBER OF COMMERCE CONFIRMING THAT THE CRUDE OIL SHIPPED ON VESSEL IS DERIVED FROM THE CURRENT PRODUCTION OF THE SIBERIAN LIGHT CRUDE OIL FIELD.

2.7 SOURCE OF SUPPLY

TENDERERS SHOULD CONFIRM THE FOLLOWING;

SUPPLIER SHALL INDICATE THE CONTRY OF ORIGIN AND PORT OF SHIPMENT OF EACH CRUDE TYPE THEY OFFER

- 2.7.1. MURBAN CRUDE OIL / DAS BLEND CRUDE OIL SUPPLIER IS ADNOC / ADCO, U.A.E. OR SAHARAN BLEND CRUDE OIL SUPPLIER OR EL SHARARA CRUDE OIL OR SIBERIAN LIGHT CRUDE OIL SUPPLIER.

2.7.2. FOR MURBAN CRUDE OIL / DAS BLEND CRUDE OIL, COUNTRY OF ORIGIN IS UNITED ARAB EMIRATES (U.A.E.)

FOR SAHARAN BLEND CRUDE OIL, COUNTRY OF ORIGIN IS ALGERIA.

FOR EL SHARARA CRUDE OIL, COUNTRY OF ORIGIN IS LIBYA.

FOR SIBERIAN LIGHT CRUDE OIL, COUNTRY OF ORIGIN IS RUSSIAN FEDERATION.

2.7.3. FOR MURBAN CRUDE OIL, PORT OF LOADING IS JEBEL DHANNA, U.A.E. OR FUJAIRAH, U.A.E.

FOR DAS BLEND CRUDE OIL, PORT OF LOADING IS DAS ISLAND, U.A.E.

FOR SAHARAN BLEND CRUDE OIL, PORT OF LOADING IS ARZEW, ALGERIA OR BETHIOUA, ALGERIA.

FOR EL SHARARA CRUDE OIL, PORT OF LOADING IS ZAWIYA, LIBYA.

FOR SIBERIAN LIGHT CRUDE OIL, PORT OF LOADING IS NOVOROSIYSK, RUSSIAN FEDERATION.

2.7.4. TENDERER SHALL PRODUCE ALL DETAILS OF HIS SUPPLIER OF MURBAN CRUDE OIL / DAS BLEND CRUDE OIL / SAHARAN BLEND CRUDE OIL / EL SHARARA CRUDE OIL / SIBERIAN LIGHT CRUDE OIL.

2.7.5. ON BOARD BLENDING IS STRICTLY PROHIBITED.

2.7.6. THE BIDS SUBMITTED WITHOUT THE ABOVE INFORMATION WOULD BE SUBJECTED FOR REJECTION.

2.8 MODE OF LOADING

UNDER THIS SHIPMENT, MURBAN CRUDE OIL / DAS BLEND CRUDE OIL / SAHARAN BLEND CRUDE OIL / EL SHARARA CRUDE OIL / SIBERIAN LIGHT CRUDE OIL SHALL BE LOADED ON TO THE NOMINATED VESSEL **ONLY FROM SHORE TANKS AND ANY SHIP TO SHIP TRANSFER OF CRUDE OIL IS STRICTLY PROHIBITED.**

2.9 INSPECTION

2.9.1. INSPECTION AT LOAD PORT

2.9.1.1. CEYPETCO SHALL NOMINATE AN INDEPENDENT INSPECTOR (GEO-CHEM/ITS CALEB BRETT/SBC ASIA – SAYBOLT/SGS/BUREAU VERITAS/CCIC/AMSPEC) ACCEPTABLE TO THE SUCCESSFUL SUPPLIER/BIDDER TO SAMPLE, TEST AND CERTIFY THE QUALITY OF MURBAN CRUDE OIL / DAS BLEND CRUDE OIL / SAHARAN BLEND CRUDE OIL / EL SHARARA CRUDE OIL / SIBERIAN LIGHT CRUDE OIL AS PER THE TENDER SPECIFICATIONS AND THE QUANTITY AS PER THE TENDER CONDITIONS. THEY SHOULD BE PRESENT AT THE TIME OF LOADING OF THE CARGO TO CARRYOUT THE INSPECTION AND TO PREPARE THE QUALITY (SUBMIT ON LINE SAMPLING TEST REPORT INDICATING THE FOUR PARAMETERS NAMELY “TOTAL SULPHUR, DENSITY, RVP AND BS&W” ALSO THE BIDDER TO SUBMIT THE ASSAY OF MURBAN CRUDE OIL / DAS BLEND CRUDE OIL / SAHARAN BLEND CRUDE OIL / EL SHARARA CRUDE OIL /

SIBERIAN LIGHT CRUDE OIL AND QUANTITY CERTIFICATES AND ANY OTHER DOCUMENTS SPECIFIED.

2.9.1.2. CEYPETCO RESERVES THE RIGHT TO NOMINATE A SECOND INSPECTION COMPANY AT ITS SOLE DISCRETION TO WITNESS THE QUALITY & QUANTITY OF THE PRODUCT AT LOAD PORT AS AND WHEN REQUIRED AT **ITS OWN COST**.

2.9.1.3. IT IS THE RESPONSIBILITY OF THE SUCCESSFUL SUPPLIER/BIDDER TO ENSURE THE PRESENCE OF THE INDEPENDENT INSPECTOR AT THE TIME OF LOADING OF THE CARGO AT THE LOAD PORT. THE SUCCESSFUL SUPPLIER/BIDDER SHALL COOPERATE AND LIAISE WITH THE INDEPENDENT INSPECTOR TO ENSURE THAT THE INSPECTION IS CARRIED OUT TO THE SATISFACTION OF CEYPETCO. UNDER NO CIRCUMSTANCES THE CARGO SHALL BE LOADED ON TO THE VESSEL AT THE LOAD PORT WITHOUT THE PRESENCE OF THE INDEPENDENT INSPECTOR APPOINTED AS PER **SUB CLAUSE 2.9.1.1. AND THE SECOND INSPECTOR IF NOMINATED BY CEYPETCO AS PER SUB CLAUSE 2.9.1.2.**

2.9.1.4. CEYPETCO WILL FURNISH FULL PARTICULARS OF THE RESPECTIVE CARGO TO BE PURCHASED TO THE INDEPENDENT INSPECTOR UNDER ADVICE TO THE SUCCESSFUL SUPPLIER/BIDDER. THE QUALITY AND QUANTITY OF THE PRODUCT SHALL BE TESTED IN ACCORDANCE WITH GOOD INDUSTRY STANDARDS AND PRACTICES, USING INTERNATIONALLY ACCEPTED SAMPLING AND ANALYTICAL/TESTING METHODS STIPULATED IN RELEVANT SPECIFICATION SHEETS.

SHORE TANK QUALITY CERTIFICATE ISSUED BY THE SUCCESSFUL SUPPLIER'S/BIDDER'S TERMINAL AND SIGNED BY THE MUTUALLY AGREED INDEPENDENT INSPECTOR, SHALL BE FORWARDED/COMMUNICATED TO THE DEPUTY GENERAL MANAGER (COMMERCIAL & SUPPLY CHAIN) OR COMMERCIAL MANAGER OF CEYPETCO THROUGH THE EMAIL.

2.9.1.5. THE SUCCESSFUL SUPPLIER/BIDDER SHALL ENSURE THAT VESSEL LOADS WITH ONLY ALTERNATIVE CRUDE OIL TO MURBAN CRUDE OIL. THE INDEPENDENT INSPECTOR NOMINATED BY CEYPETCO AND ACCEPTED BY THE SUCCESSFUL SUPPLIER/BIDDER SHALL ALSO ENSURE THAT THE VESSEL LOADS ONLY WITH MURBAN CRUDE OIL / DAS BLEND CRUDE OIL / SAHARAN BLEND CRUDE OIL / EL SHARARA CRUDE OIL / SIBERIAN LIGHT CRUDE OIL.

IN THE EVENT PRODUCT IS LOADED FROM DIFFERENT SHORE TANKS, THE INDEPENDENT INSPECTOR NOMINATED BY THE CEYPETCO AND ACCEPTED BY THE SUCCESSFUL SUPPLIER/BIDDER SHALL ENSURE THAT THE VESSEL LOADS ONLY WITH MURBAN CRUDE OIL / DAS BLEND CRUDE OIL / SAHARAN BLEND CRUDE OIL / EL SHARARA CRUDE OIL / SIBERIAN LIGHT CRUDE OIL.

2.9.1.6. THE SUCCESSFUL SUPPLIER/BIDDER SHALL LOAD THE CARGO COMPLYING WITH CEYPETCO TENDER SPECIFICATION AT THEIR OWN RISK.

2.9.1.7. CEYPETCO SHALL PROVIDE AT LEAST THREE (03) E-MAIL ADDRESSES FOR SUCH CORRESPONDENCE TO THE SUCCESSFUL SUPPLIER/BIDDER AND THE SELLER SHALL SEND THE QUALITY CERTIFICATES TO ALL THREE E-MAIL ADDRESSES PROVIDED BY THE BUYER FOR THE SAID PURPOSE.

2.9.1.8. INDEPENDENT INSPECTOR SHALL BE PRESENT AT THE TIME OF LOADING OF THE CARGO TO CARRY OUT THE INSPECTION AND TO PREPARE THE QUALITY

CERTIFICATES (SUBMIT ON LINE SAMPLING TEST REPORT INDICATING THE FOUR PARAMETERS NAMELY "TOTAL SULPHUR, DENSITY, RVP AND BS&W").

- 2.9.1.9. THE COST OF INSPECTION AT LOAD PORT SHALL BE SHARED EQUALLY BETWEEN CEYPETCO AND THE SUCCESSFUL SUPPLIER/BIDDER.
- 2.9.1.10. QUANTITIES MENTIONED IN THE BILLS OF LADING (B/Ls) AT LOAD PORT SHALL BE BINDING ON BOTH PARTIES.
- 2.9.1.11. IN THE EVENT THAT THE SUCCESSFUL SUPPLIER/BIDDER DOES NOT AGREE TO THE NOMINATED INDEPENDENT INSPECTOR BY CEYPETCO AS PER THE **CLAUSE 2.9.1.1**. ABOVE, THE SUCCESSFUL SUPPLIER/BIDDER IS PERMITTED TO NOMINATE AN ALTERNATIVE INDEPENDENT INSPECTOR AND GET THE ACCEPTANCE OF CEYPETCO, LIABLE IN THE SAID CLAUSE UNDER NO CIRCUMSTANCES THE SUCCESSFUL SUPPLIER/BIDDER SHALL BE PERMITTED TO CHANGE SUCH ALTERNATIVE NOMINATION THEREAFTER.

2.9.2. INSPECTION AT THE DISCHARGE PORT

- 2.9.2.1. DISCHARGE PORT INDEPENDENT INSPECTOR SHALL BE DIFFERENT TO THAT OF THE LOAD PORT.
- 2.9.2.2. THE QUALITY AT DISCHARGE PORT COLOMBO SHALL BE DETERMINED BY CEYPETCO REFINERY LABORATORY AND WITNESSED BY THE INDEPENDENT INSPECTOR (ITS CALEB BRETT/GEO-CHEM/SBC ASIA – SAYBOLT/SGS/BUREAU VERITAS) AT COLOMBO. SUCH DETERMINATIONS SHALL BE REPORTED ON THE CERTIFICATE OF QUALITY FINALLY ISSUED BY CEYPETCO REFINERY LABORATORY.
- 2.9.2.3. TWO SETS OF SHIP TANK SAMPLES WITH ADEQUATE QUANTITIES MURBAN CRUDE OIL / DAS BLEND CRUDE OIL / SAHARAN BLEND CRUDE OIL / EL SHARARA CRUDE OIL / SIBERIAN LIGHT CRUDE OIL SHALL BE SEPARATELY DRAWN FROM THE SHIP'S EACH TANK ACCORDING TO ASTM STANDARD METHOD OF SAMPLING BY A MUTUALLY AGREED INDEPENDENT INSPECTOR AT DISCHARGE PORT WITNESSED BY CEYPETCO/CPSTL REPRESENTATIVES AND A REPRESENTATIVE IF NOMINATED BY THE SUCCESSFUL SUPPLIER/CEYPETCO. BOTH SETS OF SAMPLES SHALL BE PROPERLY SEALED AND AUTHENTICATED BY THE INDEPENDENT INSPECTOR, VESSEL'S MASTER OR REPRESENTATIVE OF THE MASTER AND THE CEYPETCO/CPSTL REPRESENTATIVES AND REPRESENTATIVE IF NOMINATED BY THE SUCCESSFUL SUPPLIER/BIDDER.

FIRST COMPOSITE SAMPLE TO BE PREPARED AT CEYPETCO REFINERY LABORATORY MURBAN CRUDE OIL / DAS BLEND CRUDE OIL / SAHARAN BLEND CRUDE OIL / EL SHARARA CRUDE OIL / SIBERIAN LIGHT CRUDE OIL SHALL BE ANALYSED AT THE REFINERY LABORATORY **TO CHECK AND ENSURE KEY PROPERTIES I.E. DENSITY, SULPHUR, RVP AND BS & W** AS SPECIFIED UNDER **SUB CLAUSE 2.9.2.2** WHILE SECOND SET OF TANK SAMPLES MURBAN CRUDE OIL / DAS BLEND CRUDE OIL / SAHARAN BLEND CRUDE OIL / EL SHARARA CRUDE OIL / SIBERIAN LIGHT CRUDE OIL SHALL BE RETAINED UNDER THE CUSTODY OF THE INDEPENDENT INSPECTOR.

IN THE EVENT THE FIRST COMPOSITE SAMPLE DOES NOT MEET THE **KEY PROPERTIES I.E. DENSITY, SULPHUR, RVP AND BS & W**, THE SECOND COMPOSITE SAMPLE WILL BE PREPARED AT CEYPETCO REFINERY LABORATORY USING TANK SAMPLES RETAINED WITH THE INDEPENDENT INSPECTOR, SHALL BE TESTED AT THE REFINERY LABORATORY AS SPECIFIED UNDER **SUB CLAUSE 2.9.2.2** IN THE PRESENCE OF THE MUTUALLY

AGREED INDEPENDENT INSPECTOR, REPRESENTATIVES FROM THE CEYPETCO, A REPRESENTATIVE FROM THE SUCCESSFUL SUPPLIER / BIDDER'S CARGO INSURER, TWO REPRESENTATIVES FROM THE SUCCESSFUL SUPPLIER / BIDDER AND ONE REPRESENTATIVE FROM THE PROTECTION AND INDEMNITY INSURANCE (P & I CLUB). ALL REPRESENTATIVES' WITNESS THIS TEST REQUIRED TO BE SIGNED EACH OF THE FULL TEST CERTIFICATE ISSUED BY THE REFINERY LABORATORY. WHILE THE SECOND SET OF TANK SAMPLES MURBAN CRUDE OIL / DAS BLEND CRUDE OIL / SAHARAN BLEND CRUDE OIL / EL SHARARA CRUDE OIL / SIBERIAN LIGHT CRUDE OIL SHALL BE RETAINED UNDER THE CUSTODY OF THE INDEPENDENT INSPECTOR.

- 2.9.2.4. UNDER NO CIRCUMSTANCES A REPRESENTATIVE OF THE SUCCESSFUL SUPPLIER/BIDDER FROM AN INSPECTION COMPANY AND AN EMPLOYEE OF THE INSPECTION COMPANY AS MENTIONED UNDER SUB CLAUSE 2.9.2.2. WILL BE ALLOWED.
- 2.9.2.5. UNDER NO CIRCUMSTANCES A PROTECTIVE INSPECTOR WILL BE ALLOWED TO THE SUCCESSFUL SUPPLIER/BIDDER OTHER THAN THE MUTUALLY AGREED INDEPENDENT INSPECTOR.
- 2.9.2.6. IF THE SPECIFICATION OF THE PRODUCT DEVIATED FROM THE CEYPETCO ACCEPTED SPECIFICATIONS, CEYPETCO RESERVES THE RIGHT TO REJECT THE TOTAL CARGO.
- 2.9.2.7. UNDER NO CIRCUMSTANCE FURTHER SAMPLES SHALL BE DRAWN FROM SHIP'S TANKS OTHER THAN THE SAMPLES PROPOSED UNDER **SUB CLAUSE 2.9.2.3.** TO DETERMINE THE QUALITY OF CARGO AT DISCHARGE PORT.
- 2.9.2.8. THE QUALITY CERTIFICATE AT DISCHARGE PORT, COLOMBO SHALL BE ISSUED BY THE INDEPENDENT INSPECTOR BASED ON THE TEST REPORT OF REFINERY LABORATORY.
- 2.9.2.9. DISCHARGE OF THE VESSEL SHALL COMMENCE ONLY AFTER THE QUALITY CERTIFICATE IS ISSUED BY THE INDEPENDENT INSPECTOR AND ACCEPTED BY CEYPETCO.
- 2.9.2.10. THE QUANTITY OF PRODUCT AT THE DISCHARGE PORT COLOMBO WILL BE DETERMINED BY AN INDEPENDENT INSPECTOR (ITS CALEB BRETT / GEO-CHEM/ SBC ASIA – SAYBOLT / SGS / BUREAU VERITAS) AT COLOMBO. SUCH DETERMINATIONS SHALL BE REPORTED ON THE CERTIFICATE OF QUANTITY.

IN THE EVENT THAT THE OUT-TURN LOSS (OUT-TURN QUANTITY VS. B/L QUANTITY) IS IN **EXCESS OF 0.3%** AND/OR THERE IS ANY FREE FLOWING PRODUCT LEFT ON BOARD AS REPORTED AND CERTIFIED BY THE INDEPENDENT INSPECTOR AT DISCHARGE PORT, THE SUCCESSFUL SUPPLIER'S / BIDDER SHALL DEDUCT THE EXCESS LOSS AND/OR FREE FLOWING PRODUCT LEFT ON BOARD FROM THE BILL OF LADING QUANTITY FOR INVOICE PURPOSES.

- 2.9.2.11. IN THE EVENT THE OUT-TURN LOSS IS PROVED TO BE DUE TO CEYPETCO'S FAULT INCLUDING BUT NOT LIMITED TO DISCHARGING PIPE LINE LEAKAGE, CAUSING AND OUT-TURN LOSS **IN EXCESS OF 0.3%**, SUCH EXCESS LOSS SHALL NOT BE DEDUCTED FROM THE B/L QUANTITY FOR INVOICE PURPOSES.
- 2.9.2.12. THE COST OF INSPECTION, INCLUDING COST FOR TESTING OF SECOND COMPOSITE SAMPLE PAYABLE TO INDEPENDENT INSPECTOR AT DISCHARGE PORT, SHALL BE SHARED EQUALLY BETWEEN CEYPETCO AND THE SUCCESSFUL SUPPLIER'S / BIDDER.

2.10 RECOVERY OF DAMAGES OR LOSSES FOR CEYPETCO DUE TO UNACCEPTABLE QUALITY

- 2.10.1. IF THE QUALITY OF THE PRODUCT AT THE DISCHARGE PORT DOES NOT MEET/COMPLY WITH THE **KEY PROPERTIES I.E. DENSITY, SULPHUR, RVP AND BS & W** WITH RESPECT TO ANY OF THE PARAMETERS INDICATED THEREIN, SUBJECT TO CLAUSE 2.9.2. CEYPETCO RESERVES THE RIGHT TO REJECT THE FULL CONSIGNMENT ON BOARD THE VESSEL.
- 2.10.2. THE CONSENT FOR THE SUPPLY OF REPLACEMENT CARGO SHALL BE COMMUNICATED IN WRITING BY THE SUCCESSFUL SUPPLIER/BIDDER TO CEYPETCO WITHIN **FORTY EIGHT (48) HOURS** OF SUCH REQUEST BY CEYPETCO.
- 2.10.3. IN THE EVENT OF REJECTION OF THE CARGO RESULTING IN THE DELAY OF REPLACEMENT CARGO UNDER THIS CONTRACT, THE SUPPLIER SHALL BE BOUND TO EXTEND THE VALIDITY OF THE PERFORMANCE SECURITY GUARANTEE UP TO THE DATE DETERMINED BY CEYPETCO AS REQUIRED.
- 2.10.4. THE PRICING OF THE REPLACEMENT CARGO SHALL BE DETERMINED AS PER THE PRICE OF THE MONTH BELONGS TO THE FIRST DAY OF THE FIVE DAY DELIVERY LAYCAN OF THE **REPLACEMENT CARGO** AT COLOMBO, PLUS PREMIUM/DISCOUNT. THE CALCULATION OF THE VALUE OF THE REPLACEMENT CARGO SHALL BE AS PER THE **CLAUSE 2.12. UNDER THE HEADING "PRICE / INTEREST / PAYMENT"**.
- 2.10.5. IN THE EVENT, FAILURE BY THE SUCCESSFUL BIDDER/SUPPLIER TO PROVIDE A REPLACEMENT CARGO, CEYPETCO RESERVES THE RIGHT TO TERMINATE THE CONTRACT AND TO FORFEIT THE PERFORMANCE SECURITY GUARANTEE.
- 2.10.6. FOR THE REPLACEMENT CARGO, THE SAME TERMS AND CONDITIONS OF THIS TENDER SHALL BE APPLICABLE IN ALL ASPECTS INCLUDING QUALITY, DELIVERY AND RECOVERY OF DAMAGES OR LOSSES FOR CEYPETCO.

2.11 OUT-TURN LOSS

THE DETERMINATION OF OUT-TURN QUANTITY SHALL BE BASED ON THE OUT-TURN QUANTITY STIPULATED IN THE CERTIFICATE OF OUTTURN QUANTITY AT DISCHARGE PORT, COLOMBO ISSUED OR ENDORSED BY THE INDEPENDENT INSPECTOR.

2.12 PRICE / PAYMENT / INTEREST

THE BIDDERS SHOULD QUOTE THE PREMIUM/DISCOUNT AND INTEREST RATE FOR CONTRACTUAL CARGO QUANTITY UNDER CLAUSE 2.2.

2.12.1. PAYMENT IN NINETY (90) DAYS - OPTION - 1

DAP COLOMBO PRICE FOR MURBAN CRUDE OIL SHALL BE CALCULATED AS FOLLOWS;
PRICE OFFERED FOR MURBAN CRUDE OIL IN U.S. DOLLARS PER BARREL ON **DAP COLOMBO BASIS (INCOTERMS 2010)** SHALL BE "MURBAN ADNOC" FOB PRICE PER NET US BARREL CHARGED BY ABU DHABI NATIONAL OIL COMPANY ("ADNOC") TO TERM CUSTOMERS (I.E. GOVERNMENT SELLING PRICE) FOR LIFTINGS OF MURBAN CRUDE OIL LIFTED BY THEM OVER THE MONTH BELONGS TO THE FIRST DAY OF THE AGREED DELIVERY LAYCAN), PLUS A FIXED PREMIUM/DISCOUNT FOR THE FIRST 30

DAYS INTEREST FREE CREDIT PERIOD PLUS INTEREST RATE FOR THE EXTENDED CREDIT PERIOD AFTER 30 DAYS TO 90 DAYS BASED ON A MARGIN OVER THREE (03) MONTHS LIBOR (U.S. DOLLARS) AS PUBLISHED BY THE FINANCIAL TIMES OR REUTERS. LIBOR WILL BE THAT EXISTING ON THE FIRST DAY OF THE AGREED DELIVERY LAYCAN. L/C AMOUNT SHALL COVER THE CARGO VALUE AND THE INTEREST AMOUNT FOR THE EXTENDED PAYMENT PERIOD.

DAP COLOMBO PRICE FOR DAS BLEND CRUDE OIL SHALL BE CALCULATED AS FOLLOWS;

PRICE OFFERED FOR DAS BLEND CRUDE OIL IN U.S. DOLLARS PER BARREL ON **DAP COLOMBO BASIS (INCOTERMS 2010)** SHALL BE "DAS ADNOC" FOB PRICE PER NET US BARREL CHARGED BY ABU DHABI NATIONAL OIL COMPANY ("ADNOC") TO TERM CUSTOMERS (I.E. GOVERNMENT SELLING PRICE) FOR LIFTINGS OF MURBAN CRUDE OIL LIFTED BY THEM OVER THE MONTH BELONGS TO THE FIRST DAY OF THE AGREED DELIVERY LAYCAN, PLUS A FIXED PREMIUM/DISCOUNT FOR THE FIRST 30 DAYS INTEREST FREE CREDIT PERIOD PLUS INTEREST RATE FOR THE EXTENDED CREDIT PERIOD AFTER 30 DAYS TO 90 DAYS BASED ON A MARGIN OVER THREE (03) MONTHS LIBOR (U.S. DOLLARS) AS PUBLISHED BY THE FINANCIAL TIMES OR REUTERS. LIBOR WILL BE THAT EXISTING ON THE FIRST DAY OF THE AGREED DELIVERY LAYCAN. L/C AMOUNT SHALL COVER THE CARGO VALUE AND THE INTEREST AMOUNT FOR THE EXTENDED PAYMENT PERIOD.

DAP COLOMBO PRICE FOR SAHARAN BLEND CRUDE OIL SHALL BE CALCULATED AS FOLLOWS;

PRICE OFFERED FOR SAHARAN BLEND CRUDE OIL IN U.S. DOLLARS PER BARREL ON **DAP COLOMBO BASIS (INCOTERMS 2010)** SHOULD BE THE AVERAGE OF THE MIDS OF "OMAN M1" & "DUBAI M1" PUBLISHED IN PLATTS MARKET SCAN UNDER THE HEADING OF 'ASIA AND MIDEAST KEY CRUDE ON THE FIRST DAY OF THE AGREED DELIVERY LAYCAN, TWO DAYS IMMEDIATELY BEFORE AND TWO DAYS IMMEDIATELY AFTER THE FIRST DAY OF THE AGREED DELIVERY LAYCAN (IF THERE IS NO PUBLICATION ON THE FIRST DAY OF THE AGREED DELIVERY LAYCAN THEN TWO DAYS IMMEDIATELY BEFORE AND TWO DAYS IMMEDIATELY AFTER THE FIRST DAY OF THE AGREED DELIVERY LAYCAN ARE TO BE TAKEN INTO ACCOUNT), PLUS INTEREST RATE FOR THE EXTENDED CREDIT PERIOD AFTER 30 DAYS TO 90 DAYS BASED ON A MARGIN OVER THREE (03) MONTHS LIBOR (U.S. DOLLARS) AS PUBLISHED BY THE FINANCIAL TIMES OR REUTERS. LIBOR WILL BE THAT EXISTING ON THE FIRST DAY OF THE AGREED DELIVERY LAYCAN. L/C AMOUNT SHALL COVER THE CARGO VALUE AND THE INTEREST AMOUNT FOR THE EXTENDED PAYMENT PERIOD.

DAP COLOMBO PRICE FOR EL SHARARA CRUDE OIL SHALL BE CALCULATED AS FOLLOWS;

PRICE OFFERED FOR EL SHARARA CRUDE OIL IN U.S. DOLLARS PER BARREL ON **DAP COLOMBO BASIS (INCOTERMS 2010)** SHOULD BE THE AVERAGE OF THE MIDS OF "OMAN M1" & "DUBAI M1" PUBLISHED IN PLATTS MARKET SCAN UNDER THE HEADING OF 'ASIA AND MIDEAST KEY CRUDE ON THE FIRST DAY OF THE AGREED DELIVERY LAYCAN, TWO DAYS IMMEDIATELY BEFORE AND TWO DAYS IMMEDIATELY AFTER THE FIRST DAY OF THE AGREED DELIVERY LAYCAN (IF THERE IS NO PUBLICATION ON THE FIRST DAY OF THE AGREED DELIVERY LAYCAN THEN TWO DAYS IMMEDIATELY BEFORE AND TWO DAYS IMMEDIATELY AFTER THE FIRST DAY OF THE AGREED DELIVERY LAYCAN ARE TO BE TAKEN INTO ACCOUNT), PLUS

A FIXED PREMIUM/DISCOUNT FOR THE FIRST 30 DAYS INTEREST FREE CREDIT PERIOD PLUS INTEREST RATE FOR THE EXTENDED CREDIT PERIOD AFTER 30 DAYS TO 90 DAYS BASED ON A MARGIN OVER THREE (03) MONTHS LIBOR (U.S. DOLLARS) AS PUBLISHED BY THE FINANCIAL TIMES OR REUTERS. LIBOR WILL BE THAT EXISTING ON THE FIRST DAY OF THE AGREED DELIVERY LAYCAN. L/C AMOUNT SHALL COVER THE CARGO VALUE AND THE INTEREST AMOUNT FOR THE EXTENDED PAYMENT PERIOD.

THE FOB BASIS, IF QUOTED BY THE BIDDERS, WILL BE USED FOR REFERENCE PURPOSE ONLY.

DAP COLOMBO PRICE FOR SIBERIAN LIGHT CRUDE OIL SHALL BE CALCULATED AS FOLLOWS;

PRICE OFFERED FOR SIBERIAN LIGHT CRUDE OIL IN U.S. DOLLARS PER BARREL ON **DAP COLOMBO BASIS (INCOTERMS 2010)** SHOULD BE THE AVERAGE OF THE MIDS OF "SIBERIAN LIGHT CIF AUGUSTA" PUBLISHED IN PLATTS MARKET SCAN ON THE FIRST DAY OF THE AGREED DELIVERY LAYCAN, TWO DAYS IMMEDIATELY BEFORE AND TWO DAYS IMMEDIATELY AFTER THE FIRST DAY OF THE AGREED DELIVERY LAYCAN (IF THERE IS NO PUBLICATION ON THE FIRST DAY OF THE AGREED DELIVERY LAYCAN THEN TWO DAYS IMMEDIATELY BEFORE AND TWO DAYS IMMEDIATELY AFTER THE FIRST DAY OF THE AGREED DELIVERY LAYCAN ARE TO BE TAKEN INTO ACCOUNT), PLUS A FIXED PREMIUM/DISCOUNT FOR THE FIRST 30 DAYS INTEREST FREE CREDIT PERIOD PLUS INTEREST RATE FOR THE EXTENDED CREDIT PERIOD AFTER 30 DAYS TO 90 DAYS BASED ON A MARGIN OVER THREE (03) MONTHS LIBOR (U.S. DOLLARS) AS PUBLISHED BY THE FINANCIAL TIMES OR REUTERS. LIBOR WILL BE THAT EXISTING ON THE FIRST DAY OF THE AGREED DELIVERY LAYCAN. L/C AMOUNT SHALL COVER THE CARGO VALUE AND THE INTEREST AMOUNT FOR THE EXTENDED PAYMENT PERIOD.

THE FOB BASIS, IF QUOTED BY THE BIDDERS, WILL BE USED FOR REFERENCE PURPOSE ONLY.

2.12.2. **PAYMENT IN HUNDRED AND EIGHTY (180) DAYS - OPTION - 2**

DAP COLOMBO PRICE FOR MURBAN CRUDE OIL SHALL BE CALCULATED AS FOLLOWS;

PRICE OFFERED FOR MURBAN CRUDE OIL IN U.S. DOLLARS PER BARREL ON **DAP COLOMBO BASIS (INCOTERMS 2010)** SHALL BE "MURBAN ADNOC" FOB PRICE PER NET US BARREL CHARGED BY ABU DHABI NATIONAL OIL COMPANY ("ADNOC") TO TERM CUSTOMERS (I.E. GOVERNMENT SELLING PRICE) FOR LIFTINGS OF MURBAN CRUDE OIL LIFTED BY THEM OVER THE MONTH BELONGS TO THE FIRST DAY OF THE AGREED DELIVERY LAYCAN, PLUS A FIXED PREMIUM/DISCOUNT FOR THE FIRST 30 DAYS INTEREST FREE CREDIT PERIOD PLUS INTEREST RATE FOR THE EXTENDED CREDIT PERIOD AFTER 30 DAYS TO 180 DAYS BASED ON A MARGIN OVER SIX (06) MONTHS LIBOR (U.S. DOLLARS) AS PUBLISHED BY THE FINANCIAL TIMES OR REUTERS. LIBOR WILL BE THAT EXISTING ON THE FIRST DAY OF THE AGREED DELIVERY LAYCAN. L/C AMOUNT SHALL COVER THE CARGO VALUE AND THE INTEREST AMOUNT FOR THE EXTENDED PAYMENT PERIOD.

DAP COLOMBO PRICE FOR DAS BLEND CRUDE OIL SHALL BE CALCULATED AS FOLLOWS;

PRICE OFFERED FOR DAS BLEND CRUDE OIL IN U.S. DOLLARS PER BARREL ON **DAP COLOMBO BASIS (INCOTERMS 2010)** SHALL BE "DAS ADNOC" FOB PRICE PER NET US

BARREL CHARGED BY ABU DHABI NATIONAL OIL COMPANY (“ADNOC”) TO TERM CUSTOMERS (I.E. GOVERNMENT SELLING PRICE) FOR LIFTINGS OF DAS BLEND CRUDE OIL LIFTED BY THEM OVER THE MONTH BELONGS TO THE FIRST DAY OF THE AGREED DELIVERY LAYCAN, PLUS A FIXED PREMIUM/DISCOUNT FOR THE FIRST 30 DAYS INTEREST FREE CREDIT PERIOD PLUS INTEREST RATE FOR THE EXTENDED CREDIT PERIOD AFTER 30 DAYS TO 180 DAYS BASED ON A MARGIN OVER SIX (06) MONTHS LIBOR (U.S. DOLLARS) AS PUBLISHED BY THE FINANCIAL TIMES OR REUTERS. LIBOR WILL BE THAT EXISTING ON THE FIRST DAY OF THE AGREED DELIVERY LAYCAN. L/C AMOUNT SHALL COVER THE CARGO VALUE AND THE INTEREST AMOUNT FOR THE EXTENDED PAYMENT PERIOD.

DAP COLOMBO PRICE FOR SAHARAN BLEND CRUDE OIL SHALL BE CALCULATED AS FOLLOWS;

PRICE OFFERED FOR SAHARAN BLEND CRUDE OIL IN U.S. DOLLARS PER BARREL ON **DAP COLOMBO BASIS (INCOTERMS 2010)** SHOULD BE THE AVERAGE OF THE MIDS OF “OMAN M1” & “DUBAI M1” PUBLISHED IN PLATTS MARKET SCAN UNDER THE HEADING OF ‘ASIA AND MIDEAST KEY CRUDE ON THE FIRST DAY OF THE AGREED DELIVERY LAYCAN, TWO DAYS IMMEDIATELY BEFORE AND TWO DAYS IMMEDIATELY AFTER THE FIRST DAY OF THE AGREED DELIVERY LAYCAN (IF THERE IS NO PUBLICATION ON THE FIRST DAY OF THE AGREED DELIVERY LAYCAN THEN TWO DAYS IMMEDIATELY BEFORE AND TWO DAYS IMMEDIATELY AFTER THE FIRST DAY OF THE FIRST DAY OF THE AGREED DELIVERY LAYCAN ARE TO BE TAKEN INTO ACCOUNT), PLUS A FIXED PREMIUM/DISCOUNT FOR THE FIRST 30 DAYS INTEREST FREE CREDIT PERIOD PLUS INTEREST RATE FOR THE EXTENDED CREDIT PERIOD AFTER 30 DAYS TO 180 DAYS BASED ON A MARGIN OVER SIX (06) MONTHS LIBOR (U.S. DOLLARS) AS PUBLISHED BY THE FINANCIAL TIMES OR REUTERS. LIBOR WILL BE THAT EXISTING ON THE FIRST DAY OF THE AGREED DELIVERY LAYCAN. L/C AMOUNT SHALL COVER THE CARGO VALUE AND THE INTEREST AMOUNT FOR THE EXTENDED PAYMENT PERIOD.

DAP COLOMBO PRICE FOR EL SHARARA CRUDE OIL SHALL BE CALCULATED AS FOLLOWS;

PRICE OFFERED FOR EL SHARARA CRUDE OIL IN U.S. DOLLARS PER BARREL ON **DAP COLOMBO BASIS (INCOTERMS 2010)** SHOULD BE THE AVERAGE OF THE MIDS OF “OMAN M1” & “DUBAI M1” PUBLISHED IN PLATTS MARKET SCAN UNDER THE HEADING OF ‘ASIA AND MIDEAST KEY CRUDE ON THE FIRST DAY OF THE AGREED DELIVERY LAYCAN, TWO DAYS IMMEDIATELY BEFORE AND TWO DAYS IMMEDIATELY AFTER THE FIRST DAY OF THE AGREED DELIVERY LAYCAN (IF THERE IS NO PUBLICATION ON THE FIRST DAY OF THE AGREED DELIVERY LAYCAN THEN TWO DAYS IMMEDIATELY BEFORE AND TWO DAYS IMMEDIATELY AFTER THE FIRST DAY OF THE FIRST DAY OF THE AGREED DELIVERY LAYCAN ARE TO BE TAKEN INTO ACCOUNT), PLUS A FIXED PREMIUM/DISCOUNT FOR THE FIRST 30 DAYS INTEREST FREE CREDIT PERIOD PLUS INTEREST RATE FOR THE EXTENDED CREDIT PERIOD AFTER 30 DAYS TO 180 DAYS BASED ON A MARGIN OVER SIX (06) MONTHS LIBOR (U.S. DOLLARS) AS PUBLISHED BY THE FINANCIAL TIMES OR REUTERS. LIBOR WILL BE THAT EXISTING ON THE FIRST DAY OF THE AGREED DELIVERY LAYCAN. L/C AMOUNT SHALL COVER THE CARGO VALUE AND THE INTEREST AMOUNT FOR THE EXTENDED PAYMENT PERIOD.

THE FOB BASIS, IF QUOTED BY THE BIDDERS, WILL BE USED FOR REFERENCE PURPOSE ONLY.

DAP COLOMBO PRICE FOR SIBERIAN LIGHT CRUDE OIL SHALL BE CALCULATED AS FOLLOWS;

PRICE OFFERED FOR SIBERIAN LIGHT CRUDE OIL IN U.S. DOLLARS PER BARREL ON **DAP COLOMBO BASIS (INCOTERMS 2010)** SHOULD BE THE AVERAGE OF THE MIDS OF "SIBERIAN LIGHT CIF AUGUSTA" PUBLISHED IN PLATTS MARKET SCAN ON THE FIRST DAY OF THE AGREED DELIVERY LAYCAN, TWO DAYS IMMEDIATELY BEFORE AND TWO DAYS IMMEDIATELY AFTER THE FIRST DAY OF THE AGREED DELIVERY LAYCAN (IF THERE IS NO PUBLICATION ON THE FIRST DAY OF THE AGREED DELIVERY LAYCAN THEN TWO DAYS IMMEDIATELY BEFORE AND TWO DAYS IMMEDIATELY AFTER THE FIRST DAY OF THE AGREED DELIVERY LAYCAN ARE TO BE TAKEN INTO ACCOUNT), PLUS A FIXED PREMIUM/DISCOUNT FOR THE FIRST 30 DAYS INTEREST FREE CREDIT PERIOD PLUS INTEREST RATE FOR THE EXTENDED CREDIT PERIOD AFTER 30 DAYS TO 180 DAYS BASED ON A MARGIN OVER SIX (06) MONTHS LIBOR (U.S. DOLLARS) AS PUBLISHED BY THE FINANCIAL TIMES OR REUTERS. LIBOR WILL BE THAT EXISTING ON THE FIRST DAY OF THE AGREED DELIVERY LAYCAN. L/C AMOUNT SHALL COVER THE CARGO VALUE AND THE INTEREST AMOUNT FOR THE EXTENDED PAYMENT PERIOD.

THE FOB BASIS, IF QUOTED BY THE BIDDERS, WILL BE USED FOR REFERENCE PURPOSE ONLY.

2.12.3. PAYMENT WILL BE MADE NINETY (90) DAYS (OPTION-1) OR HUNDRED AND EIGHTY (180) DAYS (OPTION-2) AFTER THE B/L DATE [B/L DATE TO COUNT AS DAY ZERO (0)] BY AN IRREVOCABLE, NON-ASSIGNABLE, NON-TRANSFERABLE & UNCONFIRMED DOCUMENTARY LETTER OF CREDIT (L/C) ESTABLISHED THROUGH BANK OF CEYLON/PEOPLE'S BANK, COLOMBO. ALL BANK CHARGES OUTSIDE SRI LANKA, IF ANY, WILL BE TO THE ACCOUNT OF THE SUCCESSFUL SUPPLIER/BIDDER. CONFIRMATION CHARGES OF L/C SHALL BE TO THE BENEFICIARY'S ACCOUNT.

2.12.4. THE LETTER OF CREDIT (L/C) TO BE ESTABLISHED BY THE CEYPETCO THROUGH ITS BANKERS EITHER BY BANK OF CEYLON OR PEOPLE'S BANK BASED ON THE TERMS AND CONDITIONS ACCEPTABLE TO BOTH SUCCESSFUL SUPPLIER/BIDDER AND CEYPETCO, AT LEAST TWELVE (12) CALENDAR DAYS PRIOR TO THE FIRST DAY OF THE FIVE DAY DELIVERY LAYCAN AT COLOMBO.

SUPPLIER SHALL BE RESPONSIBLE TO TRACE AND VERIFY THE RECEIPT OF THE L/C THROUGH THEIR CORRESPONDING BANK. THE SUPPLIER SHALL BE RESPONSIBLE TO SEND ALL REQUIRED DETAILS INCLUDING PERFORMA INVOICE FOR THE ESTABLISHMENT OF THE L/C BY CEYPETCO WITHIN THREE WORKING DAYS AFTER RECEIPT OF THE NOMINATION OF THE CARGO UNDER THIS CONTRACT.

2.12.5. IN THE EVENT THAT THERE ARE DIFFERENT B/L DATES FOR LOADING THE CARGO, PAYMENT WILL BE MADE NINETY (90) DAYS (OPTION-1) OR HUNDRED AND EIGHTY (180) DAYS (OPTION-2) AFTER EACH B/L DATE (B/L DATE COUNT AS DAY ZERO) BY AN IRREVOCABLE, NON-ASSIGNABLE AND NON-TRANSFERABLE DOCUMENTARY LETTER OF CREDIT ESTABLISHED THROUGH BANK OF CEYLON/ PEOPLE'S BANK, COLOMBO.

2.12.6. IF THE PAYMENT DUE DATE FALLS ON A SATURDAY OR NON-MONDAY BANK HOLIDAY IN NEW YORK, USA, PAYMENT SHALL BE EFFECTED ON THE LAST PRECEDING BANKING DAY IN NEW YORK, USA. IF THE PAYMENT DUE DATE FALLS ON A SUNDAY OR MONDAY BANK HOLIDAY IN NEW YORK, USA, PAYMENT SHALL BE EFFECTED ON THE FIRST FOLLOWING BANKING DAY IN NEW YORK, USA. CREDIT PERIOD UNDER **SUB CLAUSES 2.12.1. & 2.12.2.** ABOVE FOR THE PURPOSE OF INTEREST CALCULATION

SHALL BE ADJUSTED AS PER PAYMENT DUE DATE BEING AFFECTED UNDER THIS CONDITION.

- 2.12.7. IN THE EVENT THAT CEYPETCO SHALL REMIT ANY MONIES DUE AND PAYABLE TO SUCCESSFUL SELLER'S/ BIDDER BANK ACCOUNT ON A DATE AFTER THE DUE DATE SPECIFIED FOR PAYMENT, THEN INTEREST SHALL BE CHARGED AT PREVAILING MONTHLY AVERAGE LIBOR (US DOLLARS) AS PUBLISHED BY THE FINANCIAL TIMES OR REUTERS PLUS A PREMIUM OF **TWO PERCENT (2%)** PER ANNUM, ON ALL AMOUNTS REMAINING OUTSTANDING FOR THE PERIOD FROM THE DATE PAYMENT WAS DUE TO THE DATE OF SUCCESSFUL SELLER'S / BIDDER RECEIPT OF PAYMENT.
- 2.12.8. FINAL UNIT PRICE FOR THE PRODUCT SHALL BE EXPRESSED TO **THREE DECIMAL PLACES** BY ROUNDING UP THE THIRD DECIMAL PLACE IF THE FOURTH DECIMAL PLACE IS FIVE (5) OR GREATER.
- 2.12.9. THE "LATEST DATE OF SHIPMENT" IN THE L/C SHALL BE DETERMINE BY CEYPETCO BASED ON THE ESTIMATED AVERAGE SAILING TIME FROM THE LOAD PORT UP TO THE PORT OF COLOMBO DURING THE AGREED DELIVERY LAYCAN. ANY SUBSEQUENT CHANGES PROPOSED FOR THE "LATEST DATE OF SHIPMENT" BY THE SUPPLIER TO THE L/C SHALL BE SUBJECTED TO "**CLAIMS, DISPUTES AND RECOVERY OF DAMAGES OR LOSSES FOR CEYPETCO BY LATE DELIVERY AND DELIVERY OF LESSER QUANTITY THAN AGREED**" AS PER THE **CLAUSE 2.16** OF THIS TENDER DOCUMENT.
- 2.12.10. L/C ESTABLISHED BY CEYPETCO WILL CALL FOR THE FOLLOWING ORIGINAL DOCUMENTS.
- 2.12.10.1. MANUALLY SIGNED ORIGINAL COMMERCIAL INVOICE BASED ON THE NET B/L QUANTITY IN U.S. BARREL @ 60 °F (IN AIR).
- 2.12.10.2. FULL SET OF 3/3 ORIGINAL 'CLEAN ON BOARD' BILL OF LADING ISSUED OR ENDORSED TO THE ORDER OF BANK OF CEYLON/PEOPLE'S BANK, COLOMBO AND NOTIFY 'CEYLON PETROLEUM CORPORATION' AND SHOWING FREIGHT PAYABLE AS PER CHARTER PARTY. EACH ORIGINAL B/L TO BE MANUALLY SIGNED BY THE MASTER OF THE VESSEL OR OWNERS OR SIGNED ON BEHALF OF THE MASTER AS AGENTS.
- 2.12.10.3. FOR MURBAN CRUDE OIL / DAS BLEND CRUDE OIL CERTIFICATE OF QUANTITY AND QUALITY AT LOAD PORT ISSUED BY THE ABU DHABI NATIONAL OIL COMPANY (ADNOC) / ABU DHABI COMPANY FOR ONSHORE PETROLEUM OPERATIONS LTD. (ADCO), U.A.E.
- FOR SAHARAN BLEND CRUDE AND EL SHARARA CRUDE OIL CERTIFICATE OF QUALITY AT LOAD PORT ISSUED BY THE TERMINAL / MANUFACTURER.
- 2.12.10.4. FOR MURBAN CRUDE OIL / DAS BLEND CRUDE OIL / SAHARAN BLEND CRUDE OIL / EL SHARARA CRUDE OIL CERTIFICATE OF QUANTITY AT LOAD PORT ISSUED OR ENDORSED BY THE INDEPENDENT INSPECTOR.
- 2.12.10.5. FOR MURBAN CRUDE OIL / DAS BLEND CRUDE OIL CERTIFICATE OF U.A.E. ORIGIN ISSUED BY THE ABU DHABI NATIONAL OIL COMPANY (ADNOC) / ABU DHABI COMPANY FOR ONSHORE PETROLEUM OPERATIONS LTD. (ADCO), U.A.E.

FOR SAHARAN BLEND CRUDE OIL CERTIFICATE OF ALGERIAN ORIGIN ISSUED BY THE SUPPLIER OR TERMINAL OR ANY AUTHORITY OR LOCAL BODY OR CHAMBER OF COMMERCE.

FOR EL SHARARA CRUDE OIL CERTIFICATE OF LIBYAN ORIGIN ISSUED BY THE SUPPLIER OR TERMINAL OR ANY AUTHORITY OR LOCAL BODY OR CHAMBER OF COMMERCE.

FOR SIBERIAN LIGHT CRUDE OIL CERTIFICATE OF LIBYAN ORIGIN ISSUED BY THE SUPPLIER OR TERMINAL OR ANY AUTHORITY OR LOCAL BODY OR CHAMBER OF COMMERCE.

2.12.10.6. CERTIFICATE OF SHIP ARRIVAL QUANTITY AT DISCHARGE PORT, COLOMBO ISSUED OR ENDORSED BY THE INDEPENDENT INSPECTOR.

2.12.10.7. CERTIFICATE OF OUTTURN QUANTITY AT DISCHARGE PORT, COLOMBO ISSUED OR ENDORSED BY THE INDEPENDENT INSPECTOR.

2.12.10.8. THE NEGOTIATION OF LETTER OF CREDIT UPON PRESENTATION OF LETTER OF INDEMNITY (LOI) IN LIEU OF ABOVE ORIGINAL SHIPPING DOCUMENTS IS PERMITTED FOR THE SUCCESSFUL SUPPLIER/BIDDER, SUBJECT TO;

2.12.10.8.1. PRESENTATION OF BENEFICIARY'S MANUALLY SIGNED ORIGINAL COMMERCIAL INVOICE.

2.12.10.8.2. PRESENTATION OF SHIP ARRIVAL QUANTITY REPORT ISSUED BY THE INDEPENDENT INSPECTOR AT DISCHARGE PORT, COLOMBO.

2.12.10.8.3. PRESENTATION OF OUTTURN QUANTITY REPORT ISSUED BY THE INDEPENDENT INSPECTOR AT DISCHARGE PORT, COLOMBO.

2.12.10.8.4. OBTAINING PRIOR APPROVAL OF CEYPETCO FOR SUCH LOI FORMAT.

2.12.11. ESCROW ACCOUNT

DEFINITION – AN ESCROW ACCOUNT IS A TEMPORARY PASS THROUGH ACCOUNT HELD BY A THIRD PARTY (GENERALLY A BANK) DURING THE PROCESS OF A TRANSACTION BETWEEN TWO PARTIES. THIS IS A TEMPORARY ACCOUNT AS IT OPERATES UNTIL THE COMPLETION OF A TRANSACTION PROCESS, WHICH IS IMPLEMENTED AFTER ALL THE CONDITIONS BETWEEN THE BUYER AND THE SELLER ARE SETTLED.

MECHANISM

1. PROCESS STARTS WITH ENTERING IN TO AN ESCROW AGREEMENT BETWEEN BUYER AND SELLER. MAIN CONDITION OF ESCROW AGREEMENT IS THAT CPC WILL INITIALLY DEPOSIT 15% OF THE TOTAL ESTIMATED CONSIGNMENT VALUE IN LKR IN ESCROW ACCOUNT.

2. THEN THE SUPPLIER WILL DELIVER THE GOODS TO CPC AS PER SALES CONTRACT ALONG WITH THE DOCUMENTS SUCH AS COMMERCIAL INVOICE, BL/LOI, BILL OF EXCHANGE (DRAFT), RELEVANT QUALITY AND QUANTITY CERTIFICATES ETC.
3. DURING THE TENURE OF THE ESCROW VALIDITY PERIOD, CPC WILL TOP UP THE ESCROW ACCOUNT IN EQUIVALENT LKR UP TO 100% OF THE CONSIGNMENT VALUE.
4. ON MATURITY DATE, CPC WILL UTILIZE THE FUNDS IN LKR TO PURCHASE USD FROM THE RELEVANT BANK AND SETTLE THE SUPPLIER INVOICE VALUE AS PER THE CONTRACT. FOR THIS, ANOTHER ESCROW USD ACCOUNT SHALL BE OPENED.
5. IN ORDER TO FACILITATE THE PROCESS, THIS TRANSACTION WILL BE CARRIED OUT UNDER DA TERMS (DOCUMENTS AGAINST ACCEPTANCE).

** DURING THE ESCROW VALIDITY PERIOD, CPC MAY PURCHASE USD USING THE LKR LAYING IN THE ESCROW ACCOUNT AND DEPOSIT IN THE ESCROW USD ACCOUNT.

2.12.12. NON-RESIDENT RUPEE (NRR) ACCOUNT

MECHANISM UNDER THE NRR ACCOUNT IS MORE OR LESS THE SAME AS ABOVE. HOWEVER, THERE WILL BE A SEPARATE AGREEMENT BETWEEN THE SUPPLIER, CPC AND THE RELEVANT BANK (TRI-PARTY AGREEMENT) WHICH GOVERNS NRR ACCOUNT.

SOMEHOW, THE SIMPLEST AND STRAIGHTFORWARD WAY IS TO PROVIDE BANK GUARANTEE BY CPC.

2.13. LOCAL AGENT AND LOCAL AGENCY COMMISSION

OFFER SHOULD INDICATE THE LOCAL AGENT'S NAME, ADDRESS AND QUANTUM OF COMMISSION PAYABLE TO LOCAL AGENT WHICH SHOULD BE INCLUDED IN THE PRICE QUOTED. THE LOCAL AGENT'S COMMISSION WILL BE DEDUCTED FROM THE INVOICE VALUE AND PAID IN SRI LANKA RUPEES.

2.14. TITLE AND RISK

TITLE AND RISK/PROPERTY OF THE PRODUCTS SUPPLIED UNDER THE TERMS OF THIS TENDER SHALL PASS ON TO CEYPETCO AT THE DISCHARGE PORT WHEN PRODUCT PASSES THE SUCCESSFUL SUPPLIER'S/BIDDER'S VESSEL'S PERMANENT HOSE/DISCHARGING ARM CONNECTION.

2.15. PERFORMANCE SECURITY GUARANTEE

2.15.1. THE SUCCESSFUL SUPPLIER/BIDDER **INCLUDING RECOGNIZED GOVERNMENT OWNED INSTITUTIONS / SUBSIDIARIES AND OIL MAJORS**, ON BEING NOTIFIED BY THE CEYPETCO OF THE ACCEPTANCE OF HIS OFFER, SHALL FURNISH AT HIS OWN EXPENSE A PERFORMANCE SECURITY GUARANTEE AFTER THE DATE OF AWARD OF THE BID TO THE SUCCESSFUL TENDERER, WITHIN SEVEN (07) WORKING DAYS BY A LICENCED COMMERCIAL BANK IN SRI LANKA IN FAVOR OF CEYLON PETROLEUM CORPORATION AND PAYABLE TO THE CEYLON PETROLEUM CORPORATION ON DEMAND TO THE VALUE OF IN **UNITED STATES DOLLARS ONE MILLION (USD 1,000,000/=)**.

2.15.2. THE PERFORMANCE SECURITY GUARANTEE SHOULD BE FURTHER VALID UPTO THIRTY (30) DAYS FROM THE LAST DATE OF THE STIPULATED FIVE DAY DELIVERY LAYCAN.

2.15.3. THE SUCCESSFUL SUPPLIER/BIDDER SHOULD STRICTLY ADHERE TO **THE FORMAT OF PERFORMANCE SECURITY GUARANTEE WHICH IS ANNEXED HERETO AS ANNEX - 'D'**.

- 2.15.4. **THE SUCCESSFUL SUPPLIER/BIDDER SHOULD ENSURE AND CLEARLY INDICATE IN THEIR OFFER THAT A PERFORMANCE SECURITY GUARANTEE WILL BE PROVIDED UPON THE AWARD. FAILURE TO COMPLY THIS REQUIREMENT SHALL BE CONSIDERED AS A MAJOR DEVIATION RESULTING TO AWARD BEING CANCELLED WHILE THE BID SECURITY GUARANTEE BEING FORFEITED.**
- 2.15.5. IF THE SUCCESSFUL SUPPLIER/ BIDDER FAILS TO FURNISH THE PERFORMANCE SECURITY GUARANTEE AS AFORESAID, THE SUCCESSFUL SUPPLIER'S NAME COMPELLED TO BE PLACED IN THE LIST OF DEFAULTING SUPPLIERS. CEYPETCO SHALL THEREFORE, RESERVE THE RIGHT, IN ITS ABSOLUTE DISCRETION TO MAKE SUITABLE ARRANGEMENTS REQUIRED TO PERFORM OF SUCH TENDER.
- 2.15.6. THE SUCCESSFUL SUPPLIER/BIDDER, IN THE EVENT OF THE SUCCESSFUL SUPPLIER'S/ BIDDER'S FAILURE TO FURNISH THE PERFORMANCE SECURITY GUARANTEE AS REQUIRED UNDER THIS TENDER DOCUMENT, SHALL BE LIABLE FOR ANY LOSSES, COSTS, EXPENSES AND DAMAGES, WHICH CEYPETCO MAY SUSTAIN IN CONSEQUENCE OF SUCH FAILURE AND THE BID SECURITY GUARANTEE, SHALL BE FORFEITED.
- 2.15.7. THE LETTER OF CREDIT (L/C) FOR THE SHIPMENT WILL BE OPENED ONLY AFTER THE RECEIPT OF PERFORMANCE SECURITY GUARANTEE. THE PERFORMANCE SECURITY GUARANTEE SHALL BE IN FAVOUR OF CEYPETCO.

2.16 CLAIMS, DISPUTES AND RECOVERY OF DAMAGES OR LOSSES FOR CEYPETCO BY LATE DELIVERY AND DELIVERY OF LESSER QUANTITY THAN AGREED

- 2.16.1 ANY CLAIM WHATSOEVER ARISING BETWEEN THE SUCCESSFUL SUPPLIER/BIDDER AND CEYPETCO TO THIS CONTRACT, UNDER THE TERMS OF THIS CONTRACT SHALL BE LODGED IN WRITING WITHIN (60) SIXTY DAYS OF RECEIPT OF PRODUCT BY THE CEYPETCO OR IN THE CASE THE CARGO IS NOT DELIVERED TO CEYPETCO WITHIN SIXTY (60) DAYS OF THE LAST DATE OF DELIVERY LAYCAN AS NOTIFIED BY THE CEYPETCO. OTHERWISE, ANY SUCH CLAIM SHALL BE DEEMED TO HAVE BEEN WAIVED.
- 2.16.2 EVERY ENDEAVOUR SHALL BE MADE TO SETTLE ANY DIFFERENCE OR DISPUTE BETWEEN CEYPETCO AND THE SUCCESSFUL SUPPLIER/BIDDER ARISING FROM ANY TRANSACTION BY MUTUAL NEGOTIATIONS, FAILING WHICH SUCH DIFFERENCES OR DISPUTES SHALL BE SETTLED BY ARBITRATION.
- 2.16.3 THE VENUE OF ARBITRATION SHALL BE COLOMBO, SRI LANKA.
- 2.16.4 THE ARBITRATION SHALL FOLLOW UNITED NATIONS COMMISSION ON INTERNATIONAL TRADE LAW (**UNCITRAL**) PROCEDURES.
- 2.16.5 THIS TENDER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE **LAWS OF SRI LANKA EXCLUDING ANY CONFLICT OF LAWS AND RULES.**
- 2.16.6 ARBITRATION SHALL BE A CONDITION PRECEDENT TO THE INSTITUTION OF ANY LEGAL ACTION BY EITHER PARTY AGAINST THE OTHER.
- 2.16.7 THE SUCCESSFUL SUPPLIER / BIDDER IS FULLY RESPONSIBLE TO DELIVER THE CARGO WITHIN THE AGREED UPON DELIVERY DATE / LAYCAN. FAILURE TO COMPLY WITH THE AGREED UPON DELIVERY DATE / LAYCAN WILL MAKE **THE SUCCESSFUL**

SUPPLIER/ BIDDER LIABLE FOR LIQUIDATED DAMAGES OF ZERO POINT ONE PERCENT (0.1%) OF THE DAP VALUE PER DAY FOR EACH DAY OF DELAY AFTER 2400 HRS. OF THE LAST DAY OF THE FIVE DAY DELIVERY LAYCAN UNTIL VESSEL TENDER NOR AT DISCHARGE PORT AT COLOMBO. IF THE DELAY EXCEEDS SIX DAYS AFTER THE LAST DATE OF THE AGREED DELIVERY LAYCAN WITHOUT OBTAINING PRIOR APPROVAL, CEYPETCO WILL RESERVE THE RIGHT TO TERMINATE THE CONTRACT.

- 2.16.8 THE SUCCESSFUL SUPPLIER / BIDDER IS FULLY RESPONSIBLE TO DELIVER THE AGREED QUANTITY OF CARGO UNDER EACH SHIPMENT. IN THE EVENT OF FAILURE TO DELIVER THE AGREED QUANTITY BELOW MINUS FIVE PERCENT (-5%) (TENDERED QUANTITY VS. B/L QUANTITY) AS PER IN **ANNEX – ‘B’**, THE SUCCESSFUL SUPPLIER / BIDDER WILL BE HELD LIABLE FOR THE PAYMENT OF DAMAGES OR LOSSES TO CEYPETCO **AT THE RATE OF USD 10,000 PER EACH 1,000 MT OF SHORT LOADED QUANTITY OR PART THEREOF ON PRO-RATA BASIS.**
- 2.16.9 SUCH CLAIM IN RESPECT OF THE LIQUIDATED DAMAGES MUST BE NOTIFIED TO THE SELLER IN WRITING WITHIN SIXTY (60) DAYS OF THE DATE OF DISCONNECTION OF HOSES OF SELLER’S NOMINATED VESSEL AT DISCHARGE PORT, COLOMBO WITH FULL SUPPORTING DOCUMENTATION THAT THE SELLER MAY REASONABLY REQUIRE. ANY SUCH DOCUMENTATION NOT THEN AVAILABLE SHALL BE PROVIDED TO THE SELLER WITHIN SEVENTY-FIVE (75) DAYS OF THE DISCONNECTION OF HOSES OF SELLER’S NOMINATED VESSEL AT DISCHARGE PORT, COLOMBO. IF THE BUYER FAILS TO GIVE SUCH NOTICE OR PROVIDE SUCH DOCUMENTATION WITHIN THE ABOVE RESPECTIVE TIME LIMITS, THEN THE BUYER’S CLAIM SHALL BE DEEMED TO HAVE BEEN WAIVED AND ANY LIABILITY OF THE SELLER SHALL BE EXTINGUISHED.
- 2.16.10 IF THE BIDDER FAILS TO DELIVER ANY FULL SHIPMENT UNLESS AGREED FOR AN ALTERNATIVE, CEYPETCO WILL RESERVE THE RIGHT TO FORFEIT THE PERFORMANCE SECURITY GUARANTEE.

2.17 AWARD OF THE TENDER

- 2.17.1. CEYPETCO RESERVES TO ITSELF THE RIGHT TO CANCEL THE TENDER OR TO REJECT ANY PART OF THE TENDER OR REJECT THE TENDER WITHOUT ASSIGNING ANY REASON WHATSOEVER. IN SUCH AN EVENT CEYPETCO SHALL NOT BE LIABLE TO ANY COMPENSATION OR DAMAGES ARISING THEREFROM.
- 2.17.2. SSCAPC RESERVES THE RIGHT TO DETERMINE THE SELECTION OF THE PAYMENT OPTION(S) [I.E. OPTION – 1 (PAYMENT IN NINETY (90) DAYS] OR [OPTION – 2 (PAYMENT IN HUNDRED AND EIGHTY (180) DAYS] BY TAKING INTO CONSIDERATION OF THE DOMESTIC COST FACTORS AS PER THE **ANNEX ‘F’**.
- 2.17.3. WHERE THE TENDER IS AWARDED, SUCH AWARD SHALL BE IN ACCORDANCE WITH THESE TERMS AND CONDITIONS NOTWITHSTANDING ANY VARIATION IN THE OFFER THEREFROM UNLESS EXPRESSLY AND SPECIFICALLY PROVIDED FOR OTHERWISE IN THE COMMUNICATION OF THE AWARD.
- 2.17.4. SSCAPC RESERVES THE RIGHT TO SELECT THE MOST ECONOMICAL OPTION OUT OF THE EIGHT OPTIONS I.E. **700,000 BBLs +/- 5% OF MURBAN CRUDE OIL (OPTION A) OR 700,000 BBLs +/- 5% OF DAS BLEND CRUDE OIL (OPTION B) OR 700,000 BBLs +/- 5% OF SAHARAN BLEND CRUDE OIL (OPTION C) OR 700,000 BBLs +/- 5% OF EL SHARARA CRUDE OIL (OPTION D) OR 700,000 BBLs +/- 5% OF SIBERIAN LIGHT**

CRUDE OIL (OPTION E) BASED ON THE YIELD PATTERN OF APPLICABLE CRUDE TYPE AS ATTACHED **ANNEX – ‘G’** ALONG WITH THE REFINERY CONFIGURATION.

- 2.17.5. THE SUCCESSFUL SUPPLIER/BIDDER, ON RECEIPT OF THE AWARD, SHALL FORTHWITH ACKNOWLEDGE AND CONFIRM ACCEPTANCE OF SAME BY FAX/E-MAIL AND PROCEED TO TAKE ALL STEPS THAT ARE NECESSARY TO ENSURE PERFORMANCE IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE TENDER.

2.18 LAYTIME FOR DISCHARGE AT SPBM 1 COLOMBO

LAYTIME FOR DISCHARGE AT SPBM 1 COLOMBO SHALL BE **72 HRS** AND THE COMMENCEMENT OF LAYTIME SHALL BE DETERMINED IN THE FOLLOWING MANNER.

- 2.18.1. NOTICE OF READINESS (**NOR**) SHOULD BE TENDERED BETWEEN **0600 HRS AND 1500 HRS** DURING DELIVERY LAYCAN AGREED UPON.
- 2.18.2. IF NOR IS TENDERED **AFTER 1500 HRS** FOR ALL PURPOSES IT WILL BE CONSIDERED THAT NOR HAS BEEN TENDERED AT 0600 HRS ON THE FOLLOWING DAY AND LAYTIME SHALL COMMENCE 06 HRS THEREAFTER OR AT THE TIME OF COMPLETION OF MOORING, WHICHEVER IS EARLIER UNDER NORMAL WEATHER/SEA CONDITIONS.
- 2.18.3. IF NOR IS TENDERED **BEFORE THE COMMENCEMENT OF THE DELIVERY LAYCAN** AGREED UPON, FOR ALL PURPOSES IT WILL BE CONSIDERED THAT NOR HAS BEEN TENDERED AT 0600 HRS ON THE FIRST DAY OF AGREED DELIVERY LAYCAN. LAYTIME SHALL IN SUCH CASE COMMENCE 06 HRS THEREAFTER OR AT THE TIME OF MOORING, WHICHEVER IS EARLIER.
- 2.18.4. IF THE VESSEL IS **MOORED PRIOR TO THE DELIVERY LAYCAN** AGREED UPON, AT THE REQUEST OF THE SELLER, LAYTIME SHALL COMMENCE AT 0600 HRS ON THE FIRST DAY OF AGREED DELIVERY LAYCAN.
- 2.18.5. IF NOR IS TENDERED **AFTER 1500 HRS** OF THE LAST DAY OF THE DELIVERY LAYCAN AGREED UPON, FOR ALL PURPOSES IT WILL BE CONSIDERED THAT NOR HAS BEEN TENDERED AT 0600 HRS ON THE FOLLOWING DAY AND LAYTIME SHALL COMMENCE SIX (06) HRS THEREAFTER OR AT THE TIME OF MOORING, WHICHEVER IS EARLIER.
- 2.18.6. IF NOR IS TENDERED AFTER THE LAST DAY OF THE DELIVERY LAYCAN AGREED UPON, LAYTIME SHALL COMMENCE AT THE TIME OF BERTHING SUBJECT TO THE CONDITION THAT THE LAYTIME SHALL CEASED TO COUNT IF THE VESSEL SHALL BE UN-BERTHED TO ALLOW BERTHING OF OTHER VESSELS ARRIVING ON AGREED DELIVERY LAYCAN OR BERTHING OF OTHER VESSELS ON PRODUCT AVAILABILITY BASIS OF THE COUNTRY. UNDER THESE CIRCUMSTANCES, THE ACTUAL TIME UTILISED BY THE VESSEL AT THE BERTH SHALL ONLY BE CONSIDERED AS USED LAYTIME.
- 2.18.7. BERTHING AND MOORING OF TANKERS AT SPBM COLOMBO IS GOVERNED BY THE BUILDERS' (IMODCO, USA) RECOMMENDATIONS SPECIALLY WITH REGARD TO THE SAFETY LIMITS OF WEATHER/SEA CONDITIONS. THE BUYER UNDERTAKES TO CLEAR WITH IMODCO OTHER VESSELS THAT MEET THE REVISED SPBM RESTRICTIONS AND SHARE THESE FINDINGS WITH THE SELLER.
- 2.18.8. ANY DELAYS IN BERTHING DUE TO WEATHER AND/OR SEA CONDITIONS TO BE COUNTED AS HALF LAYTIME (CONOCO WEATHER CLAUSE).

2.19 NOTICE OF ARRIVAL AT COLOMBO

MASTER OF VESSEL SHOULD ADVISE ESTIMATED TIME OF ARRIVAL (ETA) AT COLOMBO 3/2/1 DAYS AND 12 HRS IN ADVANCE TO THE COMMERCIAL MANAGER, CEYLON PETROLEUM CORPORATION TEL NOS. +94-11-5664649 FAX NOS. +94-11-5455406/5455400 E-MAIL: cm@ceypetco.gov.lk, comercial.crude@ceypetco.gov.lk, THE MANAGER (SHIPPING), CEYLON PETROLEUM CORPORATION TEL NO. +94-11-5455300 FAX NO. +94-11-5455407 E-MAIL: shipping@ceypetco.gov.lk, THE DEPUTY MANAGER (OPERATIONS), CEYLON PETROLEUM CORPORATION FAX NO. +94-11-5455432 E-MAIL: menakaj@ceypetco.gov.lk, THE MANAGER (REFINERY OPERATIONS) CEYLON PETROLEUM CORPORATION TEL NO. +94-11-5668490 FAX NO. +94-11-2400436 E-MAIL: kgh_kodagoda@ceypetco.gov.lk, THE MANAGER (ECONOMICS & SCHEDULING), CEYLON PETROLEUM CORPORATION TEL NO. +94-11-2400432 FAX NO. +94-11-2400436 E-MAIL: ref_tech_econ@sltnet.lk, THE MANAGER (OPERATIONS) AT OIL FACILITIES OFFICE, CPSTL, COLOMBO TEL NO. +94-11-2422388 / FAX +94-11-2434273, THE OPERATIONS MANAGER (BULK MOVEMENTS AND BULK PRODUCTS), CPSTL, COLOMBO TEL/FAX NO. +94-11-2572324 AND THE MANAGER (OPERATIONS), MUTHURAJAWELA TEL NO. +94-11-5769519 FAX NO. +94-11-5353352 VIA VESSEL AGENT AT COLOMBO.

2.20 VESSEL REQUIREMENTS

2.20.1. REQUIREMENTS OF TANKERS FOR DISCHARGING OF PRODUCT VIA SPBM 1 COLOMBO

VESSEL NOMINATED

2.20.1.1. SHOULD MEET FOLLOWING COLOMBO PORT RESTRICTIONS:

- | | | |
|-----------------------|---|---------------------------|
| (A) LENGTH | - | 298.70 M MAX. |
| (B) BEAM | - | 44.5 M MAX. |
| (C) MOULDED DEPTH | - | 22.56 M MAX. |
| (D) DRAFT | - | 18.90 M MAX. |
| (E) FORWARD DRAFT | - | 3.28 M MIN. WHILST AT SPM |
| (F) SUMMER DEADWEIGHT | - | 180,000 DWT MAX. |
| (G) TYPE OF HULL | - | DOUBLE HULL |

NOTE:

IN ORDER TO ESTABLISH A BETTER CONTROL OF TANKER MOVEMENT AROUND SPM, MINIMUM 2/3 PROPORTION OF CARGO QUANTITY VS. DEADWEIGHT WOULD BE PREFERRED BY CHARTERER.

2.20.1.2. SHALL NOT EXCEED 20 YEARS OF AGE. UNDER NO CIRCUMSTANCES VESSELS OVER 20 YEARS OF AGE WILL BE ACCEPTED. ACCEPTABLE CAP RATING OF THE VESSEL IS **0** OR **1** FOR HULL AND MACHINERY.

2.20.1.3. MANIFOLD

- | | | |
|------------------------|---|---|
| A) MANIFOLD LOCATION | - | MIDSHIP (PORT SIDE) |
| B) MANIFOLD CONNECTION | - | ONE 12 INCH STUDDED CAMLOCK FLANGE ANSI CLASS 150 |

2.20.1.4. **DETAILS OF DERRICK AT MANIFOLD LOCATION**

DERRICK SHOULD HAVE MINIMUM SAFE WORKING LOAD OF 10 MT AND SHOULD BE IN GOOD OPERATIONAL CONDITION.

2.20.1.5. **MOORING EQUIPMENT, MOORING AND TOWING ARRANGEMENT**

TANKER SHOULD BE FITTED WITH A CENTRAL BOW STOPPER (CHAIN STOPPER) OF FOLLOWING CAPACITY FOR OCIMF CHAFE CHAIN "B".

TANKERS UPTO 100,000 DWT - 100 TONNES SWL
TANKERS OVER 100,000 DWT - 200 TONNES SWL

2.20.1.6. TANKER SHOULD BE FITTED WITH A CENTRAL BOW FAIR LEAD (BULL RING) MEASURING AT LEAST 600 MM X 450 MM.

2.20.1.7. POSITION OF PEDESTAL ROLLER FAIRLEAD/WINCH DRUM

(a) SHOULD BE A CONTINUATION OF THE DIRECT LEAD LINE BETWEEN THE BOW FAIRLEAD (BULL RING) AND BOW CHAIN STOPPER.

(b) SHOULD BE NOT LESS THAN 4.5 METRES DIRECTLY BEHIND THE BOW CHAIN STOPPER.

(c) SHOULD BE AT SUCH A HEIGHT THAT FAIRLEAD ROLLERS WILL ENABLE AN UNRESTRICTED LINE PULL TO BE ACHIEVED.

2.20.1.8. PEDESTAL FAIRLEAD SHOULD BE FITTED FOR LEAD TO WINCH/WINDLASS.

2.20.1.9. SHOULD HAVE A MESSENGER LINE OF CIRCUMFERENCE 4 INCH/5 INCH X 500 FT. LONG, ONE END CONNECTED TO AN EMPTY MOORING ROPE WINCH DRUM.

2.20.1.10. TANKER SHOULD HAVE A "PANAMA" LEAD RIGHT AFT ON ITS CENTRE LINE.

2.20.1.11. A GOOD TOW ROPE (POLYPROPYLENE) OF 10" CIRCUM OR ABOVE IN SIZE AND LENGTH (APPROX. 650 FT.) TO BE KEPT READY AT THE STERN. IF NECESSARY, TWO ROPE COILS MAY BE JOINED TO OBTAIN LENGTH OF 650 FT.

2.20.1.12. MOORING MASTERS SHOULD HAVE FREE ACCESS TO NAVIGATIONAL CHARTS AND EQUIPMENTS REQUIRED FOR MOORING OPERATION.

2.20.1.13. WHEEL HOUSE TO BE KEPT OPEN THROUGHOUT THE PERIOD THE TANKER MADE FAST TO THE BUOY.

2.20.1.14. A FORE-CASTLE WATCHMAN TO BE MADE AVAILABLE BY THE TANKER THROUGHOUT THE PERIOD THE TANKER MADE FAST TO THE BUOY.

2.20.1.15. ALL TOOLS REQUIRED FOR CONNECTION/DISCONNECTION OF CARGO HOSE TO BE SUPPLIED BY THE TANKER.

2.20.1.16. CONNECTION/DISCONNECTION OF HOSE IS THE RESPONSIBILITY OF SHIP'S STAFF UNDER THE SUPERVISION OF A SHIP'S OFFICER ON THE INSTRUCTIONS OF CEYPETCO OFFICIALS ON BOARD THE TANKER.

2.20.1.17. TANKER'S MAIN ENGINE SHOULD BE KEPT READY THROUGHOUT THE PERIOD OF STAY AT THE BUOY FOR MANOEUVRING PROMPTLY ON NOTICE.

2.20.1.18. **INERT GAS SYSTEM**

TANKER SHOULD HAVE AN OPERATIONAL INERT GAS PLANT CAPABLE OF MAINTAINING TANK ATMOSPHERE OF LESS THAN 8 PCT. OXYGEN CONTENT AND POSITIVE PRESSURE IN CARGO TANKS WITHIN SAFE LIMITS AT ALL STAGES OF DISCHARGE.

2.20.1.19. **COMMUNICATION EQUIPMENT**

TANKER SHOULD HAVE VHF CHANNEL 09,16,68,71 FACILITIES FOR COMMUNICATION WITH SHORE FACILITY. TANKER'S CARGO CONTROL ROOM SHOULD HAVE FACILITY TO MAINTAIN A CONTINUOUS WATCH ON VHF CHANNEL 71 FOR OPERATIONAL REQUIREMENTS.

2.20.1.20. **ACCOMMODATION/MEALS**

FOLLOWING PERSONNEL WOULD STAY ON BOARD THROUGHOUT THE PERIOD OF TANKER MADE FAST TO THE BUOY.

- (a) TWO MOORING MASTERS
- (b) TWO LOADING MASTERS
- (c) ONE SAMPLE COLLECTOR (CREW)
- (d) TWO INDEPENDENT INSPECTORS (JUNIOR OFFICERS)

2.20.1.21. PROPER ACCOMMODATION ON OFFICERS DECK SHOULD BE ARRANGED FOR THE MOORING MASTERS, LOADING MASTERS AND INDEPENDENT INSPECTORS.

2.20.1.22. MEALS FOR MOORING MASTERS, LOADING MASTERS AND INDEPENDENT INSPECTORS SHOULD BE SERVED IN OFFICERS' DINING SALOON AT THE OWNERS EXPENSE.

2.20.1.23. **RATE OF DISCHARGE**

TANKER SHOULD BE EQUIPPED WITH CARGO DISCHARGE PUMPS CAPABLE OF DISCHARGING THROUGH THE MANIFOLD AS MENTIONED IN CLAUSE 2.20 ABOVE WHILE MAINTAINING A PRESSURE OF 8.5 KG/CM² /9.5 KG/CM². MINIMUM AT THE MANIFOLD OR AS ADVISED BY THE MOORING MASTERS. AVAILABILITY OF CONTINUOUS PRESSURE MONITORING AND RECORDING/REPORTING FACILITIES SHALL BE PREFERRED

NOTE : WHEN PUMPING TO REFINERY (22 KM DISTANCE) AVERAGE RATE 1,350 MT/HR. AT 7.5 KG/CM².

WHEN PUMPING TO TANK FARM (12 KM DISTANCE) AVERAGE RATE 2,500 MT/HR. AT 7.5 KG/CM².

2.20.1.24. **CRUDE OIL WASHING**

COW SHOULD BE CARRIED OUT ONLY UPTO MARPOL 25% WHILE DISCHARGING CRUDE OIL WITHOUT INTERRUPTION TO DISCHARGE OPERATION.

2.21 LINE FLUSHING AT SPM 1, COLOMBO

THE VESSEL NOMINATED BY THE SUCCESSFUL SUPPLIER/BIDDER SHOULD BE CAPABLE OF FLUSHING THE 22 KM LENGTH, DISCHARGE LINE (36 INCH SUBMARINE LINE REDUCED TO 24 INCH) WITH MINIMUM OF 5.0 KG/CM² PRESSURE AT MANIFOLD, WITH APPROX. 8,000 M³ OF SEA WATER, AS AND WHEN REQUIRED.

2.22 DEMURRAGE

2.22.1 ALL CLAIMS FOR DEMURRAGE SHALL BE ACCOMPANIED BY THE RESPECTIVE CHARTER PARTY / DULY AUTHENTICATED FIXTURE RECAP/NOTES. CEYPETCO SHALL NOT BE BOUND BY THE TERMS AND CONDITIONS OF THE CHARTER PARTY / DULY AUTHENTICATED FIXTURE RECAP/NOTES EXCEPT TO THE EXTENT SUCH TERMS AND CONDITIONS HAVE BEEN COMMUNICATED TO CEYPETCO AND EXPRESSLY AGREED TO BY CEYPETCO IN WRITING.

2.22.2 IN CASE OF VESSEL ARRIVING OUTSIDE LAYCAN AGREED UPON, LAYTIME TO START COUNTING FROM THE TIME OF BERTHING AS PER THE **CLAUSE 2.18**.

2.22.3 IF THE TOTAL LAYTIME TO COMPLETE THE ENTIRE CARGO DISCHARGE EXCEEDS THE LAYTIME ALLOWED AS PER THE **CLAUSE 2.18**. CEYPETCO WILL BE LIABLE TO PAY THE DEMURRAGE TO THE SUCCESSFUL SUPPLIER/BIDDER.

2.22.4 HOWEVER IN THE EVENT THE SUCCESSFUL SUPPLIER'S/BIDDER'S VESSEL ARRIVES LATE AND IS BERTHED ON ARRIVAL WHICH AFFECTS BERTHING OF VESSEL OR VESSELS WHICH ARE ARRIVING ON SCHEDULE, THEN THE SUCCESSFUL SUPPLIER'S/BIDDER'S VESSEL WILL BE UN-BERTHED (WAITING TIME SHALL NOT BE COUNTED AS USED LAYTIME) TO ACCOMMODATE THE VESSEL OR VESSELS ARRIVING ON SCHEDULE OR CONTINUE TO DISCHARGE THE CARGO OF SUCCESSFUL SUPPLIER'S/BIDDER'S VESSEL PROVIDED THAT THE SUCCESSFUL SUPPLIER'S/BIDDER'S SHALL AGREE TO BEAR THE DEMURRAGES ON THE SUBSEQUENT THREE VESSELS THAT ARRIVE ON SCHEDULE AND GETS DELAYED DUE TO THE PRESENCE OF SUCCESSFUL SUPPLIER'S / BIDDER'S VESSEL ON BERTH. LIABILITY FOR DEMURRAGES ON SUBSEQUENT VESSELS MENTION HEREIN ARE IN ADDITION TO THE RECOVERY OF DAMAGES OR LOSSES FOR CEYPETCO CHARGED UNDER **CLAUSE 2.16. (CLAIMS, DISPUTES AND RECOVERY OF DAMAGES OR LOSSES FOR CEYPETCO BY LATE DELIVERY AND DELIVERY OF LESSER QUANTITY THAN AGREED)**.

MOREOVER, THE CEYPETCO RESERVES THE RIGHT TO BERTH THE VESSEL ONLY ON SPBM 1 AVAILABILITY BASIS AND BASED ON THE REQUIREMENT FOR THE ALTERNATIVE CRUDE OIL TO MURBAN CRUDE OIL IN THE REFINERY. FURTHERMORE, **CEYPETCO SHALL NOT BE RESPONSIBLE FOR ANY DEMURRAGES INCURRED BY THE SUPPLIER'S VESSEL ARRIVING OUTSIDE THE CONTRACTUAL LAYCAN**. CEYPETCO

SHALL TAKE EVERY ENDEAVOUR TO MINIMIZE THE OVERALL COMMERCIAL LOSS TO ALL PARTIES.

2.22.5 DEMURRAGE RATE OF THE NOMINATED VESSEL SHALL BE DECLARED BY THE SUCCESSFUL SUPPLIER / BIDDER AT THE TIME OF VESSEL NOMINATION FOR THE CARGO.

2.22.6 AFTER ACCEPTANCE OF THE NOMINATED VESSEL BY CEYPETCO, A CERTIFIED COPY OF THE APPLICABLE CHARTER PARTY OR DULY AUTHENTICATED FIXTURE NOTES INCLUDING THE RATE OF DEMURRAGE SHALL BE SUBMITTED BY THE SUCCESSFUL SUPPLIER / BIDDER TO THE CEYPETCO.

2.23 FORCE MAJEURE

THE SUCCESSFUL SUPPLIER / BIDDER OR THE CEYPETCO SHALL NOT BE LIABLE FOR ANY LOSS, CLAIM OR DEMANDS OF ANY NATURE WHATSOEVER, OR BE DEEMED TO BE IN A BREACH OF THIS AGREEMENT BECAUSE OF ANY DELAYS OR FAILURE IN OBSERVING OR PERFORMING ANY OF THE CONDITIONS OR PROVISIONS HEREOF IF SUCH DELAY OR FAILURE WAS CAUSED BY OR AROSE OUT OF ANY CIRCUMSTANCES WHATSOEVER BEYOND THE SUCCESSFUL SUPPLIER'S / BIDDER'S OR CEYPETCO'S CONTROL INCLUDING (BUT WITHOUT LIMITING THE GENERALITY OF THE FOREGOING) DECLARED OR UNDECLARED WAR, SABOTAGE, BLOCKADE, PIRACY OR PIRATICAL SEIZURE OF VESSEL, REVOLUTION, POLICE ACTION, RIOT OR DISORDER, EMBARGO OR TRADE RESTRICTION OF ANY SORT GOVERNMENT OR QUASI GOVERNMENT ACTION, ACT OF GOD, FIRE, FLOOD, EARTHQUAKE, STORM, TIDE OR TIDAL WAVE, EXPLOSION, ACCIDENT, RADIATION, STRIKE, LOCKOUT OR OTHER LABOUR DISPUTE. IN CASE OF FORCE MAJEURE EVENT, CEYPETCO SHALL REQUEST AND SUPPLIER SHOULD AGREE TO DEFER THE CARGO DELIVERY PERIOD TO A REVISED DATE RANGE AGREED WITH THE SUPPLIER WHILE KEEPING THE PRICE APPLICABLE TO ORIGINAL FIVE DAY DELIVERY LAYCAN AS PER **CLAUSE 2.12 "PRICE/PAYMENT/INTEREST"** OF THE TENDER DOCUMENT.

2.24 OTHER REQUIREMENTS

THE BID SHALL BE GOVERNED BY THE 'TERMS & CONDITIONS OF TRADE FOR TENDERERS REGISTERED WITH THE COMMERCIAL FUNCTION OF CEYPETCO'.

2.25 SUBMISSION OF BIDS

2.25.1 IT IS MANDATORY TO SUBMIT THE FOLLOWING DOCUMENTS ALONG WITH THE BID WHICH SHALL BE PROPERLY SEALED/STAMPED AND INITIALED BY THE AUTHORIZED PERSON OR PERSONS SIGNING THE BID IN EACH PAGE;

2.25.1.1. FORM OF BID (ANNEX – 'E') DULY COMPLETED AND SIGNED BY THE BIDDER

2.25.1.2. ALL DOCUMENTS SPECIFIED UNDER CLAUSE 2.7. 'SOURCE OF SUPPLY' ALONG WITH THE BID.

2.25.1.3. BID SECURITY GUARANTEE (ANNEX – 'A', SPECIMEN FORM ATTACHED).

2.25.1.4. A LETTER OF AUTHORIZATION ENABLING THE LOCAL AGENT TO SUBMIT THE BID IN THE EVENT THE BIDS ARE SUBMITTED THROUGH THE LOCAL AGENTS.

2.25.1.5. BIDDER SHALL SUBMIT BID AS PER THE SPECIFIED "FORM OF BID" GIVEN IN ANNEX - 'E' OF THIS TENDER DOCUMENT AND SHALL STATE THE COMPLIANCE TO THE TENDER TERMS & CONDITIONS LISTED THEREIN.

- 2.25.2 A "DUPLICATE" OF THE BID, WHICH CONTAINS ONE SET OF COPIES OF ALL THE ORIGINAL DOCUMENTS OF THE "ORIGINAL" BID SHALL ALSO BE SUBMITTED. THE "ORIGINAL" AND THE "DUPLICATE" OF THE BIDS SHALL BE SEALED IN SEPARATE ENVELOPES, DULY MARKING THE ENVELOPES AS "ORIGINAL" AND "DUPLICATE" AND SHALL BE MARKED REF: **CR/35/2022** ON EACH ENVELOPES. THE ENVELOPES SHALL THEN BE SEALED IN AN OUTER ENVELOPE AND SHALL BE MARKED REF: **CR/35/2022**.
- 2.25.3 ANY FORM OF ALTERNATIVE BIDS ALONG WITH THE ORIGINAL BID SHALL NOT BE PERMITTED. IN THE EVENT IF ALTERNATIVE BIDS HAVE BEEN SUBMITTED BY THE BIDDER, THE SECOND AND SUBSEQUENT ALTERNATIVE BIDS SHALL BE REJECTED. IF THE BIDDER HAS SUBMITTED ORIGINAL BID AND ALTERNATIVE BIDS USING THE SAME FORM OF BID AND BID SECURITY GUARANTEE, SSCAPC RESERVES THE RIGHT TO REJECT ALL BIDS SUBMITTED BY THE BIDDER.
- 2.25.4 SUBMISSION OF BIDS BY FAX OR EMAIL IS NOT ENTERTAINED.
- 2.25.5 BIDDER SHALL SUBMIT A DETAILED BID COVERING AND CONFIRMING THAT BIDDER WILL AGREE TO AND ABIDE BY THE ABOVE REQUIREMENTS/TERMS AND CONDITIONS OF TENDER.
- 2.25.6 THE ENVELOPE SEALED AS ABOVE AND ADDRESSED TO THE CHAIRMAN, SPECIAL STANDING CABINET APPOINTED PROCUREMENT COMMITTEE (SSCAPC), 3RD FLOOR, CEYLON PETROLEUM CORPORATION, NO. 609, DR. DANISTER DE SILVA MAWATHA, COLOMBO 09, SRI LANKA SHOULD BE DEPOSITED IN THE TENDER BOX KEPT AT THE AFORESAID ADDRESS **BEFORE 1200 HRS, SRI LANKA TIME ON 12TH JULY 2022**.
- 2.25.7 BIDDERS ARE REQUESTED TO INDICATE AUTHORIZED SIGNATURE ON EACH PAGE OF OFFERS. THE OFFICER WHO SIGNS THE BIDS (AUTHORIZED OFFICER) SHOULD HAVE PROPER AUTHORITY FROM THE RESPECTIVE BIDDER OR THE PRINCIPAL FOR SIGNING ALL DOCUMENTS RELATED TO THE BID. THE AUTHORIZATION SHALL BE FOR THE PARTICULAR BID OR FOR A DEFINITE PERIOD COVERING THE DATE OF SIGNING THE BID.

2.26 VALIDITY OF THE BIDS

OFFERS CLOSE AT **1200 HRS, SRI LANKA TIME ON 12TH JULY 2022** AND SHOULD BE HELD VALID FOR **SEVENTY TWO (72) HRS** THEREFROM.

NOTE

PLEASE NOTE THAT ONLY THOSE WHO HAVE SUBMITTED OFFERS (OR THEIR LOCAL AGENTS) COULD BE PRESENT AT THE TIME OF OPENING OF BIDS. NO LOCAL AGENT IS PERMITTED TO BRING MOBILE PHONES.



COMMERCIAL MANAGER/CEYPETCO/CE/0162

28/06/2022

FORMAT FOR BID SECURITY GUARANTEE

[This Bank Guarantee form shall be filled in accordance with the instructions indicated in brackets]
..... [insert issuing agency’s name and address of issuing branch or office].....

Beneficiary : CEYLON PETROLEUM CORPORATION
Date : [insert (by issuing agency) date]
BID GUARANTEE NO : [insert (by issuing agency) number]

We have been informed that [insert (by issuing agency) name of the Bidder; if a joint venture, list complete legal names of partners] (hereinafter called “the Bidder”) has submitted to you its bid dated [insert (by issuing agency) date] (hereinafter called “the Bid”) for execution / supply [select appropriately] of [insert name of contract] under Invitation for Bids No. [insert IFB number] (“the IFB”)

Furthermore, we understand that, according to your conditions, Bids must be supported by a Bid Guarantee.

At the request of the Bidder, we [insert name of issuing agency] hereby irrevocably undertake to pay you any sum or sums not exceeding in total an amount of [insert amount in figures] [insert amount in words] upon receipt by us of your first demand in writing accompanied by a written statement stating that the Bidder is in breach of its obligation(s) under the bid conditions, because the Bidder

- (a) has withdrawn its Bid during the period of bid validity specified; or
- (b) does not accept the correction of errors in accordance with the Instructions to Bidders (hereinafter “the ITB”) of the IFB; or
- (c) having been notified of the acceptance of its Bid by the Ceylon Petroleum Corporation during the period of bid validity, (i) fails or refuses to execute the Contract Form, if required, or (ii) fails or refuses to furnish the Performance Security, in accordance with the ITB.

This Guarantee shall expire: (a) if the Bidder is the successful bidder, upon our receipt of copies of the Contract signed by the Bidder and of the Performance Security issued to you by the Bidder; or (b) if the Bidder is not the successful bidder, upon the earlier of (i) our receipt of a copy of your notification to the Bidder that the Bidder was unsuccessful, otherwise it will remain in force up to [insert date]

Consequently, any demand for payment under this Guarantee must be received by us at the office on or before that date

[signature(s) of authorized representative(s)]

SHIPMENT QUANTITY

PRODUCT	TOTAL CONTRACTUAL QUANTITY
MURBAN CRUDE OIL (OPTION A) OR DAS BLEND CRUDE OIL (OPTION B) OR SAHARAN BLEND CRUDE OIL (OPTION C) OR EL SHARARA CRUDE OIL (OPTION D) OR SIBERIAN LIGHT CRUDE OIL (OPTION E)	700,000 BBLs PLUS/MINUS 5 PERCENT (+/- 5%)

NOTE:

1. BIDDERS ARE REQUESTED TO OFFER FOR THE TOTAL QUANTITIES AS GIVEN IN THE TENDER.
2. ANY BIDDER WHO FAILS TO OFFER FOR THE TOTAL QUANTITIES AS GIVEN IN THE TENDER WILL BE REJECTED.
3. OFFERS SUBMITTED WITH REDUCED QUANTITIES WILL NOT BE EVALUATED.

Properties of Crude

Crude Type: Murban Crude Oil

		Crude MURBAN								
		Country United Arab Emirates								
Density at 15°C, kg/m ³	822.4				°C		wt%	vol%	°C	
°API	40.5				080		8.09	10.36	460	
Bbl/mt	7.660				090		9.54	12.05	480	
Acidity, mg KOH/g	0.05				100		11.19	13.94	500	
Sulphur, wt%	0.743				120		15.06	18.27	520	
Hydrogen Sulphide, mg/kg	0				140		19.48	23.11	540	
Mercaptan Sulphur, mg/kg	56				160		24.15	28.11	560	
Viscosity, cSt at 10 °C	6.5				180		28.80	33.01	580	
50 °C	2.5				200		33.37	37.77		
Pour Point, °C	-9				220		37.90	42.43		
Total Nitrogen, wt%	0.042				240		42.34	46.93		
Wax, wt%	-		wt%	vol%	260		46.50	51.09		
Wax Appearance Temperature, °C	-				280		50.32	54.85		
RVP at 37.8 °C, kPa	39	Ethane	0.00	0.01	300		54.08	58.49		
Water, vol%	-	Propane	0.17	0.28	320		58.22	62.45		
NaCl, mg/kg	-	Iso-Butane	0.19	0.28	340		62.69	66.68		
Nickel, mg/kg	1.6	n-Butane	0.69	0.97	360		65.76	69.57		
Vanadium, mg/kg	2.4				380		68.46	72.10		
Iron, mg/kg	-				400		71.62	75.04		
Mercury, µg/kg	-				420		74.89	78.06		
					440		78.03	80.93		

Properties of Crude

Crude Type: DAS Blend Crude Oil

	Crude	DAS BLEND			TBP					
		Country	Abu Dhabi		DISTILLATION					
Density at 15°C, kg/m3	829.3	Assay Date	21-Mar-16		°C	wt%	vol%	°C	wt%	vol%
°API	39.1				080	8.49	11.04	460	76.88	80.14
Bbl/mt	7.599				090	9.91	12.70	480	79.49	82.49
Acidity, mg KOH/g	0.05				100	11.54	14.56	500	82.06	84.80
Sulphur, wt%	1.140				120	15.37	18.88	520	84.51	86.97
Hydrogen Sulphide, mg/kg	<1				140	19.77	23.72	540	86.78	88.97
Mercaptan Sulphur, mg/kg	134				160	24.32	28.63	560	88.83	90.76
Viscosity, cSt at	10 °C				180	28.67	33.24	580	90.66	92.34
	50 °C				200	32.76	37.50			
Pour Point, °C	-6				220	36.72	41.59			
Total Nitrogen, wt%	0.037				240	40.71	45.65			
Wax, wt%	-		wt%	vol%	260	44.73	49.68			
Wax Appearance Temperature, °C	15.0				280	48.73	53.64			
RVP at 37.8 °C, kPa	33	Ethane	0.01	0.03	300	52.70	57.52			
Water, vol%	-	Propane	0.26	0.42	320	56.63	61.32			
NaCl, mg/kg	-	Iso-Butane	0.26	0.38	340	60.55	65.05			
Nickel, mg/kg	0.9	n-Butane	1.25	1.77	360	64.22	68.51			
Vanadium, mg/kg	2.4				380	67.27	71.36			
Iron, mg/kg	0.6				400	69.69	73.60			
Mercury, µg/kg	2.2				420	71.94	75.66			
					440	74.33	77.84			

Properties of Crude

Crude Type: Saharan Blend Crude Oil

	Crude	Saharan Blend	Country	Algeria	TBP DISTILLATION					
					°F	wt%	vol%	°F	wt%	vol%
Density at 15°C, kg/m ³	800.30									
°API	45.3				080	4.02	5.30			
					160	10.27	12.98			
Acidity, mg KOH/g	0.150				330	33.46	38.06			
Sulphur, wt%	0.1				400	42.21	46.92			
Hydrogen Sulphide, mg/kg	<1				500	53.98	58.46			
Mercaptan Sulphur, mg/kg	3.2				650	69.72	73.37			
Viscosity, cSt at 15 °C	3.22				800	82.39	84.84			
50 °C	1.89				1050	92.56	93.81			
Pour Point, °C	<-20									
Total Nitrogen, ppm wt%	169.0									
Wax, wt%	-			wt% vol%						
Wax Appearance Temperature, °C	-									
DVP at 37.8 °C, psi	7.37		C1 - C4	1.78 1.26						
Water, vol%	-									
Salt, lb/1000b	<1									

Properties of Crude

Crude Type: El Sharara Crude Oil

	Crude	El Sharara	Country	Libya	TBP DISTILLATION					
					°C	wt%	vol%	°C	wt%	vol%
Density at 15°C, kg/m ³	812									
°API	42.75				065	8.0	10.6			
					100	15.8	19.5			
Acidity, mg KOH/g	0.03				150	29.0	33.7			
Sulphur, wt%	0.08				200	40.2	45.20			
Hydrogen Sulphide, mg/kg	1				250	51.0	55.80			
Mercaptan Sulphur, mg/kg	2.7				300	60.8	65.10			
Viscosity, cSt at 20 °C	3.04				350	69.8	73.50			
40 °C	2.12				370	73.2	76.60			
Pour Point, °C	-60				FBP	100.0	100.0			
Total Nitrogen, ppm	648									
Wax, wt%	-			wt%						
Wax Appearance Temperature, °C	-									
RVP at 37.8 °C, psi	6.4			Methane + ethane		0.03				
Water, vol%	-			Propane		0.42				
				Butane		1.94				
				Pentane		3.66				
Salt, lb/1000b	-									

Properties of Crude

Crude Type: Siberian Light Crude Oil

	Crude	Siberian Light	Country	Russia	TBP DISTILLATION						
					°C	wt%	vol%	°C	wt%	vol%	
Density at 15°C, kg/m ³	852										
°API	34.5				065	2.4	3.2				
					100	7.5	9.3				
Acidity, mg KOH/g	0.11				150	16.8	18.1				
Sulphur, wt%	0.56				200	24.0	25.9				
Hydrogen Sulphide, mg/kg	Nil				250	33.0	35.9				
Mercaptan Sulphur, mg/kg	9.4				300	42.3	44.7				
Viscosity, cSt at 20 °C	11.28				350	52.3	54.6				
40 °C	5.81				370	56.1	58.3				
Pour Point, °C	-12.27				FBP	100.0	100.0				
Total Nitrogen, ppm	1026										
Wax, wt%	-			wt%							
Wax Appearance Temperature, °C	-										
RVP at 37.8 °C, psi	4.3			Methane + ethane							0.02
Water, vol%	8.7			Propane							0.36
				Butane							0.98
				Pentane							1.25
Salt, lb/1000b	-										

FORMAT FOR PERFORMANCE SECURITY GUARANTEE

..... *[issuing Agency's Name and Address of issuing Branch or Office]*

Beneficiary : **CEYLON PETROLEUM CORPORATION**

Date :

PERFORMANCE SECURITY GUARANTEE NO :

We have been informed that *[name of Contractor/Supplier]* (hereinafter called "the Contractor") has entered into contract No. *[reference number of the contract]* dated with you, for the *[insert "construction" / "Supply"]* of *[name of contract and brief description of works]* (hereinafter called "the Contract")

Furthermore, we understand that, according to the conditions of the Contract, a performance guarantee is required.

At the request of the Contractor, we *[name of agency]* hereby irrevocably undertake to pay you any sum or sums not exceeding in total an amount of USD..... *[amount in figures]* (United States Dollars.....) *[amount in words]*, such sum being payable in the types and proportions of currencies in which the Contract Price is payable, upon receipt by us of your first demand in writing accompanied by a written statement stating that the Contractor is in breach of its obligation(s) under the Contract, without your needing to prove or to show grounds for your demand or the sum specified therein.

This guarantee shall expire, no later than the day of, 20.... *[insert date, ninety days beyond the scheduled contract completion date]* and any demand for payment under it must be received by us at this office on or before that date.

.....
[Signature(s)]

FORM OF BID

The Chairman, Special Standing Cabinet Appointed Procurement Committee,
3rd Floor, Ceylon Petroleum Corporation, No. 609,
Dr. Danister De Silva Mawatha,
Colombo 09, Sri Lanka.

Dear Sir,

BIDDING FOR THE SUPPLY OF CARGOS OF MURBAN CRUDE OIL / DAS BLEND CRUDE OIL / SAHARAN BLEND CRUDE OIL / EL SHARARA CRUDE OIL / SIBERIAN LIGHT CRUDE OIL FOR DISCHARGE AT SPBM 1 COLOMBO, SRI LANKA

(TENDER REF: CR/35/2022)

NAME AND ADDRESS OF THE BIDDER :

.....

.....

I/We the undersigned read and fully acquainted myself / ourselves with the contents of the Conditions of the terms and Contract and all other Conditions pertaining to the above Bid do hereby undertake to supply the Murban Crude Oil / DAS Blend Crude Oil / Saharan Blend Crude Oil / EL Sharara Crude Oil / Siberian Light Crude Oil with the specifications and quantity as specified in the tender.

A. PRODUCT / PRICE / INTEREST

Type of Crude Oil	Country of Origin	Port of Loading	Contractual cargo quantity (BBLs +/- 5%)	Compliance	Contractual cargo quality	Compliance	Premium/ Discount (USD per BBL)		
							FOB basis	Option-2 (90 days)	Option-3 (180 days)
Option – A									
Murban Crude Oil	U.A.E.	Jebel Dhanna, U.A.E. / Fujairah, U.A.E.	700,000	Comply / Not Comply	Annex – 'C-1'	Comply / Not Comply			
Option – B									
DAS Blend Crude Oil	U.A.E.	DAS Island, U.A.E.	700,000	Comply / Not Comply	Annex – 'C-2'	Comply / Not Comply			
Option – C									
Saharan Blend Crude Oil	Algeria	Arzew, Algeria/ Bethioua, Algeria	700,000	Comply / Not Comply	Annex – 'C-3'	Comply / Not Comply			

	Option – D									
EL Sharara Crude Oil	Libya	Zawiya, Libya	700,000	Comply / Not Comply	Annex – ‘C-4’	Comply / Not Comply				
	Option – E									
Siberian Light Crude Oil	Russian Federation	Novorossiysk, Russian Federation	700,000	Comply / Not Comply	Annex – ‘C-5’	Comply / Not Comply				
Interest Rate (Per Annum)								Three (3) months LIBOR (USD) plus	Six (6) months LIBOR (USD) plus	
Local Agent and Local Agency Commission (USD) (if any)										

B. TERMS & CONDITIONS

BID DOCUMENT CLAUSE REFERENCE	COMPLIANCE
1.8. Bid Security Guarantee (Annex – ‘A’)	Comply / Not Comply
2.2. Contractual cargo quantities (Annex – ‘B’)	Comply / Not Comply
2.3. Delivery	Comply / Not Comply
2.4 Important	Comply / Not Comply
2.5 Third Party Cargo	Comply / Not Comply
2.6. Quality (Annex – ‘C-1’, ‘C-2’, ‘C-3’, ‘C-4’ & ‘C-5’)	Comply / Not Comply
2.7. Source of supply	Comply / Not Comply
2.8. Mode of Loading	Comply / Not Comply
2.9.1. Inspection at Load port	Comply / Not Comply
2.9.2. Inspection at Discharge port	Comply / Not Comply
2.10. Recovery of Damages or Losses for CEYPETCO due to unacceptable Quality	Comply / Not Comply
2.11. Out-turn loss	Comply / Not Comply
2.12. Price / Payment / interest	Comply / Not Comply

2.12.1. Payment in ninety (90) days – Option-1	Comply / Not Comply
2.12.2. Payment in hundred and eighty (180) days – Option-2	Comply / Not Comply
2.12.12 ESCROW Account	Comply / Not Comply
2.12.13 Non-Resident Rupee (NRR) Account	Comply / Not Comply
2.13. Local Agent & Local Agency Commission	Comply / Not Comply
2.14. Title and Risk	Comply / Not Comply
2.15. Performance Security Guarantee (Annex – ‘D’)	Comply / Not Comply
2.16. Claims, disputes & Recovery of Damages for losses by CEYPETCO and delivery of lesser quantity than agreed	Comply / Not Comply
2.17. Award of the tender	Comply / Not Comply
2.18. Laytime for discharge at SPBM 1, Colombo	Comply / Not Comply
2.19. Notice of arrival at Colombo	Comply / Not Comply
2.20. Vessel requirements	Comply / Not Comply
2.21. Line flushing at SPBM 1, Colombo	Comply / Not Comply
2.22. Demurrage	Comply / Not Comply
2.23. Force Majeure	Comply / Not Comply
2.24. Other requirements	Comply / Not Comply
2.25. Submission of Bids	Comply / Not Comply
2.25.1.1 Submission of “FORM OF BID” GIVEN IN ANNEX – ‘E’	Comply / Not Comply
2.25.7 Submission of Letter of Authorization	Comply / Not Comply
2.26. Validity of the Bids	Comply / Not Comply
Amendment Notice(s) [if any]	Comply / Not Comply

- I/We confirm that the bid shall remain open for acceptance as mentioned above under validity of bid and that it will not be withdrawn or revoked prior to that date.
- I/We attach hereto the following documents as part of my/our Bid (If any);
.....
.....
.....
- I/We understand that you are not bound to accept the lowest or any other Bid and that you reserve the right to reject any or all Bids or to accept a Bid in full or in part without assigning any reasons therefore.
- I/We hereby attach the Assay to confirm the quality of the MURBAN CRUDE OIL / DAS BLEND CRUDE OIL / SAHARAN BLEND CRUDE OIL / EL SHARARA CRUDE OIL / SIBERIAN LIGHT CRUDE OIL to be supplied.
- I/We undertake to deliver the quality/quantity of MURBAN CRUDE OIL / DAS BLEND CRUDE OIL/ SAHARAN BLEND CRUDE OIL / EL SHARARA CRUDE OIL / SIBERIAN LIGHT CRUDE OIL referred to above.

Yours Faithfully,

Authorized signature & the official seal of the Bidder :

Name of the Bidder :

Address :

Telephone No. :

Fax No. :

E-mail :

Date :

FORMULA FOR SELECTION OF THE MOST VIABLE PRICING OPTION

$$P = \{(C) + [(C) * A] + [(C) * B] + [(C) * D] + [(C) * (G) * (H)] + [(C) * E * (F/360)]\}$$

** Import Quantity*

- A: Port and Aviation Levy [i.e. currently 2.5% for Crude Oil
- B: LC Opening Commission (i.e. currently 0.0525%)
- C: FOB + Premium.
- D: Bank Acceptance rate (i.e. currently 0.0375%)
- E: Domestic Dollar Borrowing Interest Rate offered by BOC/People’s Bank
- F: Days in Highest Credit Payment Option offered by Responsive Bidders – Days in the Concerned Payment Option
- G: LIBOR + Interest
- H: (Days in Payment Option - Interest Free Credit Period)/360)

NOTE:

BANK ACCEPTANCE COMMISSION SHALL NOT BE APPLICABLE FOR THIRTY (30) DAYS PAYMENT OPTION.

YIELD PATTERN OF APPLICABLE CRUDE TYPE

Products	Yield (Wt%)				
	Murban	DAS Blend	Saharan Blend	EL Sharara	Siberian Light
Naphtha+Gases	21.83	20.66	27.21	28.74	15.20
Kerosene	18.44	20.28	21.87	21.4	15.15
Gas Oil	28.02	22.54	21.91	22.04	22.03
Long Residue	31.71	26.53	29.01	30.21	47.62