



**TENDER NOTICE
CEYLON PETROLEUM CORPORATION
(CEYPETCO)**

**BID FOR THE SUPPLY OF
4,200,000 BBLs +/- 5% OF MURBAN CRUDE OIL**

REF: CR/TERM/CRUDE OIL/MURBAN/2022-R-1

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.

28/12/2021



INVITATION FOR BIDS

CEYLON PETROLEUM CORPORATION (CEPETCO)

**BID FOR THE SUPPLY OF 4,200,000 BBLs +/- 5% OF MURBAN CRUDE OIL
ON DELIVERED AT PLACE (DAP) (INCOTERMS 2010)
FOR DELIVERY AT SPBM 1 COLOMBO**

FOR THE PERIOD OF SEVEN (07) MONTHS FROM 01/06/2022 TO 31/12/2022

REF: CR/TERM/CRUDE OIL/MURBAN/2022-R-1

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 'CEPETCO') INVITES FIRM OFFERS FROM THE SUPPLIERS **REGISTERED WITH CEPETCO** UNDER THE CATEGORY OF "CRUDE OIL" FOR THE SUPPLY OF MURBAN CRUDE OIL ON **DAP COLOMBO BASIS (INCOTERMS 2010)** FOR DISCHARGE OF **FULL CARGO** OF EACH SHIPMENT AT SINGLE POINT BUOY MOORING 1 (SPBM 1) COLOMBO, SRI LANKA DURING THE PERIOD OF SEVEN (07) MONTHS COMMENCING FROM **01ST JUNE 2022 UP TO 31ST DECEMBER 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 **FROM 28TH DECEMBER 2021 UP TO 24TH JANUARY 2022**

OR

REGISTERED SUPPLIERS COULD DOWNLOAD THE RELEVANT BID DOCUMENT FROM THE CEPETCO 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 SUBJECT TO THE CONDITION THAT SUCH SUPPLIERS **ARE NOT SUSPENDED BY CEYPETCO.**

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

PRIOR TO THE BID OPENING, **ALL BIDDERS SHALL ESTABLISH A BID SECURITY GUARANTEE FOR UNITED STATES DOLLARS THREE HUNDRED THOUSAND (US\$ 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.

1.8.1. THE BID SECURITY GUARANTEE SHALL BE VALID FOR A MINIMUM EIGHTY EIGHT (88) DAYS FROM THE DATE OF CLOSING OF THE BID (I.E. UP TO 23RD APRIL 2022). **THE FORMAT OF BID SECURITY GUARANTEE IS ANNEXED HERETO AS ANNEX - 'A'.**

1.8.2. FAILURE TO SUBMIT THE BID SECURITY GUARANTEE, INCONFORMITY WITH THE BID REQUIREMENT ON OR BEFORE THE CLOSING TIME OF BID, WILL RESULT IN THE BID BEING REJECTED. CEYPETCO SHALL BE ENTITLED TO CALL ON THE BID SECURITY GUARANTEE IN THE EVENT THE SUCCESSFUL BIDDER FAILS TO ENTER INTO THE CONTRACT, WITHIN A PERIOD OF FOURTEEN (14) DAYS SUBSEQUENT TO WRITTEN INSTRUCTION FROM CEYPETCO TO ENTER INTO THE SAID CONTRACT.

1.8.3. THE BID SECURITY GUARANTEE OF THE SUCCESSFUL BIDDER WILL BE RETURNED ONLY AFTER THE SUBMISSION OF THE PERFORMANCE SECURITY GUARANTEE BY THE SUCCESSFUL BIDDER. CEYPETCO SHALL BE ENTITLED TO CALL ON THE BID SECURITY GUARANTEE UNLESS A PERFORMANCE SECURITY GUARANTEE IS PROVIDED BY THE SUCCESSFUL BIDDER, WITHIN A PERIOD OF FOURTEEN (14) DAYS SUBSEQUENT TO WRITTEN INSTRUCTION FROM CEYPETCO TO ENTER INTO THE SAID CONTRACT.

1.9. PRE-BID MEETING

THE PROSPECTIVE BIDDERS WILL BE INVITED TO ATTEND THE PRE-BID MEETING WHICH HAS BEEN SCHEDULED TO BE HELD ABOUT ON 11TH JANUARY 2022. ALL QUARRIES WILL HAVE TO BE SUBMITTED IN WRITING TO THE CHAIRMAN, SSCAPC FIVE (05) DAYS BEFORE THE PRE BID MEETING. ATTENDING OF THIS MEETING IS HIGHLY RECOMMENDED FOR ALL BIDDERS..

1.10. 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 QUANTITIES

2.2.1 THE TOTAL QUANTITY OF MURBAN CRUDE OIL REQUIRED UNDER THIS CONTRACT FOR **SEVEN (07) MONTHS** PERIOD COMMENCING **01/06/2022 UP TO 31/12/2022** IS AS FOLLOWS.

PRODUCT	QUANTITY TO BE DELIVERED / PURCHASED		NO. OF SHIPMENTS
	TOTAL CONTRACTUAL QUANTITY	PER SHIPMENT QUANTITY	
MURBAN CRUDE OIL	4,200,000 BBLs +/-5%	700,000 BBLs +/-5%	06

2.2.2 EACH SHIPMENT SHALL BE AS PER THE **ANNEX – ‘B’** WHERE TOTAL CARGO SIZE IS 700,000 BARRELS PLUS/MINUS 5 PERCENT (+/-5%).

2.2.3 THE QUANTITY OF MURBAN CRUDE OIL SHALL BE LOADED WITHIN THE PLUS/MINUS 5 PERCENT (+/-5%) TOLERANCE.

2.2.4 ANY DEVIATION TO THE PLUS/MINUS 5 PERCENT (+/-5%) 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 AT SPBM 1, COLOMBO

2.3.1 THE SUCCESSFUL SUPPLIER/BIDDER SHALL DELIVER THE FULL CARGO OF MURBAN CRUDE OIL AS GIVEN IN **ANNEX - ‘B’** ON **DAP COLOMBO BASIS (INCOTERMS 2010)** AT SPBM 1 COLOMBO, SRI LANKA DURING **SEVEN (07) MONTHS** COMMENCING FROM **01ST JUNE 2022 UP TO 31ST DECEMBER 2022**.

2.3.2 THE SUCCESSFUL SUPPLIER/BIDDER SHALL BE INFORMED THE FIVE DAY DELIVERY LAYCAN FOR EACH CARGO TO BE DELIVERED IN THE PERIOD STATED IN THE SUB CLAUSE 2.3.1. ABOVE BY CEYPETCO NINETY (90) DAYS PRIOR TO THE FIRST DAY OF THE FIVE DAY DELIVERY LAYCAN FOR EACH CARGO. IT IS IMPERATIVE THAT EACH SHIPMENT IS DELIVERED IN COLOMBO DURING THE FIVE DAY DELIVERY LAYCAN WHICH WILL BE FURTHER NARROWED DOWN TO TWO DAYS PRIOR TO 30 DAYS WHICH WILL BE NOTIFIED BY CEYPETCO IN ONE TANKER IN ONE LOT.

THE FIVE-DAY DELIVERY LAYCAN SHALL FALL WITHIN THE SAME MONTH.

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

2.3.3 PORT OF LOADING FOR EACH CARGO SHALL BE JEBEL DHANNA, U.A.E. OR FUJAIRAH, U.A.E. AND ANY LOADING PORT UNDER UNITED STATES SANCTIONS IS NOT ACCEPTABLE TO CEYPETCO. 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, CPC 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.

2.3.4 IN THE EVENT CEYPETCO UNABLE TO RECEIVE THE CARGO DUE TO UNFORESEEN EVENT SUCH AS;

- (A) FAILURE OF THE HOSE SYSTEM OF THE CRUDE OIL SPBM 1
- (B) FAILURE OF THE CRUDE OIL SPBM 1
- (C) ANY MAJOR BREAKDOWN IN PIPELINE INCLUDING OFFSHORE

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 OF "MURBAN ADNOC" FOB PRICE PER NET US BARREL CHARGED BY ABU DHABI NATIONAL OIL COMPANY ("ADNOC") TO TERM CUSTOMERS LIFTED BY THEM OVER THE MONTH BELONGS TO THE FIRST DAY OF THE ORIGINAL TWO-DAY DELIVERY LAYCAN ALREADY AGREED AS PER THE TENDER DOCUMENT.

2.4 IMPORTANT

IT IS IMPERATIVE THAT THE EACH CARGO IS DELIVERED AT SPBM 1, COLOMBO IN ONE LOT DURING THE CONTRACTUAL TWO DAY DELIVERY LAYCAN AND UNDER NO CIRCUMSTANCES THE CARGO WILL BE ACCEPTED IN TWO SEPARATE TANKERS. IF THE SUCCESSFUL SUPPLIER/BIDDER FAILS TO DELIVER EACH CARGO DISCHARGE AT SPBM 1, COLOMBO IN ONE LOT DURING THE CONTRACTUAL TWO 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 OFFERED IS IN CONFORMITY WITH THE RELEVANT SPECIFICATIONS GIVEN IN **ANNEX - 'C'**. TENDERERS SHOULD FURNISH THE FULL ASSAY OF THE MURBAN CRUDE OIL FOR THE EVALUATION OF BIDS. **THE BIDS FROM SUPPLIER/BIDDER WHO DO NOT FURNISH THE FULL ASSAY OF THE MURBAN CRUDE OIL WILL NOT BE CONSIDERED FOR EVALUATION.**

2.6.2 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.

2.7 SOURCE OF SUPPLY

TENDERERS SHOULD CONFIRM THE FOLLOWING.

- 2.7.1. MURBAN CRUDE OIL SUPPLIER
- 2.7.2. COUNTRY OF ORIGIN IS UNITED ARAB EMIRATES (U.A.E.)
- 2.7.3. PORT OF LOADING IS JEBEL DHANNA, U.A.E. OR FUJAIRAH, U.A.E.
- 2.7.4. TENDERER SHALL PRODUCE ALL DETAILS OF HIS SUPPLIER OF MURBAN 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 CONTRACT, MURBAN 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 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) 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 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.

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.

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 JEBEL DHANNA, U.A.E. OR FUJAIRAH, U.A.E. 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 COMPOSITE SAMPLES WITH ADEQUATE QUANTITIES **FOR MURBAN CRUDE OIL** SHALL BE SEPARATELY DRAWN FROM THE SHIP'S TANKS 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 CPC REFINERY LABORATORY **FOR MURBAN 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 **FOR MURBAN 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 CPC REFINERY LABORATORY USING TANK SAMPLES RETAINED WITH THE INDEPENDENT INSPECTOR, SHALL BE TESTED AT THE REFINERY LABORATORY AS SPECIFIED IN **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 **FOR MURBAN 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 IN SUCH A CASE THE SUCCESSFUL SUPPLIER'S/ BIDDER IS OBLIGED TO PROVIDE A REPLACEMENT CARGO AT THE REQUEST OF CEYPETCO WITHOUT ANY ADDITIONAL COST TO CEYPETCO WITHIN THE TIME SPECIFIED BY CEYPETCO SUBJECT TO PAYMENT OF **ZERO POINT ONE PERCENT (0.1%)** OF THE DAP "VALUE OF THE REJECTED CARGO" PER DAY FOR THE PERIOD COMMENCING FROM THE DATE OF REJECTION OF THE CARGO UNTIL THE REPLACEMENT CARGO IS DELIVERED AT COLOMBO (I.E. UP TO THE

NOR TENDERED TIME) DURING THE NEW LAYCAN SUBJECT TO THE **MAXIMUM OF TWENTY (20) DAYS**. VALUE OF THE REPLACEMENT CARGO SHALL BE DETERMINED, BASED ON THE B/L QUANTITY, FOR THE MONTH BELONGS TO THE FIRST DAY OF THE TWO DAY DELIVERY LAYCAN OF THE REPLACEMENT CARGO AT COLOMBO AND AS PER THE **CLAUSE 2.12 UNDER THE HEADING "PRICE / INTEREST / PAYMENT"** OF THIS TENDER DOCUMENT. DETERMINATION OF THE NEW LAYCAN WILL BE AT THE DISCRETION OF CEYPETCO. HOWEVER, THE CEYPETCO SHALL NOT UNREASONABLY DELAY THE ALLOCATION OF THE ALTERNATIVE DELIVERY LAYCAN.

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 TWO 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.
- 2.10.7 IN THE EVENT THE CEYPETCO DECIDING, AT ITS SOLE DISCRETION, NOT TO REQUEST A REPLACEMENT CARGO FOR ALTERNATIVE CRUDE OIL TO MURBAN CRUDE OIL, A RECOVERY OF DAMAGES OR LOSSES FOR CEYPETCO WHICH AMOUNTS TO **ONE POINT FIVE PERCENT (1.5%)** OF DAP COLOMBO VALUE OF SUCH REJECTED CARGO SHALL BE CLAIMED AND THE SUCCESSFUL BIDDER/SUPPLIER MAY SETTLE SUCH AMOUNTS DIRECTLY TO CEYPETCO.

IN THE EVENT, THE SUPPLIER DOES NOT AGREE TO SETTLE A RECOVERY OF DAMAGES OR LOSSES DIRECTLY TO CEYPETCO AS CLAIMED BY CEYPETCO, IT SHALL BE CONSIDERED AS THE NON PERFORMANCE OF THE CONTRACT. MOREOVER, CEYPETCO SHALL RESERVE THE RIGHT TO RECOVER SUCH DAMAGES OR LOSSES FOR CEYPETCO SO ACCUMULATED FROM THE PERFORMANCE SECURITY GUARANTEE AT THE END OF THE CONTRACT.

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 THIRTY (30) 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 FOR THE MONTH BELONGS TO THE FIRST DAY OF THE TWO DAY DELIVERY LAYCAN OF THE CARGO AT COLOMBO, PLUS A FIXED PREMIUM/DISCOUNT FOR THE FIRST 30 DAYS INTEREST FREE CREDIT PERIOD.

BIDDERS ARE REQUESTED TO QUOTE THE PREMIUM/DISCOUNT FOR FOB JEBEL DHANNA/ FUJAIRAH, U.A.E. BASIS AS WELL.

2.12.2. PAYMENT IN NINETY (90) 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 FOR THE MONTH BELONGS TO THE FIRST DAY OF THE TWO DAY DELIVERY LAYCAN OF THE CARGO AT COLOMBO, 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 B/L DATE. IF THE FIRST DAY OF THE DELIVERY LAYCAN IS A NON-BANKING DAY IN LONDON, THEN THREE (03) MONTHS LIBOR (U.S. DOLLAR) QUOTE WILL BE THE FOLLOWING LONDON BANKING DAY AFTER THE FIRST DAY OF THE DELIVERY LAYCAN. L/C AMOUNT SHALL COVER THE CARGO VALUE AND THE INTEREST AMOUNT FOR THE EXTENDED PAYMENT PERIOD.

BIDDERS ARE REQUESTED TO QUOTE THE PREMIUM/DISCOUNT FOR FOB JEBEL DHANNA/ FUJAIRAH, U.A.E. BASIS AS WELL.

2.12.3. PAYMENT IN HUNDRED AND EIGHTY (180) DAYS - OPTION – 3

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 FOR THE MONTH BELONGS TO THE FIRST DAY OF THE TWO DAY DELIVERY LAYCAN OF THE CARGO AT COLOMBO, 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 B/L DATE. L/C AMOUNT SHALL COVER THE CARGO VALUE AND THE INTEREST AMOUNT FOR THE EXTENDED PAYMENT PERIOD.

BIDDERS ARE REQUESTED TO QUOTE THE PREMIUM/DISCOUNT FOR FOB JEBEL DHANNA/ FUJAIRAH, U.A.E. BASIS AS WELL.

- 2.12.4. PAYMENT WILL BE MADE THIRTY (30) DAYS (OPTION-1)) OR NINETY (90) DAYS (OPTION-2) OR HUNDRED AND EIGHTY (180) DAYS (OPTION-3) 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.
- 2.12.5. PREMIUM FOR MURBAN CRUDE OIL AND THE INTEREST RATE APPLICABLE OVER LIBOR SHALL BE FIXED THROUGHOUT THE **SEVEN (07) MONTHS** CONTRACT PERIOD.
- 2.12.6. LETTER OF CREDIT (L/C) TO BE ESTABLISHED BY THE CEYPETCO THROUGH ITS BANKERS EITHER BY BANK OF CEYLON OR PEOPLE'S BANK BASE 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 TWO DAY DELIVERY LAYCAN AT COLOMBO.
- THE SUCCESSFUL SUPPLIER/BIDDER SHALL BE RESPONSIBLE TO TRACE AND VERIFY THE RECEIPT OF THE L/C THROUGH THEIR CORRESPONDING BANK. THE SUPPLIER/BIDDER SHALL BE RESPONSIBLE TO SEND ALL REQUIRED DETAILS INCLUDING PERFORMA INVOICE FOR THE ESTABLISHMENT OF THE L/C BY CEYPETCO **WITHIN 30 DAYS PRIOR TO THE FIRST DAY OF THE 2-DAY DELIVERY LAYCAN.**
- 2.12.7. 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 2.12.2., & 2.12.3.** ABOVE FOR THE PURPOSE OF INTEREST CALCULATION SHALL BE ADJUSTED AS PER PAYMENT DUE DATE BEING AFFECTED UNDER THIS CONDITION.
- 2.12.8. 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 INTEREST 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.
- 2.12.9. FINAL UNIT PRICE FOR THE PRODUCT SHALL BE EXPRESSED TO **THREE DECIMAL PLACES** BY ROUNDING TO THE THIRD DECIMAL PLACE IF THE FOURTH DECIMAL PLACE IS FIVE (5) OR GREATER.

- 2.12.10. THE “LATEST DATE OF SHIPMENT” IN THE L/C SHALL BE DETERMINED 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 SUBJECT 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.
- 2.12.11. L/C ESTABLISHED BY CEYPETCO WILL CALL FOR THE FOLLOWING ORIGINAL DOCUMENTS.
- 2.12.11.1. MANUALLY SIGNED ORIGINAL COMMERCIAL INVOICE BASED ON THE NET B/L QUANTITY IN US BARREL @ 60 °F (IN AIR).
- 2.12.11.2. 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.
- 2.12.11.3. 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.
- 2.12.11.4. CERTIFICATE OF QUANTITY AT LOAD PORT ISSUED OR ENDORSED BY THE INDEPENDENT INSPECTOR.
- 2.12.11.5. 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.
- 2.12.11.6. CERTIFICATE OF SHIP ARRIVAL QUANTITY AT DISCHARGE PORT, COLOMBO ISSUED OR ENDORSED BY THE INDEPENDENT INSPECTOR.
- 2.12.11.7. CERTIFICATE OF OUTTURN QUANTITY AT DISCHARGE PORT, COLOMBO ISSUED OR ENDORSED BY THE INDEPENDENT INSPECTOR.
- 2.12.11.8. 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;
- 2.12.11.8.1. PRESENTATION OF BENEFICIARY’S MANUALLY SIGNED ORIGINAL COMMERCIAL INVOICE.
- 2.12.11.8.2. PRESENTATION OF SHIP ARRIVAL QUANTITY REPORT ISSUED BY THE INDEPENDENT INSPECTOR AT DISCHARGE PORT, COLOMBO.
- 2.12.11.8.3. PRESENTATION OF OUTTURN QUANTITY REPORT ISSUED BY THE INDEPENDENT INSPECTOR AT DISCHARGE PORT, COLOMBO.

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

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.

IT IS REQUIRED TO SUBMIT THE REGISTRATION CERTIFICATE OF LOCAL AGENT ISSUED BY REGISTRAR OF PUBLIC CONTRACT OF SRI LANKA IN TERMS OF THE PUBLIC CONTRACT ACT NO. 3 OF 1987 ON SUBMISSION OF FORM PCA3.

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 ITS OFFER, SHALL FURNISH AT ITS OWN EXPENSE A PERFORMANCE SECURITY GUARANTEE, WITHIN FOURTEEN (14) DAYS OF SUCH NOTIFICATION, ISSUED/CONFIRMED BY A LICENCED COMMERCIAL BANK IN SRI LANKA IN FAVOR OF CEYPETCO AND PAYABLE TO THE CEYPETCO ON DEMAND TO THE VALUE OF **UNITED STATES DOLLARS ONE MILLION (USD 1,000,000/=)**.
- 2.15.2. THE PERFORMANCE SECURITY GUARANTEE SHOULD BE VALID FOR **NINETY (90) DAYS (I.E. UP TO 31ST MARCH 2023)** BEYOND THE SCHEDULED CONTRACT COMPLETION DATE.
- 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 TWO FIVE PERCENT (0.25%) OF THE DAP VALUE PER DAY FOR EACH DAY OF DELAY AFTER 2400 HRS. OF THE LAST DAY OF THE TWO 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 THIRTY (30) DAYS], OPTION - 2 [PAYMENT IN NINETY (90) DAYS] AND OPTION - 3 [PAYMENT IN HUNDRED AND EIGHTY (180) DAYS] BY TAKING IN TO CONSIDERATION OF THE DOMESTIC COST FACTORS AS PER THE **ANNEX – 'F'**.
- 2.17.3. IF DEEMED NECESSARY, SSCAPC RESERVES THE RIGHT TO CONDUCT DUE DILIGENCE ON ANY SELECTED SUCCESSFUL SUPPLIER/ BIDDER.
- 2.17.4. 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.
- 2.17.5. 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 TWO DAY 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 THE TWO DAY 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 THE TWO DAY DELIVERY LAYCAN.
- 2.18.5. IF NOR IS TENDERED **AFTER 1500 HRS** OF THE SECOND 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 SECOND 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 UNBERTHED 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" CIRCM 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 SPBM 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. CEYPETCO SHALL NOT BE BOUND BY THE TERMS AND CONDITIONS OF THE CHARTER PARTY 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 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 OF "MURBAN ADNOC" FOB PRICE PER NET US BARREL CHARGED BY ABU DHABI NATIONAL OIL COMPANY ("ADNOC") TO TERM CUSTOMERS LIFTED BY THEM OVER THE MONTH BELONGS TO THE FIRST DAY OF THE ORIGINAL TWO DAY DELIVERY LAYCAN ALREADY AGREED AS PER 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 BOARD RESOLUTION AUTHORIZING THE PERSON WHO SIGNS THE BID OR A DOCUMENTED DECISION OF THE PARTNERS IN A PARTNERSHIP AS THE CASE MAY BE.

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

2.25.1.6. PCA 3 FORM

2.25.2 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.

2.25.3 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/TERM/CRUDE OIL/MURBAN/2022-R-1** ON EACH ENVELOPES. THE ENVELOPES SHALL THEN BE SEALED IN AN OUTER ENVELOPE AND SHALL BE MARKED **REF: CR/TERM/CRUDE OIL/MURBAN/2022-R-1**.

- 2.25.4 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.
- 2.25.5 SUBMISSION OF BIDS BY FAX OR EMAIL IS NOT ENTERTAINED.
- 2.25.6 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.
- 2.25.7 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 25TH JANUARY 2022.**
- 2.25.8 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 25TH JANUARY, 2022** AND SHOULD BE HELD VALID FOR **TWO (02) MONTHS THEREFROM**, EXTENDABLE UP TO TWO (02) WEEKS IF REQUESTED BY THE CHAIRMAN, SSCAPC.

2.27 AGREEMENT

- 2.27.1. THE SUCCESSFUL SUPPLIER/BIDDER WILL HAVE TO SIGN THE AGREEMENT STRICTLY IN ACCORDANCE WITH THE **ANNEX - 'G'**. BIDDERS ARE REQUESTED TO INDICATE IN THEIR OFFERS **THAT THEY ARE IN AGREEMENT WITH THE PROPOSED AGREEMENT GIVEN IN ANNEX - 'G'**.
- 2.27.2. **IN THE EVENT THERE IS NO INDICATION IN THE OFFER THAT THE BIDDER IS IN AGREEMENT TO ANNEX - 'G' NO CLARIFICATIONS WILL BE MADE AFTER THE TENDER OPENING AND THEIR OFFER WILL BE REJECTED AS IT IS CONSIDERED TO BE A MAJOR DEVIATION.**
- 2.27.3. THE OFFICER WHO SIGNS THE AGREEMENT (AUTHORIZED OFFICER) SHOULD HAVE PROPER AUTHORITY.
- 2.27.4. THE AUTHORITY SHALL BE IN THE FORM OF A BOARD RESOLUTION OR DOCUMENTED DECISION OF THE PARTNERS IN A PARTNERSHIP AS THE CASE MAY BE.

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.



**DEPUTY COMMERCIAL MANAGER/CEYPETCO/CE/0198
28/12/2021**

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
WITHOUT PLUS/MINUS 5% TOLERANCE**

PRODUCT	QUANTITY TO BE DELIVERED / PURCHASED		NO. OF SHIPMENTS
	TOTAL CONTRACTUAL QUANTITY	PER SHIPMENT QUANTITY	
MURBAN CRUDE OIL	4,200,000 BBLs +/-5%	700,000 BBLs +/-5%	06

NOTE:

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

ANNEX - 'C'

		Crude MURBAN								
		Country	United Arab Emirates							
Density at 15°C, kg/m3	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		

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 FOR DISCHARGE AT SPBM 1
COLOMBO, SRI LANKA**

[TENDER REF: CR/TERM/CRUDE OIL/MURBAN/2022-R-1]

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 with the specifications and quantity as specified in the tender.

A. PRODUCT / PRICE / INTEREST

Type of Crude	Contractual cargo quantity (BBLs +/- 5%)	Compliance	Contractual cargo quality	Compliance	Delivery laycan at SPBM 1 Colombo, Sri Lanka	Premium/ Discount (USD per BBL)				
						FOB basis	Option-1 (30 days)	Option-2 (90 days)	Option-3 (180 days)	
Murban Crude Oil	4,200,000		Annex – ‘C’			*	*	*	*	
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	REMARKS
1.8. Bid Security Guarantee (Annex – ‘A’)		

2.2. Contractual cargo quantities (Annex – ‘B’)		
2.3. Delivery		
2.4 Important		
2.5 Third Party Cargo		
2.6. Quality (Annex – ‘C’)		
2.7. Source of supply		
2.8. Mode of Loading		
2.9.1. Inspection at Load port		
2.9.2. Inspection at Discharge port		
2.10.. Recovery of Damages or Losses for CEYPETCO due to unacceptable Quality		
2.11. Out-turn loss		
2.12. Price / Payment / interest		
2.12.1. DAP Colombo price for Murban Crude Oil calculation method under Option -1		
2.12.2. DAP Colombo price for Murban Crude Oil calculation method under Option -2		
2.12.3. DAP Colombo price for Murban Crude Oil calculation method under Option -3		
2.13. Local Agent & Local Agency Commission (USD)		
2.14. Title and Risk		
2.15. Performance Security Guarantee (Annex – ‘D’)		
2.16. Claims, disputes & Recovery of Damages for losses by CEYPETCO and delivery of lesser quantity than agreed		
2.17. Award of the tender		
2.18. Laytime for discharge at SPBM 1, Colombo		

2.19. Notice of arrival at Colombo		
2.20. Vessel requirements		
2.21. Line flushing at SPBM 1, Colombo		
2.22. Demurrage		
2.23. Force Majeure		
2.24. Other requirements		
2.25. Submission of Bids		
2.25.1.2. Submission of the documents specified under clause 2.7. 'source of supply' along with the bid		
2.25.1.5. A letter of Authorization enabling the local agent to submit the bid		
2.25.2. Submission of Form of Bid as given in ANNEX – 'E'		
2.25.8. Proper authority to the officer who signs the bids (authorized officer) from the respective bidder or the principal for signing all documents related to the bid		
2.26. Validity of the offer		
2.27. Agreement (Annex – 'G')		
Agreement to Amendment Notice(s) [if any]		

It should be noted that as described in 2.12.1., 2.12.2 & 2.12.3 Bidders are informed that

- * The premium quoted for Murban Crude Oil shall be fixed throughout the seven (07) months contract period commencing from 01/06/2022 TO 31/12/2022.
- ** The interest rate shall be common to Murban Crude Oil and fixed throughout the seven (07) months contract period commencing from 01/06/2022 TO 31/12/2022.
- *** The Local Agency Commission (USD) (if any) shall be fixed throughout the seven (07) months contract period commencing from 01/06/2022 TO 31/12/2022.
- 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 undertake to deliver the quality/quantity of Murban 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

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

- 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 30 DAYS PAYMENT OPTION.

**PURCHASE - SALE OF CARGOES OF
MURBAN CRUDE OIL**

REF: CR/TERM/CRUDE OIL/MURBAN/2022-R-1

**TERM CONTRACT
01/06/2022 – 31/12/2022
BETWEEN**

CEYLON PETROLEUM CORPORATION

AND

.....

TERM CONTRACT BETWEEN
CEYLON PETROLEUM CORPORATION AND

.....
FOR THE PURCHASE OF MURBAN CRUDE OIL
REF: CR/TERM/CRUDE OIL/MURBAN/2022-R-1

This AGREEMENT is entered into between the CEYLON PETROLEUM CORPORATION a Corporation duly established by an Act of Parliament Act No: 28 of 1961 whose Head Office is at No. 609, Dr. Danister De Silva Mawatha, Colombo – 09 Sri Lanka (hereinafter referred to as the “Buyer”) of the One Part and (hereinafter referred to as the “Seller”) of the Other Part.

WHEREBY it is agreed between the parties hereto as follows:

1. PERIOD OF CONTRACT :

This Agreement shall commence on and subject to the provisions hereof shall remain in force for a period of seven (07) months ending 31/12/2022.

2. BUYER : Ceylon Petroleum Corporation (CEYPETCO),
No. 609, Dr. Danister De Silva Mawatha,
Colombo – 09,
Sri Lanka.

3. SELLER :
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4. SCOPE :

During the period of the Agreement, the Seller shall sell and deliver and the Buyer shall purchase and pay for and take or cause to be taken Murban Crude Oil for delivery at Single Point Buoy Mooring 1 (SPBM 1), Colombo, Sri Lanka for a period of **seven (07) months commencing from 01st June 2022 to 31st December 2022** where not in conflict with the terms contained herein, Incoterms 2010 to apply.

5. QUANTITY :

PRODUCT	QUANTITY TO BE DELIVERED / PURCHASED		NO. OF SHIPMENTS
	TOTAL CONTRACTUAL QUANTITY	PER SHIPMENT QUANTITY	
MURBAN CRUDE OIL	4,200,000 BBLs +/- 5%	700,000 BBLs +/- 5%	06

6. QUALITY :

Quality is 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.

7. INSPECTION AT LOAD PORT

- 7.1. The Buyer shall nominate an independent inspector (GEO-CHEM/ITS CALEB BRETT/SBC ASIA – SAYBOLT/SGS/BUREAU VERITAS/CCIC/AMSPEC) acceptable to the Seller to sample, test and certify the quality of Murban 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 carry out 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) and quantity certificates and any other documents specified.
- 7.2. The Buyer 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**.
- 7.3. It is the responsibility of the Seller to ensure the presence of the independent inspector at the time of loading of the cargo at the load port. The Seller shall cooperate and liaise with the independent inspector to ensure that the inspection is carried out to the satisfaction of the Buyer. 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 7.1.** and the second inspector if nominated by the Buyer as per **Sub Clause 7.2.**
- 7.4. The Buyer will furnish full particulars of the respective cargo to be purchased to the independent inspector under advice to the Seller. 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 sheet.

Shore tank quality certificate issued by the Seller’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.

- 7.5. The Seller shall ensure that vessel loads with only Murban Crude Oil. The independent inspector nominated by the Buyer and accepted by the Seller shall also ensure that the vessel loads only with Murban Crude Oil.
- 7.6. The Seller shall load the cargo complying with CEYPETCO tender specification at their own risk.
- 7.7. The Buyer shall provide at least three (03) e-mail addresses for such correspondence to the Seller and the Seller shall send the quality certificates to all three e-mail addresses provided by the Buyer for the said purpose.

- 7.8. In the event product is loaded from different shore tanks, the independent inspector nominated by the Buyer and accepted by the Seller shall ensure that the vessel loads only with Murban Crude Oil.
- 7.9. The cost of inspection at load port shall be shared equally between The Buyer and the Seller.
- 7.10. Quantities mentioned in the Bills of Lading (B/Ls) at Jebel Dhanna, U.A.E. or Fujairah, U.A.E. shall be binding on both parties.
- 7.11. In the event that the Seller does not agree to the nominated independent inspector by the Buyer as per the **clause 7.1.** above, the Seller is permitted to nominate an alternative independent inspector and get the acceptance of the Buyer, liable in the said clause under no circumstances the Seller shall be permitted to change such alternative nomination thereafter.

8. INSPECTION AT DISCHARGE PORT

- 8.1. Discharge port independent inspector shall be different to that of the load port.
- 8.2. 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/MAS MARINE/STAR MARINE) at Colombo. Such determinations shall be reported on the certificate of quality finally issued by CEYPETCO Refinery laboratory.
- 8.3. Two sets of ship tank samples with adequate quantities for **Murban 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 the Buyer/CPSTL representatives and a representative if nominated by the Seller. Both samples shall be properly sealed and authenticated by the independent inspector, vessel's master or representative of the master and the Buyer/CPSTL representatives and representative if nominated by the Seller.

First composite sample to be prepared at CEYPETCO Refinery Laboratory for **Murban 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 8.2.** while the second set of composite sample for **Murban Crude Oil** shall be retained under the custody of the independent inspector.

- 8.4. Under no circumstances a representative of the seller from an inspection company and an employee of the inspection company as mentioned under sub clause 8.2. will be allowed
- 8.5. Under no circumstances a protective inspector will be allowed to the seller other than the mutually agreed independent inspector.
- 8.6. The seller shall declare in the bid that certificate of quality at discharge port for **Murban Crude Oil** shall be on the basis of ship tank composite sample taken on arrival of the vessel at discharge port.

- 8.7. 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 retained with the independent inspector, shall be tested at the Refinery laboratory as specified in **sub clause 8.2.** in the presence of the mutually agreed independent inspector, representatives from the Buyer, a representative from Seller's Cargo Insurer, two representatives from the Seller 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 certificates issued by Refinery laboratory.
- 8.8. If the specification of the product deviated from the CEYPETCO standard specifications, the Buyer reserves the right to reject the total cargo.
- 8.9. Under no circumstance further samples shall be drawn from ship's tanks other than the samples proposed under **sub clause 8.3.** to determine the quality of cargo at discharge port.
- 8.10. The quality certificate at discharge port, Colombo shall be issued by the independent inspector based on the test report of Refinery laboratory.
- 8.11. Discharge of the vessel shall commence only after the certificate is issued by the independent inspector and accepted by the Buyer.
- 8.12. 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 Seller shall deduct the excess loss and/or free flowing product left on board from the Bill of Lading quantity for invoice purposes.

- 8.13. In the event the out-turn loss is proved to be due to the Buyer'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.
- 8.14. The cost of inspection, including cost for testing of second composite sample payable to independent inspector at discharge port, shall be shared equally between the Buyer and the Seller.

9. RECOVERY OF DAMAGES OR LOSSES FOR CEYPETCO DUE TO UNACCEPTABLE QUALITY

- 9.1. 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 8.** the Buyer reserves the right to reject the full consignment on board the vessel.

The Seller shall provide the Buyer with copy of following documents after shipment to evidence cargo loaded is Murban Crude Oil.

9.1.1. Certificate of Quality issued by ADNOC/ADCO.

9.1.2. 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.

9.2. In such a case the Seller is obliged to provide a replacement cargo at the request of the Buyer without any additional cost to the Buyer within the time specified by the Buyer subject to payment of **zero point one percent (0.1%)** of the dap "value of the rejected cargo" per day for the period commencing from the date of rejection of the cargo until the replacement cargo is delivered at Colombo (i.e. Up to the NOR tendered time) during the new laycan subject to the **maximum of twenty (20) days**. Value of the rejected cargo shall be determined, based on the B/L quantity, the delivery month of the rejected cargo and as per the **Clause 11. 'Price / Interest / Payment'** of this agreement. Determination of the new laycan will be at the discretion of the Buyer. However, the Buyer shall not unreasonably delay the allocation of the alternative delivery laycan.

The consent for the supply of replacement cargo shall be communicated in writing by the Seller to the Buyer within **forty eight (48) hours** of such request by the Buyer.

9.3. 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 the buyer as required.

9.4. The pricing of the replacement cargo shall be determined as per the price of the delivery month of the replacement cargo plus premium/discount. The calculation of the value of the replacement cargo shall be as per the **Clause 11. 'Price / Interest / Payment'**.

9.5. In the event, failure by the Seller to provide a replacement cargo, the Buyer reserves the right to terminate the contract and to forfeit the Performance Security Guarantee.

9.6. 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 the Buyer.

9.7. In the event the Buyer deciding, at its sole discretion, not to request a replacement cargo for Murban Crude Oil, a recovery of damages or losses for the Buyer which amounts to **one point five percent (1.5%)** of DAP Colombo value of such rejected cargo shall be claimed and the Seller may settle such amounts directly to the Buyer.

In the event, the Seller does not agree to settle a recovery of damages or losses directly to the Buyer as claimed by the Buyer, it shall be considered as the non-performance of the contract. Moreover, the Buyer shall reserve the right to recover such damages or losses for the buyer so accumulated from the Performance Security Guarantee at the end of the contract.

10. 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.

11. PRICE / INTEREST / PAYMENT

11.1. Payment in thirty (30) days - option-1

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 for the delivery month of the cargo at Colombo, plus a fixed premium/discount for the first 30 days interest free credit period.

11.2. Payment in ninety (90) days - option-2

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 for the month belongs to the first day of the two day delivery laycan of the cargo at Colombo, 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 delivery laycan. If the first day of the delivery laycan is a non-banking day in London, then three (03) months LIBOR (U.S. Dollar) quote will be the following London Banking day after the first day of the delivery laycan. L/C amount shall cover the cargo value and the interest amount for the extended payment period.

11.3. Payment in hundred and eighty (180) days - option-3

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 for the month belongs to the first day of the two day delivery laycan of the cargo at Colombo, 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 delivery laycan. If the first day of the delivery laycan is a non-banking day in London, then six (06) months LIBOR (U.S. Dollar) quote will be the following London Banking day after the first day of the delivery laycan. L/C amount shall cover the cargo value and the interest amount for the extended payment period.

11.4. Payment will be made thirty (30) days (Option-1) or ninety (90) days (Option-2) or hundred and eighty (180) days (Option-3) 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 seller. Confirmation charges of L/C shall be to the beneficiary's account.

11.5. Premium/Discount for Murban Crude Oil and the interest rate applicable over LIBOR shall be fixed throughout the seven (07) months contract period.

11.6. Letter of Credit (L/C) to be established by the Buyer through its bankers either by Bank of Ceylon or People's Bank base on the terms and conditions acceptable to both Seller and the Buyer, at least twelve (12) calendar days prior to the first day of the two day delivery laycan at Colombo.

The seller shall be responsible to trace and verify the receipt of the L/C through their corresponding bank. The Seller shall be responsible to send all required details including Performa invoice for the establishment of the L/C by the Buyer **within 30 days prior to the first day of the two day delivery laycan.**

11.7. 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 clause 11.2. & 11.3.** above for the purpose of interest calculation shall be adjusted as per payment due date being affected under this condition.

11.8. In the event that the Buyer shall remit any monies due and payable to the Seller's 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 interest of **two percent (2%)** per annum, on all amounts remaining outstanding for the period from the date payment was due to the date of the Seller's receipt of payment.

11.9. Final unit price for the product shall be expressed to **three decimal places** by rounding to the third decimal place.

11.10. The "latest date of shipment" in the L/C shall be determine by the Buyer 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 Seller to the L/C shall be subjected to the Clause 14. 'Claims, disputes and recovery of damages or losses for CEYPETCO by late delivery and delivery of lesser quantity than agreed' of this Agreement.

11.11. L/C established by the Buyer will call for the following original documents.

11.11.1. Manually signed original commercial invoice based on the net B/L quantity in barrel @ 60^{of} (in air).

11.11.2. 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.

11.11.3. 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.

11.11.4. Certificate of quantity at load port issued or endorsed by the independent inspector.

- 11.11.5. 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.
- 11.11.6. Certificate of ship arrival quantity at discharge port, Colombo issued or endorsed by the independent inspector.
- 11.11.7. Certificate of outturn quantity at discharge port, Colombo issued or endorsed by the independent inspector.
- 11.11.8. The negotiation of Letter of Credit upon presentation of Letter of Indemnity (LOI) in lieu of above original shipping documents is permitted for the Seller, subject to;
- 11.11.8.1. Presentation of beneficiary's manually signed original commercial invoice.
- 11.11.8.2. Presentation of ship arrival quantity report issued by the independent inspector at discharge port, Colombo.
- 11.11.8.3. Presentation of outturn quantity report issued by the independent inspector at discharge port, Colombo.
- 11.11.8.4. Obtaining prior approval of the buyer for such LOI format.

12. LOCAL AGENT & LOCAL AGENCY COMMISSION

The local agent's commission of USD Per Bbl or MT or lump sum will be deducted from the total DAP Colombo value and paid in Sri Lanka Rupees / No local agency commission is payable.

13. TITLE AND RISK

Title and risk/property of the product supplied under the terms of this contract shall pass on to the Buyer at the discharge port when product passes the Seller's vessel's permanent hose/discharging arm connection.

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

- 14.1. Any claim whatsoever arising between the parties to this agreement, under the terms of this agreement shall be lodged in writing within sixty (60) days of receipt of product by the Buyer or in the case of the cargo is not delivered to the Buyer within sixty (60) days of the last date of delivery laycan as notified by the Buyer. Otherwise any such claim shall be deemed to have been waived.
- 14.2. Every endeavour shall be made to settle any difference or dispute arising from any transaction between the Buyer and the Seller by mutual negotiations, failing which such differences or disputes shall be settled by arbitration.

- 14.3. The place of arbitration shall be Colombo, Sri Lanka.
- 14.4. The Buyer and the Seller agree that any dispute arising out of or in connection with this contract including any question regarding its existence, validity or termination shall be finally settled under the rules of arbitration of the United Nations Commission on International Trade Law (UNCITRAL) procedures.
- 14.5. The language of arbitration shall be English. The arbitration tribunal shall consist of three arbitrators, one to be appointed by the Seller, one by the Buyer and the two arbitrators thus appointed shall choose the third arbitrator.
- 14.6. Arbitration shall be a condition precedent to the institution of any legal action by either party against the other.
- 14.7. This tender shall be governed by and construed in accordance with the Laws of Sri Lanka excluding any conflict of laws and rules.

15. DELIVERY OF MURBAN CRUDE OIL AT SPBM 1, COLOMBO

- 15.1. For each shipment, a five day delivery laycan at SPBM 1, Colombo will be notified by the Buyer to the Seller, ninety (90) days before the first day of the delivery laycan. It is imperative that each shipment is delivered in Colombo during the five day delivery laycan which will be further narrowed down to two days, prior to thirty (30) days which will be notified by the Buyer in one tanker in one lot.

The five day delivery laycan shall fall within the same month.

The two 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.

- 15.2. Delivery of product should be made on DAP Colombo basis (incoterms 2010) in total average cargo size of 700,000 Bbls +/- 5% at the two day delivery laycan indicated by the Buyer to the Seller, thirty (30) days before the first day of the said delivery laycan.
- 15.3. Port of loading for each cargo shall be Jebel Dhanna, U.A.E. or Fujairah, U.A.E. and any loading port under United States sanctions is not acceptable to the Buyer. 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, the Buyer reserves the right to reject the cargo straightaway and claim damages from the Seller. Tests will be carried out at the load port as per the Clause 7. And also before discharging at the Buyer's port as per the Clause 8. 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 the Buyer.
- 15.4. In the event Buyer unable to receive the cargo due to unforeseen event such as;
- (a) Failure of the hose system of the Crude Oil SPBM 1
 - (b) Failure of the Crude Oil SPBM 1

(c) Any major breakdown in pipeline including offshore

The Buyer shall request and Seller should agree to defer the cargo delivery period to a revised date range agreed with the Seller while keeping the price of "Murban ADNOC" FOB price per net US barrel charged by Abu Dhabi National Oil Company ("ADNOC") to term customers lifted by them over the month belongs to the first day of the original two-day delivery laycan already agreed as per the tender document.

16. 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.

- 16.1. Notice of Readiness (NOR) should be tendered between 0600 hrs. and 1500 hrs. during two day delivery laycan agreed upon.
- 16.2. 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 six (6) hrs. thereafter or at the time of completion of mooring, whichever is earlier under normal weather/sea conditions.
- 16.3. 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 the two day delivery laycan. Laytime shall in such case commence six (6) hrs. thereafter or at the time of mooring, whichever is earlier.
- 16.4. 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 the two day delivery laycan.
- 16.5. If NOR is tendered after 1500 hrs of the second 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.
- 16.6. If NOR is tendered after the second 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.
- 16.7. 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.
- 16.8. Any delays in berthing due to weather and/or sea conditions to be counted as half laytime (CONOCO weather clause).

17. 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, CEYPETCO tel no. +94-11-5664649 fax nos. +94-11-5455406/5455400 e-mail: cm@ceypetco.gov.lk, The Manager (Shipping), CEYPETCO tel no. +94-11-5455300 fax no. +94-11-5455407 e-mail: shipping@ceypetco.gov.lk, The Deputy Manager (Operations), CEYPETCO fax no. +94-11-5455432 e-mail: menakaj@ceypetco.gov.lk, The Manager (Refinery Operations), CEYPETCO tel nos. +94-11-2400666/5668490 e-mail: kgh_kodagoda@ceypetco.gov.lk, The Manager (Economics and Scheduling), CEYPETCO tel no. +94-11-2400432 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 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.

18. VESSEL REQUIREMENTS

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

Vessel nominated

18.1.1. 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.

18.1.2. 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.

18.1.3. **Manifold**

- | | | |
|------------------------|---|--|
| A) Manifold location | - | midship (port side) |
| B) Manifold connection | - | one 12 inch studed Camlock Flange ANSI class 150 |

18.1.4. **Details of derrick at manifold location**

Derrick should have minimum safe working load of 10 MT and should be in good operational condition.

18.1.5. **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 |

- 18.1.6. Tanker should be fitted with a central bow fair lead (bull ring) measuring at least 600mm x 450mm.
- 18.1.7. 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.
- 18.1.8. Pedestal fairlead should be fitted for lead to winch/windlass.
- 18.1.9. 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.
- 18.1.10. Tanker should have a “panama” lead right aft on its centre line.
- 18.1.11. A good tow rope (polypropylene) of 10” circm 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.
- 18.1.12. Mooring masters should have free access to navigational charts and equipments required for mooring operation.
- 18.1.13. Wheel house to be kept open throughout the period the tanker made fast to the buoy.
- 18.1.14. A fore-castle watchman to be made available by the tanker throughout the period the tanker made fast to the buoy.
- 18.1.15. All tools required for connection/disconnection of cargo hose to be supplied by the tanker.
- 18.1.16. Connection/disconnection of hose is the responsibility of ship’s staff under the supervision of a ship’s officer on the instructions of the buyer officials on board the tanker.
- 18.1.17. Tanker’s main engine should be kept ready throughout the period of stay at the buoy for manoeuvring promptly on notice.
- 18.1.18. **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.
- 18.1.19. **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.

18.1.20. **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)

18.1.21. Proper accommodation on officers deck should be arranged for the mooring masters, loading masters and independent inspectors.

18.1.22. Meals for mooring masters, loading masters and independent inspectors should be served in officers' dining saloon at the owners expense.

18.1.23. **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

18.1.24. **Crude Oil Washing**

COW should be carried out only upto MARPOL 25% while discharging crude oil without interruption to discharge operation.

19. LIQUIDATED DAMAGES

19.1. The Seller 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 Seller liable for liquidated damages of **zero point two five percent (0.25%)** of the dap value per day for each day of delay after 2400 hrs. of the last day of the two 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, the Buyer will reserve the right to terminate the contract.

19.2. The Seller 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) will make Seller liable for the payment of damages or losses to the Buyer **at the rate of USD 10,000 per each 1,000 MT of short loaded quantity or part thereof on pro-rata basis.**

19.3. 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.

19.4. If the Seller fails to deliver any full shipment unless agreed for an alternative in writing, the Buyer will reserve the right to encash the Performance Security Guarantee.

20. TERMINATION

This agreement may be terminated;

20.1. By mutual consent of both parties.

20.2. In the event of product specifications are not in conformity with the requirements given in **key properties i.e. Density, Sulphur, RVP and BS & W** and the Seller fails to perform as per the remedy under Clause 9. the Buyer reserved the right to terminate the contract at its own discretion.

20.3. If the delay exceeds six (06) days after the last date of the agreed delivery laycan without obtaining prior approval from the Buyer.

20.4. In the event that either the Seller or Buyer is in breach of any of the terms and conditions of the contract.

20.5. In the event the Buyer is unable to purchase agreed quantities as per the tender before the expiry of the contract on **31/12/2022**, extension of the contract to purchase balance quantities is permitted only upon mutual consent, expressed in writing, provided the Buyer has obtaining the approval of the Cabinet of Ministers for such extension. In the event that either party does not agree for extension of the contract, the contract shall be automatically terminated.

21. LINE FLUSHING AT SPBM 1, COLOMBO

21.1. The vessel nominated by the Seller should be capable of flushing the 13Km/22Km 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 sea water, as and when required.

21.2. The Seller shall be bound to give proper instructions to the master of the performing vessel to use Cargo Pumps for line flushing operations while avoiding Stripping Pumps for line flushing. All delays due to low rate of line flushing shall be the responsibility of the Seller.

22. DEMURRAGE

22.1. All claims for demurrage shall be accompanied by the respective charter party. The Buyer shall not be bound by the terms and conditions of the charter party except to the extent such terms and conditions have been communicated to the Buyer and expressly agreed to by the Buyer in writing.

- 22.2. In case of vessel arriving outside laycan agreed upon, laytime to start counting from the time of berthing as per Sub Clause 16.
- 22.3. If the total laytime to complete the entire cargo discharge exceeds the laytime allowed as per clause 16. Buyer will be liable to pay the demurrage to the Seller.
- 22.4. In the event the Seller's vessel arrives late and is berthed on arrival which affects berthing of vessel or vessels which are arriving on schedule, then the Seller'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 the Seller's vessel provided that the Seller's shall agree to bear the demurrages on the subsequent three vessels that arrive on schedule and gets delayed due to the presence of the Seller's vessel on berth. Liability for demurrages on subsequent vessels mentioned herein are in addition to the recovery of damages or losses for the Buyer charged under Clause 14. Claims, disputes and recovery of damages or losses for CEYPETCO by late delivery and delivery of lesser quantity than agreed.

Moreover the Buyer reserves the right to berth the vessel only on SPBM 1 availability basis and based on the requirement for the Murban Crude Oil in the Refinery. Furthermore the Buyer shall not be responsible for any demurrages incurred by the Seller's vessel arriving outside the contractual laycan. The Buyer shall take every endeavour to minimize the overall commercial loss to all parties.

In the event the Seller does not agree to bear the subsequent demurrages (if incurred) and in the event if the subject vessel could not complete the discharging before the arrival of subsequent vessel/s, the Buyer reserves the right to remove the subject vessel from the berth in order to accommodate the subsequent vessel/s of other suppliers. In such a case, the subject vessel will be rebirthed only after the completion of the discharging of the subsequent vessel/s and/or on the pier availability basis.

In any circumstances, the Buyer requires to unload the product on board the vessel as per the product requirement to ensure the energy security of the country, the Buyer compels to discharge the minimum requirement of the cargo on board the subject vessel and all cost involvements in this event such as demurrages of the subsequent three vessels, commercial losses (if any) shall be borne by the Seller.

- 22.5. Demurrage rate of the nominated vessel shall be declared by the Seller at the time of vessel nomination for each cargo.
- 22.6. After acceptance of the nominated vessel by the Buyer, a certified copy of the applicable charter party or duly authenticated fixture note including the rate of demurrage shall be submitted by the Seller. Buyer prefers to have a certified copy of the signed Charter party.

23. FORCE MAJEURE

The Seller or the Buyer 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 Seller's or Buyer'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, the Buyer shall request and the Seller should agree to defer the cargo delivery period to a revised date range agreed with the Buyer while keeping the price of "Murban ADNOC" FOB price per net US barrel charged by Abu Dhabi National Oil Company ("ADNOC") to term customers lifted by them over the month belongs to the first day of the original two-day delivery laycan already agreed as per the tender document.

24. CONFIDENTIALITY

The information contains in this agreement and all information exchanged relating to it are confidential between the Buyer and the Seller. Neither the Buyer nor the Seller shall, without the other's prior written consent, disclose such information to any person outside its own organization except to the extent that disclosure may be legally compulsory to any Government Authority.

25. ASSIGNMENT

The rights and contractual responsibilities pertaining to this contract are not assignable to any third party.

26. TAXES, DUTIES AND FEES

All taxes, duties and fees related to the importation of the products imposed by the government of Sri Lanka are for Buyer's account.

27. OTHER REQUIREMENTS

All other requirements are as per the tender invitation (**Ref: CR/TERM/CRUDE OIL/MURBAN/2022-R-1/DEPUTY COMMERCIAL MANAGER/CEYPETCO/CE/0198 dated 28/12/2021**) and CEYPETCO standard terms and conditions available with the Seller.

28. SELLER'S CONTACTS

Correspondence Address:

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.....,
.....,

Seller -
Contact Person -
Telephone -
Facsimile -
E-mail -

29. BUYER'S CONTACTS

Correspondence Address:

Ceylon Petroleum Corporation (CEYPETCO),
No. 609, Dr. Danister De Silva Mawatha,
Colombo 09,
Sri Lanka.

Buyer - Ceylon Petroleum Corporation
Contact Person - Commercial Manager
Telephone - +94 115 455405 / +94 115 455113
Facsimile - +94 11 5 455406
E-mail - cm@ceypetco.gov.lk

Contact Person - Mahendra Garusinghe – Deputy General Manager (Commercial & Supply Chain)
Telephone - +94 115 455122
Facsimile - +94 11 5 455406
E-mail - mahendrag@ceypetco.gov.lk

In witness whereof the parties hereto have placed their signatures in duplicate on the date herein indicated.

SELLER	BUYER
Signature : Name : Designation : On Behalf Of :	Signature : Name : Designation : On Behalf Of : CEYLON PETROLEUM CORPORATION
Signature : Name : Designation : On Behalf of :	Signature : Name : Designation : On Behalf of : CEYLON PETROLEUM CORPORATION
Date :	Date :
WITNESS	WITNESS
1. (Signature)	1. (Signature)
..... (Name) (Name)
2. (Signature)	2. (Signature)
..... (Name) (Name)