



## **PROCUREMENT DOCUMENT**

### **CEYLON PETROLEUM CORPORATION (CEYPETCO)**

**BID FOR THE SUPPLY OF A SINGLE CARGO OF 280,000 BBLs +/-5% OF  
JET A-1**

**REF: BK/23/2026**

**FOR SINGLE BERTH DISCHARGE AT DOLPHIN TANKER BERTH, COLOMBO  
DURING LAYCAN 07-08/05/2026  
ON DAP COLOMBO BASIS (INCOTERMS 2010)**

CHAIRMAN,  
STANDING HIGH LEVEL PROCUREMENT COMMITTEE (SHLPC) C/O.COMMERCIAL  
MANAGER  
07<sup>TH</sup> FLOOR,  
CEYLON PETROLEUM CORPORATION  
No. 609, DR. DANISTER DE SILVA MAWATHA, COLOMBO 09,  
SRI LANKA.

25/03/2026



## INVITATION FOR BIDS

### CEYLON PETROLEUM CORPORATION (CEPETCO)

#### BID FOR THE SUPPLY OF A CARGO OF

**280,000 BBLs +/- 5 % OF JET A-1 ON DELIVERED AT PLACE (DAP) COLOMBO BASIS**

**(INCOTERMS 2010)**

**FOR SINGLE BERTH DISCHARGE AT DOLPHIN TANKER BERTH, COLOMBO DURING**

**LAYCAN 07-08/05/2026**

#### **SECTION 1 – INSTRUCTIONS TO BIDDERS (ITB)**

##### **1.1. INTRODUCTION FOR THE SUPPLY OF JET A-1 UNDER JET A-1 SUPPLY MODALITY OR 30 DAYS LETTER OF CREDIT OR EX-STORAGE MODALITY**

A. THE CHAIRMAN, STANDING HIGH LEVEL PROCUREMENT COMMITTEE (SHLPC), ON BEHALF OF CEYLON PETROLEUM CORPORATION (HEREINAFTER REFERRED TO AS "CPC/CEPETCO") INVITES FIRM OFFERS FROM THE SUPPLIERS REGISTERED WITH CEPETCO FOR THE SUPPLY OF A CARGO OF 280,000 BBLs +/-5% OF JET A-1 UNDER JET A-1 SUPPLY MODALITY OR PAYMENT IN 30 DAYS LC OR EX-STORAGE MODALITY (100% EX STORAGE MODALITY) FOR SINGLE BERTH DISCHARGE AT DOLPHIN TANKER BERTH, COLOMBO DURING **LAYCAN 07-08/05/2026** ON DAP COLOMBO BASIS (INCOTERMS 2010).

B. INTERESTED SUPPLIERS WILL BE REQUESTED FOR FURTHER INFORMATION / CLARIFICATIONS IF REQUIRED FROM THE COMMERCIAL MANAGER OF CEYLON PETROLEUM CORPORATION [TEL: 0094-7296115; FAX: 0094 – 112 106768; EMAIL: [mgr.commercial@ceypetco.gov.lk](mailto:mgr.commercial@ceypetco.gov.lk) and dmgr.[commercial@ceypetco.gov.lk](mailto:commercial@ceypetco.gov.lk)]

##### **1.1.1. INTRODUCTIONS FOR THE SUPPLY OF JET A-1 UNDER JET A-1 SUPPLY MODALITY**

- a) SUPPLIER HAS TO BRING THE CARGO AT THEIR OWN COST.
- b) JET A-1 WILL BE IMPORTED TO THE COUNTRY ADOPTING THE USUAL PROCEDURE WITH TESTING OF THE CARGO BEEN CARRIED OUT BOTH AT THE LOAD PORT AND THE DISCHARGE PORT AT COLOMBO AND THE CARGO WILL BE SUPPLIED ON DAP COLOMBO BASIS (INCOTERMS 2010).

- c) THE RELEVANT PARTY WILL PROVIDE THE CARGO AT THE SINGAPORE PLATT'S BASE PRICE PLUS/MINUS THE PREMIUM/DISCOUNT AND IT WILL BE CONSIDERED AS THE COST OF THE CARGO. THE RELEVANT AND APPLICABLE TAXES / APPLICABLE IMPORT LEVIES WILL BE PAID TO SRI LANKA CUSTOMS BY CEYPETCO.
- d) AFTER BEEN DISCHARGED AT COLOMBO PORT, THE TITLE TO THE JET A-1 CARGO WILL BE UNDER CEYPETCO WHILE MORTGAGING/PLEDGING TO RELEVANT SUPPLIER IMMEDIATELY UPON DISCHARGE UNTIL THE SALE IS DONE.
- e) THE JET A-1 DISCHARGED AT COLOMBO PORT IS TO BE STORED IN KOLLONNAWA STORAGE TERMINAL AND DISTRIBUTED TO THE AVIATION TERMINALS USING THE USUAL PROCEDURES ADOPTED IN DISTRIBUTION SUBJECT TO THE USUAL QUANTITY MEASUREMENT AND OTHER REGULAR STANDARDS APPLICABLE DURING TERMINAL OPERATIONS USED IN THE CURRENT SUPPLY CHAIN.
- f) THE JET A-1 SALES WILL BE DONE BY CEYPETCO TO AIR LINE CUSTOMERS AS PER THE USUAL PRACTICE UNDER THE PREVAILING CONTRACTS SIGNED BETWEEN CEYPETCO AND AIRLINE CUSTOMERS. THE FACILITY COST INCURRED BY CEYPETCO FOR THIS OPERATION WILL BE RECOVERED FROM THE PROCEEDS OBTAINED FROM SELLING JET A-1 TO CEYPETCO AIRLINES CUSTOMERS.
- g) THE SALES PROCEEDS FROM THE AIRLINES CUSTOMERS WILL BE REMITTED TO A SEPARATE USD ACCOUNT MAINTAINED BY CEYPETCO EXCLUSIVELY FOR THIS PURPOSE. THE FACILITY COST INCURRED BY CEYPETCO WILL BE RETAINED BY CEYPETCO FROM THIS ARRANGEMENT WHILE THE RELEVANT SUPPLIER WILL BE PROVIDED WITH THE FACILITIES TO REPATRIATE THEIR COST COMPONENT IN DOLLARS ON A WEEKLY BASIS. CEYPETCO WILL GUARANTEE THAT NO DEDUCTION WILL BE MADE OTHER THAN THE FACILITY COST WHICH INCLUDE ALL CEYPETCO/CPSTL CHARGES WHICH WILL BE BASED ON THE MUTUALLY AGREED RATES.

## **1.2. ISSUE OF PROCUREMENT DOCUMENT**

1.2.1. LOCAL AGENTS OF THE REGISTERED SUPPLIERS COULD OBTAIN PROCUREMENT DOCUMENT FROM THE COMMERCIAL MANAGER OF CEYLON PETROLEUM CORPORATION BETWEEN 0900 HRS. AND 1500 HRS. (SRI LANKA TIME) ON ANY WORKING DAY COMMENCING FROM **25<sup>TH</sup> MARCH 2026 TO 06<sup>TH</sup> APRIL 2026.**

OR

1.2.2. REGISTERED SUPPLIERS COULD DOWNLOAD THE RELEVANT BID DOCUMENT FROM THE CEYPETCO WEB SITE <https://ceypetco.gov.lk/>

## **1.3. ELIGIBILITY FOR BIDDING**

ONLY THE SUPPLIERS WHO HAVE CURRENTLY BEEN REGISTERED WITH CEYPETCO UNDER THE RELEVANT PRODUCT ARE ELIGIBLE TO SUBMIT BIDS. **THOSE SUPPLIERS WHO ARE SUSPENDED BY CEYPETCO ARE NOT ELIGIBLE FOR BIDDING.**

## **1.4. ACCEPTANCE OF THE BID**

PLEASE REFER CLAUSE 2.20.

**1.5. SUBMISSION OF BIDS**

PLEASE REFER CLAUSE 2.24.

**1.6. LOCAL AGENT PCA3 FORM, AGENT, REPRESENTATIVE OR NOMINEE FOR OR ON BEHALF OF ANY TENDERER & LOCAL AGENCY COMMISSION**

PLEASE REFER CLAUSE 2.25.

**1.7. PRICING METHODOLOGY / CURRENCY**

ALL VALUES SHOULD BE INDICATED IN UNITED STATES DOLLARS (USD).

**1.8. BID SECURITY**

**1.8.1. CASH DEPOSIT IN UNITED STATES DOLLARS**

1.8.1.1. PRIOR TO THE BID OPENING, BIDDERS SHALL DEPOSIT THE UNITED STATES DOLLARS TWO HUNDRED THOUSAND (USD 200,000/=) AMOUNT TO THE ACCOUNT NO. 0001450821 OPERATING IN BANK OF CEYLON, SRI LANKA.

1.8.1.2. THE CASH DEPOSIT SHOULD BE DEPOSITED FOR A MINIMUM PERIOD OF THIRTY (30) DAYS FROM THE DATE OF CLOSING OF THE BID.

1.8.1.3. THE SLIP OF THE CASH DEPOSIT SHOULD BE SUBMITTED ALONG WITH THE BID FOR VERIFICATION BY CEYPETCO AND ONLY THE BIDS WITH FULLY VERIFIED PAYMENTS WILL BE CONSIDERED FOR EVALUATION.

**OR**

**1.8.2. BID SECURITY GUARANTEE**

1.8.2.1. PRIOR TO THE BID OPENING, ALL BIDDERS SHALL ESTABLISH A BID SECURITY GUARANTEE FOR UNITED STATES DOLLARS TWO HUNDRED THOUSAND (USD 200,000/=) FOR THE PROCUREMENT DOCUMENT REFERENCE UNDERTAKING THAT THE BID WILL BE HELD VALID FOR THE SPECIFIED BID VALIDITY PERIOD AND THAT THE BID WILL NOT BE WITHDRAWN DURING THAT PERIOD. SUCH SECURITY SHALL BE IN THE FORM OF A BANK GUARANTEE ISSUED/CONFIRMED BY A LICENCED COMMERCIAL BANK IN SRI LANKA, OR A BANK BASED IN ANOTHER COUNTRY BUT THE GUARANTEE CONFIRMED & ASSURED BY A LICENCED COMMERCIAL BANK IN SRI LANKA, IN FAVOR OF CEYLON PETROLEUM CORPORATION AND PAYABLE TO THE SAME ON DEMAND. THE ORIGINAL BID SECURITY GUARANTEE SHALL BE SUBMITTED ALONG WITH THE OFFER.

**IMPORTANT**

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

1.8.2.2. THE BID SECURITY GUARANTEE SHALL BE VALID FOR A MINIMUM THIRTY (30) DAYS FROM THE DATE OF CLOSING OF THE BID. THE FORMAT OF BID SECURITY GUARANTEE IS ANNEXED HERETO AS **ANNEX - 'A'**.

- 1.8.3. PLEASE NOTE THAT ALL BIDDERS IRRESPECTIVE OF WHETHER THEY ARE RECOGNIZED GOVERNMENT OWNED INSTITUTIONS / SUBSIDIARIES AND/OR OIL MAJORS SHALL SUBMIT THE CASH DEPOSIT IN USD OR BID SECURITY GUARANTEE.
- 1.8.4. FAILURE TO SUBMIT THE BID SECURITY GUARANTEE, INCONFORMITY WITH THE BID REQUIREMENT ON OR BEFORE THE CLOSING TIME OF BID BY ANY BIDDER, WILL RESULT IN THE BID BEING REJECTED. CEYPETCO SHALL BE ENTITLED TO FORFEIT THE BID SECURITY GUARANTEE IN THE EVENT THE SUCCESSFUL BIDDER FAILS TO SUBMIT A PERFORMANCE SECURITY GUARANTEE, WITHIN A PERIOD OF SEVEN (7) WORKING DAYS SUBSEQUENT TO WRITTEN INSTRUCTION FROM CEYPETCO TO ENTER INTO THE SAID CONTRACT.
- 1.8.5. THE BID SECURITY OF THE SUCCESSFUL BIDDER WILL BE RETURNED ONLY AFTER RECEIPT OF THE PERFORMANCE SECURITY GUARANTEE BY THE SUCCESSFUL BIDDER. CEYPETCO SHALL BE ENTITLED TO FORFEIT THE BID SECURITY GUARANTEE UNLESS A PERFORMANCE SECURITY GUARANTEE IS PROVIDED BY THE SUCCESSFUL BIDDER, ON THE DATE SPECIFIED BY CEYPETCO.
- 1.8.6. THE BID SECURITY GUARANTEE FROM THE UNSUCCESSFUL BIDDERS WILL BE RETURNED TO THEM AFTER THE ACCEPTANCE OF THE BID IS MADE TO THE SUCCESSFUL BIDDER.

**1.9. CORRECTION OF ERRORS**

- 1.9.1. WHERE THERE IS A DISCREPANCY BETWEEN THE AMOUNT IN FIGURES AND 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. TOTAL QUANTITY OF THE PRODUCT REQUIRED UNDER THIS CONTRACT IS AS FOLLOWS.

| PRODUCT | CONTRACTUAL QUANTITY |
|---------|----------------------|
| JET A-1 | 280,000 BBL +/-5%    |

- 2.2.2. THE TOTAL QUANTITY OF THE SHIPMENT SHALL BE AS PER THE ANNEX – ‘B’ WHERE TOTAL CARGO SIZE IS **280,000 BARRELS PLUS / MINUS 5%**.

2.2.3. QUANTITY OF THE PRODUCT SHALL BE LOADED WITHIN THE PLUS / MINUS 5% TOLERANCE.

2.2.4. ANY DEVIATION TO THE TOLERANCE LIMIT SPECIFIED UNDER 2.2.3. WILL ONLY BE CONSIDERED UNDER SPECIAL CIRCUMSTANCES, ON MUTUAL AGREEMENT BETWEEN CEYPETCO AND THE SUCCESSFUL SUPPLIER/ BIDDER.

### **2.3. DELIVERY**

2.3.1. THE TWO-DAY DELIVERY LAYCAN SHALL COMMENCE FROM 0001 HRS OF THE FIRST DAY OF THE DELIVERY LAYCAN UP TO THE 2400 HRS OF THE SECOND DAY OF THE TWO-DAY DELIVERY LAYCAN.

2.3.2. THE SUCCESSFUL SUPPLIER/BIDDER SHALL DISCHARGE THE FULL CARGO AS GIVEN IN **ANNEX -'B'** AT DOLPHIN TANKER BERTH, COLOMBO.

### **2.4. IMPORTANT**

2.4.1. **SUPPLY OF JET A-1 UNDER JET A-1 SUPPLY MODALITY OR PAYMENT IN 30 DAYS LC OR EX-STORAGE MODALITY.**

A. SUCCESSFUL SUPPLIER/BIDDER SHALL DELIVER THE CARGO FOR SINGLE BERTH DISCHARGE AT DOLPHIN TANKER BERTH, COLOMBO IN ONE LOT DURING THE SAID TWO DAY CONTRACTUAL LAYCAN.

B. IT IS IMPERATIVE THAT THE CARGO IS DELIVERED FOR SINGLE BERTH DISCHARGE AT DOLPHIN TANKER BERTH, COLOMBO **IN ONE LOT** DURING THE TWO DAY CONTRACTUAL LAYCAN UNDER EX-STORAGE MODALITY OR JET A-1 SUPPLY MODALITY OR 30 DAYS LC UNDER NO CIRCUMSTANCES THE CARGO WILL BE ACCEPTED IN TWO SEPARATE TANKERS. SHOULD THE SUCCESSFUL SUPPLIER / BIDDER FAIL TO DELIVER THE CARGO SINGLE BERTH DISCHARGE AT DOLPHIN TANKER BERTH, COLOMBO IN ONE LOT DURING THE SAID TWO DAY CONTRACTUAL LAYCAN, THE SUCCESSFUL SUPPLIER / BIDDER WOULD BE HELD LIABLE FOR HEAVY PENALTIES AND ALL CONSEQUENTIAL LOSSES.

2.4.2. **SUPPLY OF JET A-1 UNDER EX-STORAGE MODALITY**

A. THE QUANTITY OF THE PRODUCT DISCHARGED AT THE COLOMBO PORT SHALL BE CERTIFIED BY THE MUTUALLY APPOINTED INDEPENDENT INSPECTOR AND SHALL THERE UPON BE STORED AT THE STORAGE FACILITIES OWNED AND OPERATED BY THE CEYLON PETROLEUM STORAGE TERMINALS LIMITED (CPSTL) AT THE OIL TERMINALS LOCATED AT KOLONNAWA ("STORAGE FACILITY") AND WILL BE DISCHARGED ADOPTING THE USUAL DISTRIBUTION AND OPERATIONAL PROCEDURES OF CPSTL/CEYPETCO SUBJECT TO THE ADHERENCE OF USUAL QUANTITY MEASUREMENT AND OTHER REGULAR STANDARDS APPLICABLE DURING TERMINAL OPERATIONS USED IN THE CURRENT SUPPLY CHAIN. FOR THE AVOIDANCE OF DOUBT EACH WITHDRAWAL OF THE PRODUCT FROM THE STORAGE FACILITY SHALL BE SUBJECT TO SUB CLAUSE 2.4.2 AND SHALL REQUIRE THE PRIOR WRITTEN APPROVAL OF THE MUTUALLY APPOINTED INDEPENDENT INSPECTOR.

- B. PRIOR TO WITHDRAWING THE PRODUCT FROM THE STORAGE FACILITY, CEYPETCO SHALL INFORM THE SUCCESSFUL SUPPLIER/ BIDDER THE QUANTITY WHICH WOULD BE WITHDRAWN AND EFFECT PAYMENT IN FULL AS SPECIFIED UNDER THE CLAUSE 2.12.4 IN RESPECT OF THE SAID QUANTITY OF WITHDRAWAL IN UNITED STATES DOLLARS BY WAY OF TELEGRAPHIC TRANSFER (TT) TO THE BANK ACCOUNT OF THE SUCCESSFUL SUPPLIER/ BIDDER.
- C. RECEIPT BY THE SUCCESSFUL SUPPLIER/ BIDDER OF THE FULL PAYMENT FOR THE PRODUCT WITHDRAWAL QUANTITY FROM CEYPETCO AS WELL AS THE APPROVAL OF THE MUTUALLY APPOINTED INDEPENDENT INSPECTOR SHALL BE CONDITIONS PRECEDENT TO THE RELEVANT WITHDRAWAL FROM THE STORAGE FACILITY.
- D. THE FINAL INVOICE SHALL BE RAISED BY THE SUCCESSFUL SELLER/ BIDDER IN SUCH A WAY THAT THE CUMULATIVE QUANTITY OF ALL INVOICES DOES NOT EXCEED THE B/L QUANTITY INDICATED IN THE RESPECTIVE B/L SUBJECTED TO CLAUSE NO 2.11. "OUT TURN LOSS".
- E. OUTTURN QUANTITY WILL BE REPORTED AND CERTIFIED BY THE INDEPENDENT INSPECTOR IN THE "CERTIFICATE OF QUANTITY" ISSUED AT THE DISCHARGE PORT.
- F. CEYPETCO AND CPSTL SHALL HOLD THE CUSTODY OF THE PRODUCT RECEIVED FROM THE SUCCESSFUL SUPPLIER/ BIDDER AT THE STORAGE FACILITY OWNED BY THE CPSTL AT ITS COST UNTIL SALES ARE COMPLETED.
- G. CEYPETCO AND CPSTL SHALL BE RESPONSIBLE FOR ANY LOSS OR DAMAGE TO THE PRODUCT CARGO WHILE IN CEYPETCO / CPSTL STORAGE TANKS UNTIL THE EX-STORAGE MODALITY AGREEMENT WILL BE TERMINATED AS PER ANY OF THE CLAUSES UNDER CLAUSE 18. TERMINATION IN THE STORAGE AGREEMENT.

## **2.5. THIRD PARTY CARGO**

- 2.5.1. SUCCESSFUL SUPPLIER/BIDDER IS NOT PERMITTED TO CARRY ANY THIRD- P A R T Y CARGO ALONG WITH THIS CARGO IN THE SAME TANKER.

## **2.6. SOURCE OF SUPPLY**

- 2.6.1. THE COUNTRY OF ORIGIN & THE PORT OF SHIPMENT OF THE PRODUCT SHALL BE CLEARLY INDICATED.
- 2.6.2. IT IS PREFERRED TO BUY JET A-1 DIRECTLY FROM REFINERIES.
- 2.6.3. BLENDING OF PRODUCTS ON BOARD IS STRICTLY PROHIBITED.
- 2.6.4. IF THE PRODUCTS ARE PURCHASED FROM A THIRD PARTY, THE FULL DETAILS OF THE THIRD PARTY INCLUDING THE ORIGINAL SOURCE OF PURCHASE SHALL BE CLEARLY INDICATED. TRACEABILITY OF JET A-1 IS A REQUIREMENT UNDER THE JOINT INSPECTION GROUP (JIG) STANDARDS.

## 2.7. QUALITY

- 2.7.1. SUCCESSFUL SUPPLIER/BIDDER SHALL ENSURE THAT THE PRODUCTS OFFERED ARE IN CONFORMITY WITH THE RELEVANT SPECIFICATIONS GIVEN IN ANNEX - 'C'. BIDDER SHALL STATE THE COMPLIANCE TO THE SPECIFICATIONS IN ANNEX - 'C-1' FOR JET A-1 & SUBMIT ALONG WITH THE BID.
- 2.7.2. IT IS REQUIRED TO SUBMIT A BATCH ANALYSIS REPORT FOR THE CONDUCTIVITY AGENT AND MATERIAL SAFETY DATA SHEET (MSD) RELATED TO THE ADDITIVE DELIVERED ALONG WITH INTENDED JET A-1 SUPPLY UNDER THE CONTRACT.

## 2.8. MODE OF LOADING/PORT OF LOADING

- 2.8.1. UNDER THIS SHIPMENT, ALL TYPES OF PRODUCTS SHALL BE LOADED ON TO THE NOMINATED VESSEL ONLY FROM SHORE TANKS AND THE SHIP-TO-SHIP TRANSFER OF PRODUCTS SHOULD BE AVOIDED.
- 2.8.2. UNDER NO CIRCUMSTANCES ANY PRODUCT SHALL BE LOADED TO THE SLOP TANKS OF THE VESSEL. THE PRODUCT LOADING PLAN SHALL BE PROVIDED TO CEYPETCO INDICATING ALL NOMINATED TANKS.

## 2.9. INSPECTION

### 2.9.1 INSPECTION AT LOAD PORT

- 2.9.1.1 SUCCESSFUL SUPPLIER/BIDDER SHALL NOMINATE AN INDEPENDENT INSPECTOR (GEO-CHEM / ITS CALEB BRETT / SBC ASIA – SAYBOLT / BUREAU VERITAS / CCIC / AMSPEC/TANKOIL-EGYPT) ACCEPTABLE TO CEYPETCO TO SAMPLE, TEST AND CERTIFY THE QUALITY OF JET A-1 FOR IN CONFORMITY WITH THE AGREEMENT SPECIFICATIONS AND THE QUANTITY FOR IN CONFORMITY WITH THE DECLARED QUANTITY. THEY SHOULD BE PRESENT AT THE TIME OF LOADING OF THE CARGO TO CARRYOUT/ WITNESS THE INSPECTION AND TO PREPARE THE QUALITY 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 SAMPLING, TESTING AND LOADING OF THE CARGO AT THE LOAD PORT. THE SUCCESSFUL SUPPLIER/BIDDER SHALL CO-OPERATE AND LIAISE WITH THE INDEPENDENT INSPECTOR TO ENSURE THAT THE INSPECTION IS CARRIED OUT IN CONFORMITY WITH THE INDUSTRY STANDARDS FOR JET A-1.
- 2.9.1.4 THE QUALITY AND QUANTITY OF THE PRODUCTS SHALL BE TESTED IN ACCORDANCE WITH GOOD INDUSTRY STANDARDS AND PRACTICES, USING INTERNATIONALLY ACCEPTED SAMPLING AND ANALYTICAL / TESTING METHODS STIPULATED IN RELEVANT SPECIFICATION SHEETS.



2.9.1.5 SHORE TANK QUALITY CERTIFICATE ISSUED AT THE SUCCESSFUL SUPPLIER/BIDDER'S TERMINAL AND SIGNED BY THE INDEPENDENT INSPECTOR, SHALL BE FORWARDED/ COMMUNICATED TO THE DEPUTY GENERAL MANAGER (COMMERCIAL & SUPPLY CHAIN) OR COMMERCIAL MANAGER OF CEYPETCO THROUGH E-MAIL, BEFORE COMMENCEMENT OF LOADING.

2.9.1.6 THE SUCCESSFUL SUPPLIER/BIDDER SHALL ENSURE THAT VESSEL LOADS ONLY JET A-1 THAT MEET(S) EACH, EVERY AND ALL SPECIFICATIONS AS SPECIFIED. THE INDEPENDENT INSPECTOR SHALL ALSO ENSURE THAT THE VESSEL LOADS ONLY JET A-1 THAT IS/ARE ON SPECIFICATIONS.

IF THE LOAD PORT QUALITY CERTIFICATE OF THE PRODUCT(S) DOES/ DO NOT MEET THE SPECIFICATION/S, CEYPETCO SHALL COMMUNICATE THE REJECTION OF SUCH PRODUCT(S) WITH REASONS WITHIN A REASONABLE TIME PERIOD AFTER THE SUCCESSFUL SUPPLIER/BIDDER HAS SENT THE QUALITY CERTIFICATES THROUGH E-MAIL.

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

2.9.1.8 THE SUCCESSFUL SUPPLIER/BIDDER SHALL LOAD THE CARGO COMPLYING WITH JET A-1 SPECIFICATION.

2.9.1.9 IN THE EVENT PRODUCT IS LOADED FROM DIFFERENT SHORE TANKS, INDEPENDENT INSPECTOR SHALL PROVIDE QUALITY CERTIFICATES IN RESPECT OF EACH AND EVERY SHORE TANK.

2.9.1.10 THE COST OF INSPECTION AT LOAD PORT SHALL BE SHARED EQUALLY BETWEEN CEYPETCO AND SUCCESSFUL SUPPLIER/BIDDER.

2.9.1.11 INDEPENDENT INSPECTOR SO APPOINTED SHALL BE BOUND TO PROVIDE A TANK CLEANLINESS & DRY CERTIFICATE ENSURING DRY AND CLEANLINESS OF THE VESSEL'S TANKS BEFORE LOADING AND VESSEL'S TANKS FACILITIES SUCH AS PIPELINES, PUMPS AND STRAINERS TO BE CLEANED, DRY AND SUITABLE FOR LOADING OF JETA-1.

2.9.1.12 IT IS EXTREMELY IMPORTANT TO SUBMIT THE ABOVE CERTIFICATE TO CEYPETCO BY THE INDEPENDENT INSPECTOR PRIOR TO COMMENCEMENT OF LOADING. THE SUCCESSFUL SUPPLIER/BIDDER SHALL BE RESPONSIBLE TO LOAD THE CARGO INTO THE CLEAN AND DRY TANKS OF THE VESSEL AS CERTIFIED BY THE INDEPENDENT INSPECTOR.

## 2.9.2 INSPECTION AT 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 CPSTL LABORATORY AND WITNESSED BY THE INDEPENDENT INSPECTOR (ITS CALEB BRETT / GEO-CHEM / SBC ASIA – SAYBOLT / BUREAU VERITAS/ CCIC SOUTH ASIA (PVT) LTD, COLOMBO/TANKOIL LANKA/AMSPEC) AT COLOMBO AND ONE REPRESENTATIVE IF NOMINATED BY THE SUCCESSFUL SUPPLIER/BIDDER. SUCH DETERMINATIONS SHALL BE BASED ON THE RECOGNISED CARGO ANALYSIS CARRIED OUT BY THE CPSTL LABORATORY. THE CERTIFICATE OF QUALITY ISSUED BY CPSTL LABORATORY AS WITNESSED BY THE INDEPENDENT INSPECTOR AT COLOMBO BASED ON SUCH RECOGNISED CARGO ANALYSIS SHALL BE BINDING ON BOTH PARTIES.

CEYPETCO SHALL RESERVE THE RIGHT TO DEPLOY ITS OWN REPRESENTATIVE/S TO WITNESS THE SAMPLING / TESTING PERFORMED AT THE VESSEL / CPSTL LABORATORY.

2.9.2.3 A SHIP TANK COMPOSITE SAMPLE WITH ADEQUATE QUANTITIES SHALL BE 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 REPRESENTATIVE IF NOMINATED BY THE SUCCESSFUL SUPPLIER/BIDDER. SAMPLES SHALL BE PROPERLY SEALED AND AUTHENTICATED BY THE INDEPENDENT INSPECTOR, VESSEL'S MASTER OR REPRESENTATIVE OF THE MASTER AND REPRESENTATIVES OF THE CEYPETCO / CPSTL AND REPRESENTATIVE IF NOMINATED BY THE SUCCESSFUL SUPPLIER/BIDDER. SUCH SAMPLE/S WILL BE ANALYZED AT THE CPSTL LABORATORY ACCORDING TO CONTRACTUAL SPECIFICATION AND SHALL BE WITNESSED BY THE MUTUALLY AGREED INDEPENDENT INSPECTOR. THE RESULT OF THE ANALYSIS SHALL BE THE RECOGNIZED CARGO ANALYSIS AND SHALL BE BINDING ON BOTH PARTIES.

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. UNDER NO CIRCUMSTANCES A PROTECTIVE INSPECTOR WILL BE ALLOWED TO THE SUCCESSFUL SUPPLIER/BIDDER OTHER THAN THE MUTUALLY AGREED INDEPENDENT INSPECTOR.

2.9.2.5 THE SUCCESSFUL SUPPLIER/BIDDER SHALL DECLARE IN THE BID THAT THE CERTIFICATE OF THE QUALITY AT DISCHARGE PORT **OF THE PRODUCT** SHALL BE ON THE BASIS OF SHIP TANK COMPOSITE SAMPLE TAKEN ON ARRIVAL OF THE VESSEL AT DISCHARGE PORT AS PER THE SUB CLAUSE 2.9.2.3.

2.9.2.6 HOWEVER, IN THE EVENT THE FIRST COMPOSITE SAMPLE DOES NOT MEET THE CONTRACTUAL SPECIFICATIONS, THE INDEPENDENT INSPECTOR WILL BE REQUESTED TO DRAW A SECOND SET OF SAMPLES FROM VESSEL'S INDIVIDUAL TANKS IN THE PRESENCE OF REPRESENTATIVES FROM CEYPETCO/CPSTL, A REPRESENTATIVE FROM THE SUCCESSFUL SUPPLIER/BIDDER'S CARGO INSURER, TWO REPRESENTATIVES FROM THE SUCCESSFUL SUPPLIER/BIDDER AND ONE REPRESENTATIVE FROM THE PROTECTION & INDEMNITY INSURANCE (P&I CLUB).

SUCH INDIVIDUAL SAMPLE WILL BE ANALYZED AT THE LABORATORY OF CPSTL ACCORDING TO THE CONTRACTUAL SPECIFICATIONS AND SHALL BE WITNESSED BY THE MUTUALLY AGREED INDEPENDENT INSPECTOR. THE RESULTS OF THESE ANALYSIS BASED ON THE SAMPLES DRAWN FROM VESSEL'S INDIVIDUAL TANKS SHALL BE THE RECOGNIZED CARGO ANALYSIS AND SHALL BE BINDING ON BOTH PARTIES. ALL REPRESENTATIVES WITNESS THIS TEST REQUIRED TO BE SIGNED EACH OF THE FULL TEST CERTIFICATES ISSUED BY CPSTL LABORATORY.

2.9.2.7 IF THE SPECIFICATION OF ANY OR ALL OF THE PRODUCT/S DEVIATED FROM THE SPECIFICATIONS, CEYPETCO RESERVES THE RIGHT TO REJECT ANY OR ALL OF SUCH PRODUCT/S.

2.9.2.8 UNDER NO CIRCUMSTANCES, SHALL ANY TESTING RESULTS FROM ANY OTHER LABORATORIES OTHER THAN THE CPSTL LABORATORY BE ENTERTAINED FOR FINAL DETERMINATION OF THE QUALITY OF THE SUBJECT CARGO.

2.9.2.9 IN THE EVENT OF CEYPETCO DECIDING TO ACCEPT A PART CARGO ON BOARD THE VESSEL BASED ON THE TEST RESULTS OF THE SECOND TEST FOR THE INDIVIDUAL TANKS, THE PART CARGO SHALL BE DISCHARGED AT THE SOLE DISCRETION OF CEYPETCO. ACCEPTANCE OF PART CARGO TO BE MUTUALLY DISCUSSED AND AGREED. IN CASE IT IS MUTUALLY AGREED TO ACCEPT PART CARGO DISCHARGE, THEN LAYTIME AND DEMURRAGE TO BE PRO-RATED IN LINE WITH THE QUANTITY OF CARGO DISCHARGED. THE TIME PERIOD BETWEEN FIRST REJECTION OF THE CARGO OR PART CARGO AND RECOMMENCEMENT OF THE LAYTIME FOR THE PART CARGO SHALL NOT BE COUNTED AS USED LAYTIME.

2.9.2.10 THE QUALITY CERTIFICATE AT DISCHARGE PORT, COLOMBO SHALL BE ISSUED BY THE INDEPENDENT INSPECTOR BASED ON THE TEST REPORT OF CPSTL LABORATORY.

2.9.2.11 DISCHARGE OF VESSEL SHALL COMMENCE ONLY AFTER THE CERTIFICATE OF QUALITY AT DISCHARGE PORT, AS ISSUED BY INDEPENDENT INSPECTOR BASED ON THE TEST REPORTS OF CPSTL LABORATORY AND COUNTERSIGNED BY CEYPETCO'S REPRESENTATIVE, IS IN THE POSSESSION OF THE SUCCESSFUL SUPPLIER/BIDDER.

- 2.9.2.12 THE QUANTITY OF PRODUCTS AT THE DISCHARGE PORT COLOMBO SHALL BE DETERMINED BY AN INDEPENDENT INSPECTOR (ITS CALEB BRETT / GEO-CHEM/ SBC ASIA – SAYBOLT / BUREAU VERITAS/ CCIC SOUTH ASIA (PVT) LTD, COLOMBO/TANKOIL LANKA/AMSPEC) AT COLOMBO. SUCH DETERMINATIONS SHALL BE REPORTED ON THE CERTIFICATE OF QUANTITY.
- 2.9.2.13 FINAL QUANTITY SHALL BE DETERMINED AS AVERAGE OF SHIP TANK DISCHARGED FIGURE AND SHORE TANK RECEIVED (OUT-TURN) FIGURES BY A MUTUALLY AGREED INDEPENDENT INSPECTOR.
- 2.9.2.14 THE COST OF INSPECTION, INCLUDING COST FOR TESTING OF SECOND COMPOSITE SAMPLE PAYABLE TO INDEPENDENT INSPECTOR AT DISCHARGE PORT, SHALL BE SHARED EQUALLY BETWEEN CEYPETCO AND SUCCESSFUL SUPPLIER/BIDDER.

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

- A) IF THE QUALITY OF THE PRODUCT AT THE DISCHARGE PORT DOES NOT MEET / COMPLY WITH THE CONTRACTUAL SPECIFICATIONS SPECIFIED UNDER **ANNEX - 'C'** WITH RESPECT TO ANY OF THE PARAMETERS INDICATED THEREIN, SUBJECT TO **CLAUSE 2.9.2.6** CEYPETCO RESERVES THE RIGHT TO REJECT THE FULL CONSIGNMENT ON BOARD THE VESSEL OR PART OF THE CONSIGNMENT AS THE CASE MAY BE.
- B) IN SUCH A CASE THE SELLER IS OBLIGED TO PROVIDE A REPLACEMENT CARGO AT THE REQUEST OF THE CEYPETCO FROM THE SUCCESSFUL SUPPLIER/BIDDER WITHOUT ANY ADDITIONAL COST TO THE CEYPETCO WITHIN THE FIRST TWENTY (20) DAYS FROM THE DATE OF THE REJECTION OF THE ORIGINAL CARGO NO ANY ADDITIONAL COST WILL BE CHARGED BY CEYPETCO FROM THE SUPPLIER / BIDDER. DETERMINATION OF THE NEW LAYCAN WILL BE AT THE DISCRETION CEYPETCO. HOWEVER, THE CEYPETCO SHALL NOT UNREASONABLY DELAY THE ALLOCATION OF AN ALTERNATIVE DELIVERY LAYCAN.

IF THE SELLER IS OBLIGED TO PROVIDE THE REPLACEMENT CARGO AT REQUEST OF THE CEYPETCO FROM SUCCESSFUL SUPPLIER/BIDDER WITHOUT ANY ADDITIONAL COST TO THE CEYPETCO AND IF ANY DELAY AFTER THE FIRST TWENTY (20) DAYS FROM THE DATE OF REJECTION OF THE ORIGINAL CARGO SUBJECT TO PAYMENT OF ZERO POINT ZERO FIVE PERCENT (0.05%) OF THE DAP "VALUE OF THE REJECTED CARGO" PER DAY PRO-RATA BASIS BY THE SUCCESSFUL SUPPLIER/BIDDER TO CEYPETCO FOR THE PERIOD COMMENCING FROM THE 2400 HRS OF THE TWENTIETH (20<sup>TH</sup>) DAY FROM THE DATE OF REJECTION OF THE CARGO UNTIL THE REPLACEMENT CARGO IS DELIVERED AT COLOMBO (I.E. UP TO THE NOTICE OF READINESS (NOR) TENDERED TIME] DURING THE NEW LAYCAN WITHOUT ANY ADDITIONAL COST TO CEYPETCO. VALUE OF THE REJECTED CARGO SHALL BE DETERMINED, BASED ON THE B/L QUANTITY, THE FIRST DAY OF THE AGREED TWO DELIVERY LAYCAN OF THE REJECTED CARGO AND AS PER THE PRICING CLAUSE OF THE PROCUREMENT DOCUMENT.

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.

- C) 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.
- D) THE PRICING OF THE REPLACEMENT CARGO SHALL BE DETERMINED AS PER THE FIVE-DAY AVERAGE PRICE AROUND 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 OF “**PRICE / PAYMENT**” OF THIS PROCUREMENT DOCUMENT.
- E) IN THE EVENT, FAILURE BY THE SUCCESSFUL BIDDER/SUPPLIER TO PROVIDE A REPLACEMENT CARGO, CEYPETCO RESERVES THE RIGHT TO TERMINATE THE CONTRACT AND TO CALL ON THE PERFORMANCE SECURITY GUARANTEE.
- F) FOR THE REPLACEMENT CARGO, THE SAME TERMS AND CONDITIONS OF THIS PROCUREMENT DOCUMENT SHALL BE APPLICABLE IN ALL ASPECTS INCLUDING QUALITY, DELIVERY AND RECOVERY OF DAMAGES OR LOSSES FOR CEYPETCO.
- G) IN THE EVENT THE CEYPETCO DECIDING, AT ITS SOLE DISCRETION, NOT TO REQUEST A REPLACEMENT CARGO FOR THE PRODUCT/S NO ANY RECOVERY OF DAMAGES OR LOSSES FOR CEYPETCO FROM THE SUCCESSFUL BIDDER/SUPPLIER.

## **2.11. OUT-TURN LOSS**

IN THE EVENT THAT THE OUT-TURN LOSS (OUT-TURN QUANTITY VS. B/L QUANTITY) IS IN EXCESS OF 0.5% AND / OR THERE IS ANY FREE-FLOWING PRODUCT LEFT ON BOARD AS REPORTED BY INDEPENDENT INSPECTORS AT DISCHARGE PORT, COLOMBO THE SUCCESSFUL SUPPLIER / BIDDER SHALL DEDUCT THE EXCESS LOSS AND / OR FREE FLOWING PRODUCT LEFT ON BOARD FROM THE B/L QUANTITY FOR INVOICE PURPOSES.

## **2.12. PRICE / PAYMENT**

### **2.12.1. PAYMENT & INVOICING UNDER JET A-1 SUPPLY MODALITY - OPTION – 01**

DAP COLOMBO PRICE FOR PRODUCT SHALL BE CALCULATED AS FOLLOWS.

PRICE OFFERED BY THE SUCCESSFUL SUPPLIER/BIDDER FOR JET A-1 IN USD PER BARREL ON **DAP COLOMBO BASIS (INCOTERMS 2010)** SHALL BE THE AVERAGE OF THE **MEAN OF PLATTS SINGAPORE PRICE (MOPS) (PJABF00) OF JET KERO** PUBLISHED IN PLATTS MARKET SCAN UNDER THE HEADING “**PLATTS ASIA AND MIDDLE EAST JET KERO ASSESSMENTS**”, ON THE FIRST DAY OF THE TWO DAY DELIVERY LAYCAN, TWO DAYS IMMEDIATELY BEFORE AND TWO DAYS IMMEDIATELY AFTER THE FIRST DAY OF THE TWO DAY DELIVERY LAYCAN (IF THERE IS NO PUBLICATION ON THE FIRST DAY OF THE TWO DAY DELIVERY LAYCAN THEN TWO DAYS IMMEDIATELY BEFORE AND TWO DAYS IMMEDIATELY AFTER THE FIRST DAY OF THE TWO DAY DELIVERY LAYCAN ARE TO BE TAKEN INTO ACCOUNT) PLUS A FIXED PREMIUM/DISCOUNT IN USD PER BBL.

THE DAP COLOMBO UNIT PRICE FOR JET A-1 [MOPS + PREMIUM (USD PER BARREL)] SHALL BE CONVERTED INTO A PER US GALLON (USG) BASIS FOR INVOICING PURPOSES FOR THE SUCCESSFUL SUPPLIER/BIDDER.

UNDER THE JET A-1 SUPPLY MODALITY TOTAL CARGO QUANTITY SHALL BE WITHDRAW WITHIN 45 DAYS FROM THE FIRST DAY OF THE TWO-DAY DELIVERY LAYCAN [FIRST DAY OF THE TWO-DAY DELIVERY LAYCAN IS TO COUNT AS DAY ZERO (0)].

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

THE FINAL INVOICE VALUE ENTITLED TO THE SUCCESSFUL SUPPLIER/BIDDER SHALL BE CALCULATED IN USD BASED ON THE DAP COLOMBO UNIT PRICE FOR JET A-1 CONVERTED TO US GALLONS (USG) AND THE CORRESPONDING OUTTURN QUANTITY AT 15 °C OF PRODUCT IN US GALLONS REPORTED BY THE INDEPENDENT INSPECTOR IN THE CERTIFICATE OF QUANTITY ISSUED AT THE DISCHARGE PORT. SUCH PAYMENT SHALL BE MADE ON WEEKLY BASIS FROM THE SALES PROCEEDINGS.

- 2.12.1.1. SALES PROCEEDS FROM AIRLINES SHALL BE COLLECTED TO THE EXCLUSIVE USD ACCOUNT OF CEYPETCO AND THE SUCCESSFUL SUPPLIER/BIDDER SHALL BE ALLOWED TO VIEW THE ACCOUNT. THE FUNDS IN THIS ACCOUNT WILL BE PRIMARILY USED TO SETTLE THE DUES ONLY FOR THIS TRANSACTION WITH THE SUCCESSFUL SUPPLIER/BIDDER.
  - 2.12.1.2. THE PAYMENT DUE TO THE SUCCESSFUL SUPPLIER/BIDDER WILL BE PAID ON WEEKLY BASIS IN DOLLAR TERMS WITHIN THE COURSE OF THE SUBSEQUENT WEEK AS PER THE TERMS AND CONDITIONS OF THE DRAFT AGREEMENT. THE SELLING PRICE OF JET A-1 SHALL BE DETERMINED BY CEYPETCO ON THE BASIS OF PER USG BY TAKING IN TO ACCOUNT OF MOPS (OF WHICH DATE, IS THAT SAME OF THE DELIVERY LAYCAN BASED OR LAST MONTH PRICE) + PREMIUM + FACILITY COST.
  - 2.12.1.3. CEYPETCO SHALL PROVIDE WEEKLY SUMMARY OF THE SALES QUANTITY FOR THE INVOICING PURPOSES TO THE SUCCESSFUL SUPPLIER/BIDDER.
  - 2.12.1.4. UPON RECEIPT OF THE WEEKLY SUMMARY REFERRED TO ABOVE, THE SUCCESSFUL SUPPLIER/BIDDER SHALL PROVIDE A CORRESPONDING INVOICE FOR THE RESPECTIVE PAYMENT.
  - 2.12.1.5. FUEL SUPPLIED TO THE SUCCESSFUL SUPPLIER/BIDDER FOR THEIR OWN CONSUMPTION WILL BE INVOICED IN FULL AND INVOICE VALUE EXCEPT FACILITY COST FOR THE RESPECTIVE INVOICES UNDER THIS CONSIGNMENT WILL BE NET OFF AGAINST THE PAYABLES.
- 2.12.2. PAYMENT IN THIRTY (30) DAYS L/C THROUGH BANK OF CEYLON AFTER THE FIRST DAY OF THE TWO-DAY DELIVERY LAYCAN – OPTION -02**

**DAP COLOMBO PRICE FOR JET A-1 SHALL BE CALCULATED AS FOLLOWS:**

PRICE OFFERED BY THE SUCCESSFUL SUPPLIER/BIDDER FOR JET A-1 IN USD PER BARREL ON **DAP COLOMBO BASIS (INCOTERMS 2010)** SHALL BE THE AVERAGE OF THE **MEAN OF PLATTS SINGAPORE PRICE (MOPS) (PJABF00) OF JET KERO** PUBLISHED IN PLATTS MARKET SCAN UNDER THE HEADING "**PLATTS ASIA AND MIDDLE EAST JET KERO ASSESSMENTS**", ON THE FIRST DAY OF THE TWO DAY DELIVERY LAYCAN, TWO DAYS IMMEDIATELY BEFORE AND TWO DAYS IMMEDIATELY AFTER THE FIRST DAY OF THE TWO DAY DELIVERY LAYCAN (IF THERE IS NO PUBLICATION ON THE FIRST DAY OF THE TWO DAY DELIVERY LAYCAN THEN TWO DAYS IMMEDIATELY BEFORE AND TWO DAYS IMMEDIATELY AFTER THE FIRST DAY OF THE TWO DAY DELIVERY LAYCAN ARE TO BE TAKEN INTO ACCOUNT) PLUS A FIXED PREMIUM/DISCOUNT IN USD PER BBL.

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

2.12.2.1. PAYMENT WILL BE MADE THIRTY (30) DAYS UNDER (OPTION - 02) AFTER THE FIRST DAY OF THE TWO-DAY DELIVERY LAYCAN [FIRST DAY OF THE TWO-DAY DELIVERY LAYCAN IS 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, COLOMBO. ALL BANK CHARGES OUT SIDE 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.

2.12.2.2. LETTER OF CREDIT (L/C) TO BE ESTABLISHED BY THE CEYPETCO THROUGH ITS BANKERS BY **BANK OF CEYLON** BASED ON THE TERMS AND CONDITIONS ACCEPTABLE TO BOTH SUCCESSFUL SUPPLIER/BIDDER AND CEYPETCO, AT LEAST TWELVE (12) CALENDAR DAYS FOR ANY NON-SANCTIONED PORT IN MIDDLE EAST OR FAR EAST AND AT LEAST FORTY (40) CALENDAR DAYS FOR ANY NON-SANCTIONED PORT IN EUROPE OR RUSSIA PRIOR TO THE FIRST DAY OF THE TWO DAY DELIVERY LAYCAN AT COLOMBO (ELEVATION WILL BE BASED ON THE LONGEST SAILING TIME AS INDICATED IN ELEVATION FORMULA).

2.12.2.3. THE SUCCESSFUL SUPPLIER / BIDDER SHALL BE RESPONSIBLE TO TRACE AND VERIFY THE RECEIPT OF THE L/C THROUGH THEIR CORRESPONDING BANK. THE SUCCESSFUL SUPPLIER / BIDDER SHALL BE RESPONSIBLE TO SEND ALL REQUIRED DETAILS INCLUDING PROFORMA INVOICE FOR THE ESTABLISHMENT OF THE L/C BY CEYPETCO WITHIN THREE BUSINESS DAYS AFTER RECEIPT OF THE ACCEPTANCE OF THE BID TO THE SUCCESSFUL SUPPLIER / BIDDER.

2.12.2.4. 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.

2.12.2.5. FINAL UNIT PRICE FOR THE PRODUCT SHALL BE EXPRESSED TO THREE DECIMAL PLACES BY ROUNDING UP THE THIRD DECIMAL PLACE IF THE FOURTH DECIMAL PLACE IS FIVE (5) OR GREATER.

2.12.2.6. L/C ESTABLISHED BY CEYPETCO WILL CALL FOR THE FOLLOWING ORIGINAL DOCUMENTS.

- a) MANUALLY SIGNED ORIGINAL COMMERCIAL INVOICE BASED ON THE CORRESPONDING QUANTITY IN BARRELS AND METRIC TON IN AIR.

- b) FULL SET OF 3/3 ORIGINAL 'CLEAN ON BOARD' BILL OF LADING ISSUED OR ENDORSED TO THE ORDER OF BANK OF CEYLON, COLOMBO AND NOTIFY 'CEYLON PETROLEUM CORPORATION' AND SHOWING FREIGHT PAYABLE AS PER THE 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.
- c) CERTIFICATE OF QUALITY EX SHORE TANKS AT LOAD PORT ISSUED OR ENDORSED BY THE INDEPENDENT INSPECTOR, CONFIRMING THAT THE PRODUCTS SHIPPED CONFORMS TO THE CONTRACTUAL SPECIFICATIONS.
- d) CERTIFICATE OF QUANTITY EX SHORE TANKS AT LOAD PORT ISSUED OR ENDORSED BY THE INDEPENDENT INSPECTOR.
- e) CERTIFICATE OF ORIGIN ISSUED BY SELLER OR TERMINAL OR ANY AUTHORITY OR LOCAL BODY OR CHAMBER OF COMMERCE SUCH CERTIFICATE SHALL NOT BE ISSUED BY COUNTRIES WHICH COMES UNDER SANCTION IMPOSED BY UNITED STATES / UNITED NATIONS/ EUROPEAN UNION.
- f) TANK CLEANLINESS & DRY CERTIFICATE ISSUED BY THE INDEPENDENT INSPECTOR, CONFIRMING THAT THE SHIP'S TANKS ARE CLEAN AND DRY PRIOR TO LOADING.
- g) CERTIFICATE OF QUALITY AT DISCHARGE PORT, COLOMBO ISSUED OR ENDORSED BY THE INDEPENDENT INSPECTOR BASED ON THE REPORT OF TESTS CEYLON PETROLEUM STORAGE TERMINALS LIMITED (CPSTL) LABORATORY, CONFIRMING THAT THE PRODUCTS SHIPPED CONFORM TO THE CONTRACTUAL SPECIFICATIONS.
- h) CERTIFICATE OF SHIP ARRIVAL QUANTITY AND OUT-TURN QUANTITY AT DISCHARGE PORT, COLOMBO ISSUED OR ENDORSED BY THE INDEPENDENT INSPECTOR.
- i) THE NEGOTIATION OF LETTER OF CREDIT (L/C) UPON PRESENTATION OF LETTER OF INDEMNITY (LOI) IN LIEU OF ABOVE ORIGINAL SHIPPING DOCUMENTS IS PERMITTED FOR THE SUCCESSFUL SUPPLIER / BIDDER SUBJECT TO;
  - a. PRESENTATION OF BENEFICIARY'S MANUALLY SIGNED ORIGINAL COMMERCIAL INVOICE AS MENTIONED IN THE L/C.
  - b. PRESENTATION OF SHIP ARRIVAL QUANTITY REPORT ISSUED BY THE INDEPENDENT INSPECTOR AT DISCHARGE PORT, COLOMBO.
  - c. PRESENTATION OF TANK CLEANLINESS & DRY CERTIFICATE ISSUED BY THE INDEPENDENT INSPECTOR, CONFIRMING THAT THE SHIP'S TANKS ARE CLEAN & DRY PRIOR TO LOADING.
  - d. PRESENTATION OF QUALITY AND OUT-TURN QUANTITY REPORT ISSUED BY THE INDEPENDENT INSPECTOR AT DISCHARGE PORT, COLOMBO AS MENTIONED IN THE L/C
  - e. OBTAINING PRIOR APPROVAL OF CEYPETCO FOR SUCH LOI FORMAT.

2.12.2.7. VALIDITY OF THE L/C SHOULD BE UP TO MAXIMUM OF NINETY (90) DAYS FROM THE DATE OF ESTABLISHMENT OF THE L/C.



**2.12.3. PAYMENT IN THIRTY (30) DAYS L/C THROUGH SAMPATH BANK AFTER THE FIRST DAY OF THE TWO DAY DELIVERY LAYCAN – OPTION -03**

**DAP COLOMBO PRICE FOR JET A-1 SHALL BE CALCULATED AS FOLLOWS:**

PRICE OFFERED BY THE SUCCESSFUL SUPPLIER/BIDDER FOR JET A-1 IN USD PER BARREL ON **DAP COLOMBO BASIS (INCOTERMS 2010)** SHALL BE THE AVERAGE OF THE **MEAN OF PLATTS SINGAPORE PRICE (MOPS) (PJABF00) OF JET KERO** PUBLISHED IN PLATTS MARKET SCAN UNDER THE HEADING **“PLATTS ASIA AND MIDDLE EAST JET KERO ASSESSMENTS”**, ON THE FIRST DAY OF THE TWO DAY DELIVERY LAYCAN, TWO DAYS IMMEDIATELY BEFORE AND TWO DAYS IMMEDIATELY AFTER THE FIRST DAY OF THE TWO DAY DELIVERY LAYCAN (IF THERE IS NO PUBLICATION ON THE FIRST DAY OF THE TWO DAY DELIVERY LAYCAN THEN TWO DAYS IMMEDIATELY BEFORE AND TWO DAYS IMMEDIATELY AFTER THE FIRST DAY OF THE TWO DAY DELIVERY LAYCAN ARE TO BE TAKEN INTO ACCOUNT) PLUS A FIXED PREMIUM/DISCOUNT IN USD PER BBL.

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

2.12.3.1. PAYMENT WILL BE MADE THIRTY (30) DAYS UNDER (OPTION - 03) AFTER THE FIRST DAY OF THE TWO-DAY DELIVERY LAYCAN [FIRST DAY OF THE TWO-DAY DELIVERY LAYCAN IS TO COUNT AS DAY ZERO (0)] BY AN IRREVOCABLE, NON-ASSIGNABLE, NON-TRANSFERABLE & UNCONFIRMED DOCUMENTARY LETTER OF CREDIT (L/C) ESTABLISHED THROUGH SAMPATH BANK, COLOMBO. ALL BANK CHARGES OUT SIDE 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.

2.12.3.2. LETTER OF CREDIT (L/C) TO BE ESTABLISHED BY THE CEYPETCO THROUGH ITS BANKERS BY **SAMPATH BANK** BASED ON THE TERMS AND CONDITIONS ACCEPTABLE TO BOTH SUCCESSFUL SUPPLIER/BIDDER AND CEYPETCO, AT LEAST TWELVE (12) CALENDAR DAYS FOR ANY NON-SANCTIONED PORT IN MIDDLE EAST OR FAR EAST AND AT LEAST FORTY (40) CALENDAR DAYS FOR ANY NON-SANCTIONED PORT IN EUROPE OR RUSSIA PRIOR TO THE FIRST DAY OF THE TWO DAY DELIVERY LAYCAN AT COLOMBO (ELEVATION WILL BE BASED ON THE LONGEST SAILING TIME AS INDICATED IN ELEVATION FORMULA).

2.12.3.3. THE SUCCESSFUL SUPPLIER / BIDDER SHALL BE RESPONSIBLE TO TRACE AND VERIFY THE RECEIPT OF THE L/C THROUGH THEIR CORRESPONDING BANK. THE SUCCESSFUL SUPPLIER / BIDDER SHALL BE RESPONSIBLE TO SEND ALL REQUIRED DETAILS INCLUDING PERFORMA INVOICE FOR THE ESTABLISHMENT OF THE L/C BY CEYPETCO WITHIN THREE BUSINESS DAYS AFTER RECEIPT OF THE ACCEPTANCE OF THE BID TO THE SUCCESSFUL SUPPLIER / BIDDER.

2.12.3.4. 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.

2.12.3.5. FINAL UNIT PRICE FOR THE PRODUCT SHALL BE EXPRESSED TO THREE DECIMAL PLACES BY ROUNDING UP THE THIRD DECIMAL PLACE IF THE FOURTH DECIMAL PLACE IS FIVE (5) OR GREATER.

2.12.3.6.L/C ESTABLISHED BY CEYPETCO WILL CALL FOR THE FOLLOWING ORIGINAL DOCUMENTS.

- A) MANUALLY SIGNED ORIGINAL COMMERCIAL INVOICE BASED ON THE CORRESPONDING QUANTITY IN BARRELS AND METRIC TON IN AIR.
  
- B) FULL SET OF 3/3 ORIGINAL 'CLEAN ON BOARD' BILL OF LADING ISSUED OR ENDORSED TO THE ORDER OF SAMPATH BANK, COLOMBO AND NOTIFY 'CEYLON PETROLEUM CORPORATION' AND SHOWING FREIGHT PAYABLE AS PER THE 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.
  
- C) CERTIFICATE OF QUALITY EX SHORE TANKS AT LOAD PORT ISSUED OR ENDORSED BY THE INDEPENDENT INSPECTOR, CONFIRMING THAT THE PRODUCTS SHIPPED CONFORMS TO THE CONTRACTUAL SPECIFICATIONS.
  
- D) CERTIFICATE OF QUANTITY EX SHORE TANKS AT LOAD PORT ISSUED OR ENDORSED BY THE INDEPENDENT INSPECTOR.
  
- E) CERTIFICATE OF ORIGIN ISSUED BY SELLER OR TERMINAL OR ANY AUTHORITY OR LOCAL BODY OR CHAMBER OF COMMERCE SUCH CERTIFICATE SHALL NOT BE ISSUED BY COUNTRIES WHICH COMES UNDER SANCTION IMPOSED BY UNITED STATES / UNITED NATIONS/ EUROPEAN UNION.
  
- F) TANK CLEANLINESS & DRY CERTIFICATE ISSUED BY THE INDEPENDENT INSPECTOR, CONFIRMING THAT THE SHIP'S TANKS ARE CLEAN AND DRY PRIOR TO LOADING.
  
- G) CERTIFICATE OF QUALITY AT DISCHARGE PORT, COLOMBO ISSUED OR ENDORSED BY THE INDEPENDENT INSPECTOR BASED ON THE REPORT OF TESTS CEYLON PETROLEUM STORAGE TERMINALS LIMITED (CPSTL) LABORATORY, CONFIRMING THAT THE PRODUCTS SHIPPED CONFORM TO THE CONTRACTUAL SPECIFICATIONS.
  
- H) CERTIFICATE OF SHIP ARRIVAL QUANTITY AND OUT-TURN QUANTITY AT DISCHARGE PORT, COLOMBO ISSUED OR ENDORSED BY THE INDEPENDENT INSPECTOR.
  
- I) THE NEGOTIATION OF LETTER OF CREDIT (L/C) UPON PRESENTATION OF LETTER OF INDEMNITY (LOI) IN LIEU OF ABOVE ORIGINAL SHIPPING DOCUMENTS IS PERMITTED FOR THE SUCCESSFUL SUPPLIER / BIDDER SUBJECT TO;
  - a. PRESENTATION OF BENEFICIARY'S MANUALLY SIGNED ORIGINAL COMMERCIAL INVOICE AS MENTIONED IN THE L/C.
  
  - b. PRESENTATION OF SHIP ARRIVAL QUANTITY REPORT ISSUED BY THE INDEPENDENT INSPECTOR AT DISCHARGE PORT, COLOMBO.
  
  - c. PRESENTATION OF TANK CLEANLINESS & DRY CERTIFICATE ISSUED BY THE INDEPENDENT INSPECTOR, CONFIRMING THAT THE SHIP'S TANKS ARE CLEAN & DRY PRIOR TO LOADING.
  
  - d. PRESENTATION OF QUALITY AND OUT-TURN QUANTITY REPORT ISSUED BY THE INDEPENDENT INSPECTOR AT DISCHARGE PORT, COLOMBO AS MENTIONED IN THE L/C

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

2.12.3.7.VALIDITY OF THE L/C SHOULD BE UP TO MAXIMUM OF NINETY (90) DAYS FROM THE DATE OF ESTABLISHMENT OF THE L/C.

**2.12.4. PAYMENT PRIOR TO THE DATE OF QUANTITY DRAWN – (100% EX- STORAGE MODALITY) OPTION – 04**

DAP COLOMBO PRICE FOR PRODUCT SHALL BE CALCULATED AS FOLLOWS.

PRICE OFFERED BY THE SUCCESSFUL SUPPLIER/BIDDER FOR JET A-1 IN USD PER BARREL ON **DAP COLOMBO BASIS (INCOTERMS 2010)** SHALL BE THE AVERAGE OF THE **MEAN OF PLATTS SINGAPORE PRICE (MOPS) (PJABF00) OF JET KERO** PUBLISHED IN PLATTS MARKET SCAN UNDER THE HEADING “**PLATTS ASIA AND MIDDLE EAST JET KERO ASSESSMENTS**”, ON THE FIRST DAY OF THE TWO DAY DELIVERY LAYCAN, TWO DAYS IMMEDIATELY BEFORE AND TWO DAYS IMMEDIATELY AFTER THE FIRST DAY OF THE TWO DAY DELIVERY LAYCAN (IF THERE IS NO PUBLICATION ON THE FIRST DAY OF THE TWO DAY DELIVERY LAYCAN THEN TWO DAYS IMMEDIATELY BEFORE AND TWO DAYS IMMEDIATELY AFTER THE FIRST DAY OF THE TWO DAY DELIVERY LAYCAN ARE TO BE TAKEN INTO ACCOUNT) PLUS A FIXED PREMIUM/DISCOUNT IN USD PER BBL.

UNDER THE EX-STORAGE MODALITY TOTAL CARGO QUANTITY SHALL BE WITHDRAW WITHIN 30 DAYS FROM THE FIRST DAY OF THE TWO-DAY DELIVERY LAYCAN [FIRST DAY OF THE TWO-DAY DELIVERY LAYCAN IS TO COUNT AS DAY ZERO (0)].

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

**2.12.4.1. INVOICING FOR PAYMENT**

BASED ON THE AVAILABILITY OF FUNDS THE QUANTITY REQUIRED TO BE DRAWN SHALL BE INFORMED TO THE SUCCESSFUL SUPPLIER / BIDDER BY CEYPETCO & THE RELEVANT PAYMENT WILL BE MADE BASED ON THE RESPECTIVE INVOICE RAISED BY THE SUCCESSFUL SUPPLIER / BIDDER INDICATING THE QUANTITY IN US BARRELS, THE UNIT PRICE IN **UNITED STATES DOLLARS (USD) PER BARREL (BBL)** AND THE SUBTOTAL OF THE RESPECTIVE INVOICE.

THE FINAL INVOICE SHALL BE RAISED BY THE SUCCESSFUL SUPPLIER / BIDDER IN SUCH A WAY THAT THE CUMULATIVE QUANTITY OF ALL INVOICES DOES NOT EXCEED THE B/L QUANTITY INDICATED IN THE RESPECTIVE B/L(s) SUBJECTED TO CLAUSE 2.11.

2.12.4.2. PAYMENT WILL BE MADE PRIOR TO THE DATE OF QUANTITY DRAWN, BY TELEGRAPHIC TRANSFER (TT) THROUGH BANK OF CEYLON, COLOMBO. ALL BANK CHARGES OUTSIDE SRI LANKA, IF ANY, WILL BE TO THE ACCOUNT OF THE SUCCESSFUL SUPPLIER/BIDDER.

2.12.4.3. TELEGRAPHIC TRANSFER (TT) TO BE MADE BY THE CEYPETCO THROUGH ITS BANKERS EITHER BY BANK OF CEYLON BASED ON THE TERMS AND CONDITIONS ACCEPTABLE TO BOTH SUCCESSFUL SUPPLIER/BIDDER AND CEYPETCO.

- 2.12.4.4. THE SUCCESSFUL SUPPLIER/BIDDER SHALL BE RESPONSIBLE TO TRACE AND VERIFY THE RECEIPT OF THE PAYMENT THROUGH THEIR CORRESPONDING BANK. THE SUCCESSFUL SUPPLIER/BIDDER SHALL BE RESPONSIBLE TO SEND ALL REQUIRED DETAILS FOR THE PAYMENT THROUGH TELEGRAPHIC TRANSFER BY CEYPETCO WITHIN THREE (03) BUSINESS DAYS AFTER THE ACCEPTANCE OF THE BID.
- 2.12.4.5. 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.
- 2.12.4.6. FINAL UNIT PRICE FOR EACH PRODUCT SHALL BE EXPRESSED TO THREE DECIMAL PLACES BY ROUNDING UP THE THIRD DECIMAL PLACE IF THE FOURTH DECIMAL PLACE IS FIVE (5) OR GREATER.
- 2.12.4.7. PAYMENT TO BE MADE THROUGH TELEGRAPHIC TRANSFER (TT) BY CEYPETCO WILL CALL FOR THE FOLLOWING ORIGINAL DOCUMENTS.
- a) MANUALLY SIGNED ORIGINAL COMMERCIAL INVOICE BASED ON THE CORRESPONDING QUANTITY IN BARRELS AND METRIC TON IN AIR.
  - b) FULL SET OF 3/3 ORIGINAL 'CLEAN ON BOARD' BILL OF LADING ISSUED OR ENDORSED TO 'CEYLON PETROLEUM CORPORATION' AND SHOWING FREIGHT PAYABLE AS PER THE 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.
  - c) CERTIFICATE OF QUALITY EX SHORE TANKS AT LOAD PORT ISSUED OR ENDORSED BY THE INDEPENDENT INSPECTOR, CONFIRMING THAT THE PRODUCTS SHIPPED CONFORMS TO THE CONTRACTUAL SPECIFICATIONS.
  - d) CERTIFICATE OF QUANTITY EX SHORE TANKS AT LOAD PORT ISSUED OR ENDORSED BY THE INDEPENDENT INSPECTOR.
  - e) CERTIFICATE OF ORIGIN ISSUED BY SELLER OR TERMINAL OR ANY AUTHORITY OR LOCAL BODY OR CHAMBER OF COMMERCE SUCH CERTIFICATE SHALL NOT BE ISSUED BY COUNTRIES WHICH COMES UNDER SANCTION IMPOSED BY UNITED STATES / UNITED NATIONS/ EUROPEAN UNION.
  - f) TANK CLEANLINESS & DRY CERTIFICATE ISSUED BY THE INDEPENDENT INSPECTOR, CONFIRMING THAT THE SHIP'S TANKS ARE CLEAN AND DRY PRIOR TO LOADING.
  - g) CERTIFICATE OF QUALITY AT DISCHARGE PORT, COLOMBO ISSUED OR ENDORSED BY THE INDEPENDENT INSPECTOR BASED ON THE REPORT OF TESTS CEYLON PETROLEUM STORAGE TERMINALS LIMITED (CPSTL) LABORATORY, CONFIRMING THAT THE PRODUCTS SHIPPED CONFORM TO THE CONTRACTUAL SPECIFICATIONS.
  - h) CERTIFICATE OF SHIP ARRIVAL QUANTITY AND OUT-TURN QUANTITY AT DISCHARGE PORT, COLOMBO ISSUED OR ENDORSED BY THE INDEPENDENT INSPECTOR.

### 2.13. TITLE AND RISK

SUBJECT TO THE EXPRESS PROVISIONS RELATING TO BENEFICIAL OWNERSHIP AS STIPULATED IN THE AGREEMENT THE TITLE AND RISK /PROPERTY OF THE PRODUCT SUPPLIED SHALL PASS ON TO CEYPETCO AT THE DISCHARGE PORT WHEN PRODUCT PASSES THE SUCCESSFUL SUPPLIER/BIDDER'S VESSEL'S PERMANENT HOSE/DISCHARGING ARM CONNECTION.

AFTER THE PRODUCT HAS BEEN DISCHARGED AT COLOMBO PORT, THE NOMINAL TITLE TO THE JET A-1 CARGO PRODUCT WILL BE IN THE NAME OF CEYPETCO SUBJECT TO THE BENEFICIAL OWNERSHIP THERE OF WHICH SHALL BE VESTED WITH THE SUCCESSFUL SUPPLIER/BIDDER AND CEYPETCO MORTGAGING / PLEDGING THE ENTIRE QUANTITY OF THE PRODUCT TO THE SUCCESSFUL SUPPLIER/BIDDER IMMEDIATELY UPON DISCHARGE AT THE COLOMBO PORT UNTIL THE SALE THERE OF TO AIRCRAFT IS COMPLETE AS PER THE TERMS AND CONDITIONS MENTIONED IN THE ATTACHED DRAFT PLEDGE AND SECURITY AGREEMENT UNDER **PAYMENT OPTION 01 & 04**.

### 2.14. CLAIMS, DISPUTES AND RECOVERY OF DAMAGES OR LOSSES FOR CEYPETCO BY LATE DELIVERY

2.14.1. 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 SIXTY (60) DAYS** OF RECEIPT OF PRODUCT BY CEYPETCO OR IN THE CASE THE CARGO IS NOT DELIVERED TO CEYPETCO **WITHIN SIXTY (60) DAYS** OF THE LAST DATE OF TWO-DAY DELIVERY LAYCAN AS NOTIFIED BY CEYPETCO. OTHERWISE, ANY SUCH CLAIM SHALL BE DEEMED TO HAVE BEEN WAIVED.

2.14.2. 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.

2.14.3. THE VENUE OF ARBITRATION SHALL BE **COLOMBO, SRI LANKA**.

2.14.4. THE ARBITRATION SHALL FOLLOW **UNITED NATIONS COMMISSION ON INTERNATIONAL TRADE LAW (UNCITRAL)** PROCEDURES.

2.14.5. THE LANGUAGE OF ARBITRATION SHALL BE ENGLISH. THE ARBITRATION TRIBUNAL SHALL CONSIST OF THREE ARBITRATORS, ONE TO BE APPOINTED BY THE SUCCESSFUL SUPPLIER/ BIDDER, ONE BY CEYPETCO AND THE TWO ARBITRATORS THUS APPOINTED SHALL CHOOSE THE THIRD ARBITRATOR.

2.14.6. THIS PROCUREMENT DOCUMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF SRI LANKA EXCLUDING ANY CONFLICT OF LAWS AND RULES.

2.14.7. ARBITRATION SHALL BE A CONDITION PRECEDENT TO THE INSTITUTION OF ANY LEGAL ACTION BY EITHER PARTY AGAINST THE OTHER.

2.14.8. 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 PRO-RATA FOR EACH DAY OF DELAY AFTER 2400 HRS. OF THE LAST DAY OF THE DELIVERY LAYCAN UNTIL VESSEL TENDER NOR AT DISCHARGE PORT AT COLOMBO. IF THE DELAY EXCEEDS SIX (6) DAYS AFTER THE LAST DATE OF THE AGREED DELIVERY LAYCAN WITHOUT OBTAINING PRIOR APPROVAL, CEYPETCO WILL RESERVE RIGHT TO TERMINATE THE CONTRACT.

2.14.9. THE SUCCESSFUL SUPPLIER/ BIDDER IS FULLY RESPONSIBLE TO DELIVER THE AGREED QUANTITY OF CARGO UNDER THE SHIPMENT. IN THE EVENT OF FAILURE TO DELIVER THE AGREED QUANTITY BELOW MINUS FIVE PERCENT (-5%) (CONTRACTUAL QUANTITY VS. B/L QUANTITY), 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.

2.14.10. IN THE EVENT THE SUCCESSFUL SUPPLIER/BIDDER IS LIABLE FOR A LATE DELIVERY, PENALTY AND/OR A SHORT LOADING PENALTY AS SPECIFIED IN (2.14.8) AND/OR (2.14.9) ABOVE, SUCH PENALTY SHALL BE SETTLED BY THE SUPPLIER ON OR BEFORE THE DUE DATE OF THE FINAL PAYMENT FOR THE CARGO. IN FAILURE OF SUCH SETTLEMENT BEFORE THE PAYMENT DUE DATE, THE SUCCESSFUL SUPPLIER/BIDDER SHALL AGREE TO DEDUCT THE PENALTY AMOUNT FROM THE FINAL PAYMENT AND THE SAME SHALL BE COMMUNICATED IN WRITING BEFORE THE FINAL PAYMENT DUE DATE.

2.14.11. 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.

## **2.15. LAYTIME FOR DISCHARGE AT COLOMBO**

### **2.15.1. LAYTIME FOR DISCHARGE AT DOLPHIN TANKER BERTH, COLOMBO**

2.15.1.1. LAYTIME FOR THE DISCHARGE OF TOTAL CARGO OF 280,000 BBLs +/- 5% OF JET A-1 AT DOLPHIN TANKER BERTH, COLOMBO SHALL BE 96 HRS. AND THE COMMENCEMENT OF LAYTIME SHALL BE DETERMINED IN THE FOLLOWING MANNER.

2.15.1.2. NOR SHOULD BE TENDERED BETWEEN 0700 AND 1700 HRS OF THE TWO-DAY DELIVERY LAYCAN. IF NOR IS TENDERED AFTER 1700 HRS, FOR ALL PURPOSES IT WILL BE CONSIDERED THAT NOR HAS BEEN TENDERED AT 0700 HRS ON THE FOLLOWING DAY AND LAYTIME SHALL COMMENCE 06 HRS THEREAFTER OR AT THE TIME OF BERTHING, WHICHEVER IS EARLIER.

2.15.1.3. IF NOR IS TENDERED BEFORE THE COMMENCEMENT OF THE TWO-DAY DELIVERY LAYCAN, IT WILL BE CONSIDERED THAT NOR HAS BEEN TENDERED AT 0700 HRS ON THE FIRST DAY OF THE DELIVERY LAYCAN. LAYTIME SHALL IN SUCH CASE COMMENCE 06 HRS THEREAFTER OR AT THE TIME OF BERTHING, WHICHEVER IS EARLIER.

- 2.15.1.4. IF THE VESSEL IS BERTHED PRIOR TO THE TWO DAY DELIVERY LAYCAN, AT THE REQUEST OF THE SUCCESSFUL SUPPLIER/BIDDER LAYTIME SHALL COMMENCE AT 0700 HRS ON THE FIRST DAY OF THE DELIVERY LAYCAN.
- 2.15.1.5. IF NOR IS TENDERED AFTER 1700 HRS OF THE SECOND DAY OF THE TWO-DAY DELIVERY LAYCAN AGREED UPON, FOR ALL PURPOSES IT WILL BE CONSIDERED THAT NOR HAS BEEN TENDERED AT 0700 HRS ON THE FOLLOWING DAY AND LAYTIME SHALL COMMENCE SIX (6) HRS THEREAFTER OR AT THE TIME OF MOORING, WHICHEVER IS EARLIER
- 2.15.1.6. 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 UTILIZED BY THE VESSEL AT THE BERTH SHALL ONLY BE CONSIDERED AS USED LAYTIME.

## 2.16. NOTICE OF ARRIVAL AT COLOMBO

MASTER OF VESSEL SHOULD ADVISE ESTIMATED TIME OF ARRIVAL (ETA) AT COLOMBO 3/2/1 DAYS IN ADVANCE TO THE COMMERCIAL MANAGER, CEYLON PETROLEUM CORPORATION TEL NOS. +94-11-7296115 FAX NO.94-11-2106768 E-MAIL: [mgr.commercial@ceypetco.gov.lk](mailto:mgr.commercial@ceypetco.gov.lk), [dmgr.commercial@ceypetco.gov.lk](mailto:dmgr.commercial@ceypetco.gov.lk), [prasad.m@ceypetco.gov.lk](mailto:prasad.m@ceypetco.gov.lk) THE MANAGER (SHIPPING) CEYLON PETROLEUM CORPORATION TEL NO. +94-11-7296300 FAX NOS. +94-11-2106768 E-MAIL: [mgr.shipping@ceypetco.gov.lk](mailto:mgr.shipping@ceypetco.gov.lk), THE DEPUTY MANAGER (OPERATIONS), CEYLON PETROLEUM CORPORATION FAX NO. +94-11-7296432 E-MAIL: [dgm.ts@ceypetco.gov.lk](mailto:dgm.ts@ceypetco.gov.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 TELE/FAX NO. +94-11-2572324 AND THE MANAGER (OPERATIONS), MUTHURAJAWELA TELE NO. +94-11-5769519 FAX NO. +94- 11-5353352 VIA VESSEL AGENT AT COLOMBO.

## 2.17. VESSEL REQUIREMENTS

### 2.17.1. REQUIREMENTS OF TANKERS FOR DISCHARGING OF PRODUCT VIA DOLPHIN TANKER BERTH, COLOMBO

#### **VESSEL NOMINATED SHOULD MEET THE FOLLOWING COLOMBO PORT RESTRICTION:**

|  |                    |
|--|--------------------|
| TYPE OF HULL                               | - DOUBLE HULL      |
| SDWT                                       | - 60,000 MT MAX.   |
| LOA  | - 210 METERS MAX.  |
| BEAM                                       | - 32.2 METERS MAX. |
| DRAFT                                      | - 11.8 METERS MAX. |
| DISTANCE FROM SEA LEVEL TO CENTRE MANIFOLD | - 14 METERS MAX.   |
| MANIFOLD SIZE                              | - 6" DIAMETER      |
| MANIFOLD TYPE                              | - ANSI 150 CLASS   |
| ARRIVAL MANIFOLD HEIGHT FROM SEA LEVEL     | - 11.5 METERS MAX. |

- 2.17.2. 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.
- 2.17.3. SHOULD BE A CLEAN TANKER WHICH HAS CARRIED CLEAN PETROLEUM PRODUCTS ON THE LAST THREE VOYAGES. (OBO CARRIERS ARE NOT ACCEPTABLE).
- 2.17.4. SHOULD BE CAPABLE OF DISCHARGING A CARGO OF JET A-1 SIMULTANEOUSLY THROUGH TWO ADJOINING MANIFOLDS AT A MINIMUM DISCHARGING RATE OF 270 M3 PER HOUR AND 400 M3 PER HOUR THROUGH TWO LINES OF 10 INCH AND 12 INCH DIAMETER RESPECTIVELY WHILE MAINTAINING PRESSURE AT VESSEL'S MANIFOLDS FROM 10.0 TO 12.5 KG/CM<sup>2</sup>. TWO NUMBERS MANIFOLD CONNECTIONS WILL BE PROVIDED FOR THE DISCHARGE OF PRODUCTS SIMULTANEOUSLY THROUGH TWO NUMBERS 6 INCH LOADING / DISCHARGING ARMS.
- 2.17.5. SHOULD BE CAPABLE OF FLUSHING THE 10 INCH OR 12 INCH, 7,000 METER LENGTH, DISCHARGE LINE WITH MINIMUM OF 5.0 KG/CM<sup>2</sup> PRESSURE AT MANIFOLD, WITH SEA WATER ABOUT FOUR HOURS EACH BEFORE COMMENCEMENT AND AFTER COMPLETION OF DISCHARGE OF EACH PRODUCT.
- 2.17.6. SHOULD BE EQUIPPED WITH DOUBLE VALVE SEGREGATION WHICH WILL HAVE TO BE CONFIRMED BY THE INDEPENDENT INSPECTORS.
- 2.17.7. AVAILABILITY OF CONTINUOUS PRESSURE MONITORING AND RECORDING / REPORTING FACILITIES SHALL BE PREFERRED.
- 2.17.8. SHOULD HAVE ALL VALID CERTIFICATES REQUIRED UNDER THE INTERNATIONAL AND NATIONAL RULES AND REGULATIONS APPLICABLE AND SHOULD BE ISM CODE CERTIFIED OR WHOSE OWNERS OR OPERATORS SHOULD HOLD AN ISM CODE DOCUMENT OF COMPLIANCE.
- 2.17.9. SHOULD HAVE CARGO TANKS/ PIPE LINES/ PUMPS/ STRAINERS CLEAN AND DRY PRIOR TO COMMENCEMENT OF LOADING.
- 2.17.10. A DOCUMENT FROM VESSEL OWNERS CONFIRMING THAT THE VESSEL COMPLIES WITH ALL THE ABOVE REQUIREMENTS FROM SUB CLAUSE 2.17.1. TO SUB CLAUSE 2.17.14 AND THE LATEST UPDATED QUESTIONNAIRE 88 SHOULD BE FURNISHED AT THE TIME OF VESSEL NOMINATION.
- 2.17.11. IN THE EVENT OF A DELAY IN DISCHARGING THE CARGO AT COLOMBO DUE TO VESSEL'S NON- COMPLIANCE WITH THE ABOVE REQUIREMENTS FROM SUB CLAUSE 2.17.1. TO SUB CLAUSE 2.17.10 THE SUCCESSFUL SUPPLIER / BIDDER WILL BE HELD LIABLE FOR ALL CONSEQUENTIAL LOSSES.
- 2.17.12. ACCOMMODATION/MEALS
- (A) FOLLOWING PERSONNEL WOULD STAY ON BOARD THROUGHOUT THE PERIOD OF TANKER MADE FAST AT DOLPHIN TANKER BERTH.
- (a) TWO LOADING MASTERS



- (b) ONE SAMPLE COLLECTOR (CREW)
- (c) ONE INDEPENDENT INSPECTOR (JUNIOR OFFICER)
- (d) ONE INTERNAL AUDITOR FROM CPSTL
- (B) PROPER ACCOMMODATION ON OFFICERS' DECK SHOULD BE ARRANGED FOR LOADING MASTERS, INDEPENDENT INSPECTORS AND INTERNAL AUDITOR FROM CPSTL.
  
- (C) MEALS FOR LOADING MASTERS, INDEPENDENT INSPECTORS AND INTERNAL AUDITOR FROM CPSTL SHOULD BE SERVED IN OFFICERS' DINING SALOON.

2.17.13. THERE SHALL BE NO INSPECTION WHILE DISCHARGING.

2.17.14. AFTER ACCEPTANCE OF THE NOMINATED VESSEL BY CEYPETCO, A CERTIFIED COPY OF THE APPLICABLE CHARTER PARTY OR A CERTIFIED COPY OF THE SIGNED FIXTURE NOTE / FIXTURE RECAP INCLUDING THE RATE OF DEMURRAGE SHALL BE SUBMITTED BY THE SUCCESSFUL SUPPLIER/BIDDER.

## **2.18. LINE FLUSHING AT DOLPHIN TANKER BERTH, COLOMBO**

2.18.1. THE VESSEL NOMINATED BY THE SUCCESSFUL SUPPLIER/BIDDER SHOULD BE CAPABLE OF FLUSHING THE 10 INCH OR 12 INCH, 7,000 METER LENGTH, DISCHARGE LINE WITH MINIMUM OF 5.0 KG/CM<sup>2</sup> PRESSURE AT MANIFOLD, WITH SEA WATER ABOUT FOUR HOURS EACH BEFORE COMMENCEMENT AND AFTER COMPLETION OF DISCHARGE OF EACH PRODUCT ACCORDING TO THE FOLLOWING SEQUENCE,

2.18.2. ON ARRIVAL BEFORE DISCHARGING, VESSEL SHALL FLUSH THE DISCHARGE LINE WITH SEA WATER FOR FOUR HOURS.

2.18.3. THEN COMMENCE DISCHARGING JET A-1.

2.18.4. ON COMPLETION OF DISCHARGING JET A-1, DISCHARGE LINE WILL BE ONCE AGAIN FLUSHED WITH SEA WATER FOR ABOUT FOUR (4) HOURS.

## **2.19. DEMURRAGE**

2.19.1. ALL CLAIMS FOR DEMURRAGE SHALL BE ACCOMPANIED BY THE RESPECTIVE CHARTER PARTY OR A CERTIFIED COPY OF THE SIGNED FIXTURE NOTE / FIXTURE RECAP. CEYPETCO SHALL NOT BE BOUND BY THE TERMS AND CONDITIONS OF THE CHARTER PARTY OR A CERTIFIED COPY OF THE SIGNED FIXTURE NOTE / FIXTURE RECAP EXCEPT TO THE EXTENT SUCH TERMS AND CONDITIONS HAVE BEEN COMMUNICATED TO CEYPETCO AND EXPRESSLY AGREED TO BY CEYPETCO IN WRITING.

2.19.2. IN CASE OF VESSEL ARRIVING OUTSIDE LAYCAN AGREED UPON, LAYTIME TO START COUNTING FROM THE TIME OF BERTHING AS PER SUB CLAUSE 2.15.1.6.

2.19.3. IF THE TOTAL LAYTIME TO COMPLETE THE ENTIRE CARGO DISCHARGE EXCEEDS THE LAYTIME ALLOWED AS PER CLAUSE 2.15, CEYPETCO WILL BE LIABLE TO PAY THE DEMURRAGE TO THE SUCCESSFUL SUPPLIER / BIDDER.

- 2.19.4. 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 / BIDDER SHALL AGREE TO BEAR THE DEMURRAGE ON THE SUBSEQUENT THREE VESSELS THAT ARRIVE ON SCHEDULE AND GETS DELAYED DUE TO PRESENCE OF SUCCESSFUL SUPPLIER'S / BIDDER'S VESSEL ON BERTH. LIABILITY FOR DEMURRAGES ON SUBSEQUENT VESSELS MENTIONED HERE IN ARE IN ADDITION TO THE RECOVERY OF DAMAGES OR LOSSES FOR CEYPETCO CHARGED UNDER **CLAUSE 2.14. (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 PIER AVAILABILITY BASIS AND BASED ON THE REQUIREMENT FOR THE PRODUCTS IN THE COUNTRY. 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.

IN THE EVENT THE SUCCESSFUL SUPPLIER / BIDDER 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, CEYPETCO 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 REBERTHED ONLY AFTER THE COMPLETION OF THE DISCHARGING OF THE SUBSEQUENT VESSEL/S AND/OR ON THE PIER AVAILABILITY BASIS.

IN ANY CIRCUMSTANCES, CEYPETCO REQUIRES TO UNLOAD THE PRODUCT ON BOARD THE VESSEL AS PER THE PRODUCT REQUIREMENT TO ENSURE THE ENERGY SECURITY OF THE COUNTRY, CEYPETCO 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 SUCCESSFUL SUPPLIER / BIDDER.

- 2.19.5. DEMURRAGE RATE OF THE NOMINATED VESSEL SHALL BE DECLARED BY THE SUCCESSFUL SUPPLIER / BIDDER AT THE TIME OF VESSEL NOMINATION FOR THE CARGO.
- 2.19.6. AFTER ACCEPTANCE OF THE NOMINATED VESSEL BY CEYPETCO, A CERTIFIED COPY OF THE APPLICABLE CHARTER PARTY OR A CERTIFIED COPY OF THE SIGNED FIXTURE NOTE / FIXTURE RECAP INCLUDING THE RATE OF DEMURRAGE SHALL BE SUBMITTED BY THE SUCCESSFUL SUPPLIER/ BIDDER TO THE CEYPETCO.
- 2.19.7. CEYPETCO SHALL NOT TAKE ANY RESPONSIBILITY FOR ANY DEMURRAGE INCURRED BY THE VESSEL DUE TO THE DELAY IN SIGNING THE FOLLOWING AGREEMENTS.

- 2.19.7.1. EX-STORAGE MODALITY AGREEMENT
- 2.19.7.2. PLEDGE AND SECURITY AGREEMENT
- 2.19.7.3. JET A-1 SUPPLY MODALITY AGREEMENT
- 2.19.7.4. PLEDGE AND SECURITY AGREEMENT

## **2.20. ACCEPTANCE OF THE BID**

- 2.20.1. CEYPETCO RESERVES TO ITSELF THE RIGHT TO CANCEL THE PROCUREMENT DOCUMENT OR TO REJECT ANY PART OF THE PROCUREMENT DOCUMENT OR REJECT THE PROCUREMENT DOCUMENT WITHOUT ASSIGNING ANY REASON WHATSOEVER. IN SUCH AN EVENT CEYPETCO SHALL NOT BE LIABLE TO ANY COMPENSATION OR DAMAGES ARISING THEREFROM.
- 2.20.2. SHLPC RESERVES THE RIGHT TO DETERMINE THE SELECTION OF THE PAYMENT OPTION [I.E. PAYMENT UNDER JET A-1 SUPPLY MODALITY OR PAYMENT IN 30 DAYS LC THROUGH BOC OR PAYMENT IN 30 DAYS LC THROUGH SAMPATH BANK OR PAYMENT PRIOR TO THE DATE OF QUANTITY DRAWN] BY TAKING INTO CONSIDERATION OF THE DOMESTIC COST FACTORS AS PER THE **ANNEX "I"**.
- 2.20.3. IF DEEMED NECESSARY, SHLPC RESERVES THE RIGHT TO CONDUCT DUE DILIGENCE ON ANY SELECTED BIDDER.
- 2.20.4. WHERE THE BID IS ACCEPTED SUCH ACCEPTANCE 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 ACCEPTANCE OF BID.
- 2.20.5. THE SUCCESSFUL SUPPLIER / BIDDER, ON THE RECEIPT OF THE ACCEPTANCE OF BID, 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 PROCUREMENT DOCUMENT.

## **2.21. PERFORMANCE SECURITY GUARANTEE**

- 2.21.1. THE SUCCESSFUL SUPPLIER / BIDDER INCLUDING RECOGNIZED GOVERNMENT OWNED INSTITUTIONS / SUBSIDIARIES AND OIL MAJORS, ON BEING NOTIFIED BY THE CEYPETCO OF THE ACCEPTANCE OF HIS OFFER, SHALL FURNISH AT HIS OWN EXPENSE A PERFORMANCE SECURITY GUARANTEE AFTER THE DATE OF ACCEPTANCE OF THE BID TO THE SUCCESSFUL BIDDER, WITHIN SEVEN (7) WORKING DAYS BY A LICENCED COMMERCIAL BANK IN SRI LANKA IN FAVOR OF CEYLON PETROLEUM CORPORATION AND PAYABLE TO THE CEYLON PETROLEUM CORPORATION ON DEMAND TO THE VALUE OF **UNITED STATES DOLLARS ONE MILLION (USD 1,000,000/=)**.
- 2.21.2. THE PERFORMANCE SECURITY GUARANTEE SHOULD BE FURTHER VALID FOR THIRTY (30) DAYS FROM THE SCHEDULED CONTRACT COMPLETION DATE.
- 2.21.3. THE SUCCESSFUL SUPPLIER / BIDDER SHOULD STRICTLY ADHERE TO THE FORMAT OF PERFORMANCE SECURITY GUARANTEE WHICH IS ANNEXED HERETO AS ANNEX - "D".

- 2.21.4. THE SUCCESSFUL SUPPLIER / BIDDER SHOULD ENSURE AND CLEARLY INDICATE IN ITS OFFER THAT WILL BE PROVIDED A PERFORMANCE SECURITY GUARANTEE UPON THE ACCEPTANCE OF BID. FAILURE TO COMPLY WITH THIS REQUIREMENT SHALL BE CONSIDERED AS A MAJOR DEVIATION RESULTING TO ACCEPTANCE OF BID BEING CANCELLED, WHILE THE BID SECURITY GUARANTEE BEING FORFEITED.
- 2.21.5. IF THE SUCCESSFUL SUPPLIER/ BIDDER FAILS TO FURNISH THE PERFORMANCE SECURITY GUARANTEE AS AFORESAID, THE SUCCESSFUL SUPPLIER'S NAME 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 PROCUREMENT DOCUMENT.
- 2.21.6. THE SUCCESSFUL SUPPLIER/ BIDDER, IN THE EVENT OF HIS FAILURE TO FURNISH THE PERFORMANCE SECURITY AS REQUIRED UNDER THIS PROCUREMENT 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.
- 2.21.7. THE LETTER OF CREDIT (L/C) UNDER PAYMENT OPTION - 02 & 03 WILL BE OPENED ONLY AFTER THE RECEIPT OF PERFORMANCE SECURITY GUARANTEE. THE PERFORMANCE SECURITY GUARANTEE SHALL BE IN FAVOUR OF CEYLON PETROLEUM CORPORATION.

## **2.22. 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.

## **2.23. OTHER REQUIREMENTS**

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

## **2.24. SUBMISSION OF BIDS**

- 2.24.1. 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;

- 2.24.2. FORM OF BID (ANNEX – ‘E’) DULY FILLED COMPLETED AND SIGNED BY THE AUTHORIZED PERSON INDICATING NAME OF AUTHORIZED PERSON WITH THE OFFICIAL SEAL OF THE BIDDER.
- 2.24.3. DULY FILLED ANNEX – ‘C-1’ FOR JET A-1
- 2.24.4. BID SECURITY GUARANTEE (ANNEX – ‘A’, SPECIMEN FORM ATTACHED)
- 2.24.5. A BOARD RESOLUTION / POWER OF ATTORNEY AUTHORIZING THE PERSON WHO SIGNS THE BID INDICATING NAME OF THE AUTHORISED PERSON AND SIGNATURE OF THE AUTHORIZED PERSON OR A DOCUMENTED DECISION OF THE PARTNERS IN A PARTNERSHIP AS THE CASE MAY BE. THE AUTHORIZATION SHALL BE FOR THE PARTICULAR BID OR FOR A DEFINITE PERIOD COVERING THE DATE OF SIGNING THE BID.
- 2.24.6. A LETTER OF AUTHORIZATION SIGNED BY THE AUTHORIZED PERSON INDICATING NAME OF THE AUTHORIZED PERSON WITH OFFICIAL SEAL OF THE BIDDER ENABLING THE LOCAL AGENT TO SUBMIT THE BID IN THE EVENT THE BIDS ARE SUBMITTED THROUGH THE LOCAL AGENTS.
- 2.24.7. PCA 3 FORM FURNISHED UNDER SECTION 6. OF PUBLIC CONTRACT ACT NO.03 OF 1987
- 2.24.8. BIDDER SHALL SUBMIT BID AS PER THE SPECIFIED “FORM OF BID” GIVEN IN ANNEX - ‘E’ OF THIS PROCUREMENT DOCUMENT AND SHALL DULLY FILL THE TABLE UNDER THE HEADING **A. PRODUCT / PRICE** AND STATE THE COMPLIANCE TO THE PROCUREMENT DOCUMENT LISTED UNDER THE HEADING **B. TERMS & CONDITIONS** THEREIN. FURTHERMORE, BIDDER SHALL STATE THE COMPLIANCE TO THE SPECIFICATIONS IN FILLED ANNEX – ‘C-1’ FOR JET A-1.
- 2.24.9. BIDDERS ARE REQUESTED TO INDICATE AUTHORIZED SIGNATURE ON EACH PAGE OF THE BID.
- 2.24.10. 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: BK/23/2026** ON EACH ENVELOPES. THE ENVELOPES SHALL THEN BE SEALED IN AN OUTER ENVELOPE AND SHALL BE MARKED **REF: BK/23/2026**.
- 2.24.11. 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, SHLPC RESERVES THE RIGHT TO REJECT ALL BIDS SUBMITTED BY THE BIDDER.
- 2.24.12. SUBMISSION OF BIDS BY FAX OR EMAIL IS NOT ENTERTAINED.
- 2.24.13. BIDDER SHALL CONFIRM THAT BIDDER WILL AGREE TO AND ABIDE BY THE ABOVE REQUIREMENTS/TERMS AND CONDITIONS OF PROCUREMENT DOCUMENT.

2.24.14. THE ENVELOPE SEALED AS ABOVE AND ADDRESSED TO THE CHAIRMAN, STANDING HIGH LEVEL PROCUREMENT COMMITTEE (SHLPC), COMMERCIAL FUNCTION BID OPENING ROOM, 4<sup>TH</sup> 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 07<sup>TH</sup> APRIL 2026.**

**2.25. PCA3 FORM, AGENT, REPRESENTATIVE OR NOMINEE FOR OR ON BEHALF OF ANY TENDERER & LOCAL AGENCY COMMISSION**

2.25.1. IT IS REQUIRED TO SUBMIT THE REGISTRATION CERTIFICATE 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 AS FOLLOWS,

2.25.1.1. ANY PERSON WHO ACTS AS AN AGENT OR SUB-AGENT, REPRESENTATIVE OR NOMINEE FOR OR ON BEHALF OF ANY TENDERER, SHALL REGISTER HIMSELF AND SUCH PUBLIC CONTRACT IN ACCORDANCE WITH SECTION 10 AND SHALL FURNISH TO THE REGISTRAR THE PARTICULARS REQUIRED TO BE FURNISHED UNDER SECTION 6. OF PUBLIC CONTRACT ACT NO. 3 OF 1987.

2.25.1.2. WHERE ANY PERSON IS AN AGENT, SUB-AGENT, REPRESENTATIVE OR NOMINEE FOR OR ON BEHALF OF A TENDERER HE SHALL FIRST PRODUCE A CERTIFICATE OF HIS APPOINTMENT AS AGENT, SUB-AGENT, REPRESENTATIVE OR NOMINEE TO THE REGISTRAR BEFORE HE REGISTERS HIMSELF AND THE PUBLIC CONTRACT UNDER THIS SECTION. FOR MORE DETAILS, PLEASE VISIT <https://drc.gov.lk/>

2.25.2. OFFER SHOULD INDICATE THE LOCAL AGENT'S NAME, ADDRESS AND THE 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 TOTAL DAP COLOMBO VALUE AND PAID IN SRI LANKA RUPEES.

**2.26. VALIDITY OF THE OFFER**

OFFERS CLOSE AT **1200 HRS, SRI LANKA TIME ON 07<sup>TH</sup> APRIL 2026** AND SHOULD BE HELD VALID FOR **SEVENTY TWO (72) HRS THEREFROM.**

**2.27. AGREEMENT FOR JET A-1 SUPPLY MODALITY (PAYMENT OPTION - 01)**

2.27.1. THE SUCCESSFUL SUPPLIER/BIDDER WILL HAVE TO SIGN THE AGREEMENT STRICTLY IN ACCORDANCE WITH THE **ANNEX - 'F'**. BIDDERS ARE REQUESTED TO INDICATE IN THEIR OFFERS **THAT THEY ARE IN AGREEMENT WITH THE PROPOSED AGREEMENT GIVEN IN ANNEX - 'F'**.

2.27.2. **IN THE EVENT THERE IS NO INDICATION IN THE OFFER THAT THE BIDDER IS IN AGREEMENT TO ANNEX - 'F' NO CLARIFICATIONS WILL BE MADE AFTER THE BID 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.

**2.28. AGREEMENT EX-STORAGE MODALITY (PAYMENT OPTION - 04)**

2.28.1. THE SUCCESSFUL SUPPLIER/BIDDER WILL HAVE TO SIGN THE EX-STORAGE MODALITY AGREEMENT STRICTLY IN ACCORDANCE WITH THE ANNEX - 'H'. BIDDERS ARE REQUESTED TO INDICATE IN THEIR OFFERS THAT THEY ARE IN AGREEMENT WITH THE PROPOSED EX-STORAGE MODALITY AGREEMENT GIVEN IN ANNEX - 'H'.


2.28.2. IN THE EVENT THERE IS NO INDICATION IN THE OFFER THAT THE BIDDER IS IN AGREEMENT TO ANNEX - 'H' NO CLARIFICATIONS WILL BE MADE AFTER THE BID OPENING AND THEIR OFFER WILL BE REJECTED AS IT IS CONSIDERED TO BE A MAJOR DEVIATION.

2.28.3. THE OFFICER WHO SIGNS THE EX-STORAGE MODALITY AGREEMENT (AUTHORIZED OFFICER) SHOULD HAVE PROPER AUTHORITY.

2.28.4. 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**

- I. BIDDERS ARE REQUESTED TO INDICATE AUTHORIZED SIGNATURE ON EACH PAGE OF OFFERS.
- II. WHEN OFFERS ARE SUBMITTED THROUGH THE BIDDER'S LOCAL REPRESENTATIVES, BIDDERS ARE REQUESTED TO SUBMIT A LETTER FROM THE PRINCIPALS THAT THEIR LOCAL AGENT/REPRESENTATIVE IS AUTHORIZED TO SUBMIT THE OFFER ON BEHALF OF THEM.
- III. PLEASE ALSO NOTE THAT ONLY THOSE WHO HAVE SUBMITTED OFFERS (OR THEIR LOCAL AGENTS) COULD BE PRESENT AT THE TIME OF OPENING OF BIDS. NO LOCAL AGENT IS PERMITTED TO BRING MOBILE PHONES.



COMMERCIAL MANAGER  
25<sup>TH</sup> MARCH 2026

25/03/2026

**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, **thirty (30) days from the date of closing of the bid**]

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)]



**TOTAL SHIPMENT QUANTITY IS 280,000 BARRELS PLUS / MINUS 5% TOLERANCE**

| <b>PRODUCT</b> | <b>QUANTITY (BBL)</b> |
|----------------|-----------------------|
| JET A-1        | 280,000 +/-5%         |
| <b>TOTAL</b>   | <b>280,000 +/-5%</b>  |

NOTE:

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

**SPECIFICATION OF JET A-1**

**PROPERTY/TEST**

JET A-1 SHOULD CONFORM TO LATEST AFQRJOS CHECKLIST (CURRENTLY AFQRJOS ISSUE 36 – DATED 21<sup>ST</sup> FEBRUARY 2025). THE PRODUCT SHALL BE SUPPLIED COMPLYING WITH THE REQUIREMENTS SPECIFIED IN THE LATEST VERSION OF THE EI/JIG STANDARD 1530.

IN ADDITION TO THE SHORE TANK QUALITY CERTIFICATE ISSUED AT THE LOAD PORT, THE SUCCESSFUL SUPPLIER/BIDDER SHALL REQUIRE TO FURNISH MANUFACTURE'S (REFINERY) CERTIFICATES FOR JET-A-1 CARGO LOADED ON TO THE NOMINATED VESSEL. THE PARAMETER "PARTICULATE CONTAMINATION" SPECIFIED UNDER THE SPECIFICATIONS OF AFQRJOS ISSUE 36 – DATED 21<sup>ST</sup> FEBRUARY 2025 SHOULD BE LESS THAN 1.00 mg/L AT THE PORT OF DISCHARGE AT COLOMBO.

IN ADDITION TO THE SHORE TANK QUALITY CERTIFICATES, THE SUCCESSFUL SUPPLIER/BIDDER SHALL REQUIRED TO FURNISH MANUFACTURE'S (REFINERY) CERTIFICATES FOR JET-A-1 CARGO LOADED ON TO THE NOMINATED VESSEL.

THE SUCCESSFUL SUPPLIER/BIDDER SHALL BE RESPONSIBLE TO PROVIDE MINIMUM THREE (03) NUMBER OF **STADIS** CANS ALONG WITH JET A-1 CARGO TO MAINTAIN THE CONDUCTIVITY PARAMETER OF THE PRODUCT.

**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, thirty (30) 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, Standing High Level Procurement Committee, Commercial Function Bid  
Opening Room, 4<sup>th</sup> Floor, Ceylon Petroleum Corporation, No. 609,  
Dr. Danister De Silva Mawatha,  
Colombo 09, Sri Lanka.

**INVITATION OF BIDS FOR THE SUPPLY OF A CARGO OF 280,000 BBLs +/-5% OF JET A-1 FOR SINGLE BERTH DISCHARGE AT DOLPHIN TANKER BERTH, COLOMBO DURING LAYCAN 07-08/05/2026 ( REF: BK/23/2026)**

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 Petroleum Products with the specifications and quantities as specified in the procurement document.

A. PRODUCT / PRICE

| Product  | Price Base                                    | Premium / Discount on (USD per Bbl) |                                       |   |  |  |
|--|---|-------------------------------------|---------------------------------------|---|--|--|
|  |   | FOB basis                           | DAP Colombo basis                     |   |  |  |
|  |   |                                     | Payment under Jet A-1 Supply Modality | Payment in 30 days L/C through BOC after the first day of the two-day delivery laycan | Payment in 30 days L/C through Sampath Bank after the first day of the two-day delivery laycan | Payment prior to the date of quantity drawn (100% Ex-Storage Modality) |
| Option – 01  | Option – 02                                   | Option – 03                         | Option – 04                           |   |  |  |
| JET A-1  | FOB Singapore Price (MOPS) Jet Kero (PJABF00) |                                     |                                       |   |  |  |
|  | Contractual cargo quantity                    | 280,000 Bbls +/-5%                  |                                       |   | Comply / Not comply  |  |
| Agent, representative or nominee for or on behalf of any tenderer and Local Agency Commission (USD) (if any) |   |                                     |                                       |   |  |  |

B. TERMS & CONDITIONS

| PROCUREMENT DOCUMENT CLAUSE REFERENCE          | COMPLIANCE          |
|--|---------------------|
| 1.8.<br>Bid Security Guarantee (Annex – 'A')   | Comply / Not Comply |
| 2.2.<br>Contractual cargo quantity (Annex 'B') | Comply / Not Comply |
| 2.3.<br>Delivery                               | Comply / Not Comply |

|   |                            |
|---|----------------------------|
| Delivery Laycan – 07-08/05/2026   | <b>Comply / Not Comply</b> |
| 2.4<br>Important  | <b>Comply / Not Comply</b> |
| 2.5.<br>Third party cargo   | <b>Comply / Not Comply</b> |
| 2.6.<br>Source of supply  | <b>Comply / Not Comply</b> |
| 2.7.<br>Quality (Compliance to each parameter and notes in Annex – ‘C-1’ is mandatory)                            | <b>Comply / Not Comply</b> |
| 2.8.<br>Mode of loading / port of loading   | <b>Comply / Not Comply</b> |
| 2.9.1.<br>Inspection at Load port   | <b>Comply / Not Comply</b> |
| 2.9.2.<br>Inspection at Discharge port  | <b>Comply / Not Comply</b> |
| 2.10.<br>Recovery of damages or losses for CEYPETCO due to unacceptable quality                                   | <b>Comply / Not Comply</b> |
| 2.11.<br>Out Turn Loss  | <b>Comply / Not Comply</b> |
| 2.12.<br>Price / Payment  | <b>Comply / Not Comply</b> |
| 2.12.1.<br>Payment & Invoicing under Jet A-1 Supply Modality – Option - 01  | <b>Comply / Not Comply</b> |
| 2.12.2.<br>Payment in 30 days L/C (BOC) after the first day of the two day delivery laycan – Option - 02          | <b>Comply / Not Comply</b> |
| 2.12.3.<br>Payment in 30 days L/C (Sampath Bank) after the first day of the two day delivery laycan – Option - 03 | <b>Comply / Not Comply</b> |
| 2.12.4.<br>Payment prior to the date of quantity drawn (100% Ex-Storage Modality) – Option - 04                   | <b>Comply / Not Comply</b> |
| 2.12.4.1.<br>Invoicing for payment  | <b>Comply / Not Comply</b> |
| 2.13.<br>Title and Risk   | <b>Comply / Not Comply</b> |
| 2.14.<br>Claims, Disputes and Recovery of Damages or Losses for CEYPETCO by Late Delivery                         | <b>Comply / Not Comply</b> |
| 2.15.1.<br>Laytime for Discharging at Dolphin Tanker Berth  | <b>Comply / Not Comply</b> |

|  |                            |
|--|----------------------------|
| 2.16<br>Notice of Arrival at Colombo   | <b>Comply / Not Comply</b> |
| 2.17.<br>Vessel Requirements   | <b>Comply / Not Comply</b> |
| 2.18.<br>Line Flushing at Dolphin Tanker Berth   | <b>Comply / Not Comply</b> |
| 2.19.<br>Demurrage   | <b>Comply / Not Comply</b> |
| 2.20.<br>Acceptance of the Bid   | <b>Comply / Not Comply</b> |
| 2.21.<br>Performance Security Guarantee (Annex – ‘D’)  | <b>Comply / Not Comply</b> |
| 2.22.<br>Force Majeure   | <b>Comply / Not Comply</b> |
| 2.23.<br>Other Requirements  | <b>Comply / Not Comply</b> |
| 2.24.<br>Submission of Bids  | <b>Comply / Not Comply</b> |
| 2.25. PCA3 form, agent, representative or nominee for or on behalf of any tenderer & local agency commission | <b>Comply / Not Comply</b> |
| 2.26.<br>Validity of the offer   | <b>Comply / Not Comply</b> |
| 2.27.<br>Jet A-1 Supply Modality Agreement (Option - 01)   | <b>Comply / Not Comply</b> |
| 2.28.<br>Ex-Storage Modality Agreement (Option - 04)   | <b>Comply / Not Comply</b> |
| Pledge and Security Agreement  | <b>Comply / Not Comply</b> |
| Amendment Notices (if any)   | <b>Comply / Not Comply</b> |

- 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 quantity of Petroleum products referred to above.

Yours Faithfully,

Name of the Authorized person for signature : .....

Authorized signature & the official seal of the Bidder : .....

Name of the Bidder : .....

Address : .....

Telephone No. : .....

Fax No. : .....

E-mail : .....

Date : .....

**SPECIFICATION OF JET A-1**

| PROPERTY/TEST  | COMPLIANCE                 |
|--|----------------------------|
| JET A-1 SHOULD CONFORM TO LATEST AFQRJOS CHECKLIST (CURRENTLY AFQRJOS ISSUE 36 – DATED 21 <sup>ST</sup> FEBRUARY 2025).  | <b>Comply / Not Comply</b> |
| IN ADDITION TO THE SHORE TANK QUALITY CERTIFICATE ISSUED AT THE LOAD PORT, THE SUCCESSFUL SUPPLIER/BIDDER SHALL REQUIRE TO FURNISH MANUFACTURE’S (REFINERY) CERTIFICATES FOR JET-A-1 CARGO LOADED ON TO THE NOMINATED VESSEL. THE PARAMETER “PARTICULATE CONTAMINATION” SPECIFIED UNDER THE SPECIFICATIONS OF AFQRJOS ISSUE 36 DATED 21 <sup>ST</sup> FEBRUARY 2025 SHOULD BE LESS THAN 1.00 mg/L AT THE PORT OF DISCHARGE AT COLOMBO. | <b>Comply / Not Comply</b> |
| IN ADDITION TO THE SHORE TANK QUALITY CERTIFICATES, THE SUCCESSFUL SUPPLIER/BIDDER SHALL REQUIRED TO FURNISH MANUFACTURE’S (REFINERY) CERTIFICATES FOR JET-A-1 CARGO LOADED ON TO THE NOMINATED VESSEL.  | <b>Comply / Not Comply</b> |
| IN ADDITION TO THE SUCCESSFUL SUPPLIER/BIDDER SHALL BE RESPONSIBLE TO PROVIDE MINIMUM THREE (03) NUMBER OF STADIS CANS ALONG WITH JET A-1 CARGO TO MAINTAIN THE CONDUCTIVITY PARAMETER OF THE PRODUCT.   | <b>Comply / Not Comply</b> |



**FORMULA FOR SELECTION OF THE MOST VIABLE PRICING OPTION**

$$P = \{A + (A \times B) + (A \times C) + (A \times D-1) + (A \times D-2) + (A \times D-3) - [A \times E \times (F/360)]\} \times \text{Import Quantity}$$

P: Ranking Score (lower the better)

A: FOB + Premium

B: LC Opening Commission [i.e. 0.0525% per quarter and part of there on (on value) for payment Option - 02 & 0.0% for payment Option – 03]

C: Bank Acceptance rate [i.e. 0.0375% on value (one time) for usance bills for payment Option - 02 & 0.0% for payment Option – 03]

D: LC Payment Commission

D-1 : Sight - 0.05% on value (one time) for payment Option -2 & 0.0% for payment Option 3

D-2 : Term – 0.01% on value if settled through USD for payment Option -2 & 0.0% for payment Option 3

D-3 : 0.05% if settlement through Sri Lanka Rupees for payment Option -2 & for payment Option 3

E: Bank interest – 7.5% P.A.

F: Credit period as declared in below Note 1 & Note 2

**NOTE:**

1. THE 7.5% P.A. SHALL BE CONSIDERED FOR THIRTY (30) DAYS UNDER PAYMENT IN THIRTY (30) DAYS LC AFTER THE FIRST DAY OF THE TWO-DAY DELIVERY LAYCAN - OPTION - 02 & OPTION - 03.
2. THE 7.5% P.A. SHALL BE CONSIDERED FOR FIFTEEN (15) DAYS UNDER PAYMENT PRIOR TO THE DATE OF QUANTITY DRAWN – (100% EX-STORAGE MODALITY) – OPTION – 04.

**JET A-1 SUPPLY MODALITY AGREEMENT**

**THIS AGREEMENT** is made and entered into at Colombo in the Democratic Socialist Republic of Sri Lanka on this ..... day of ..... Two Thousand and Twenty-Six (..../..../2026) (hereinafter referred to as the “Agreement”)

**BETWEEN**

..... (Seller) duly incorporated under .....(Relevant Incorporation under law) **a n d** having its registered office at ..... (hereinafter referred to as the 'Seller' which term or expression as herein used shall where the context requires or admits mean and include the said .....(Seller) and its successors,) of the one part.

**AND**

**CEYLON PETROLEUM CORPORATION** duly established by Ceylon Petroleum Act No.28 of 1961 as amended and having its registered office at No. 609, Dr. Danister De Silva Mawatha, Colombo 09, Sri Lanka. (hereinafter referred to as the 'CPC' which term or expression as herein used shall where the context requires or admits mean and include the said Ceylon Petroleum Cooperation, its successors and permitted assigns) hereinafter referred to as the Second Party.

**WITNESSETH**

**WHEREAS** CPC is a corporation established by Ceylon Petroleum Corporation Act, No. 28 of 1961 as amended which provides exclusive rights to CPC to import, export, sell, supply or distribute Petrol, Kerosene, Diesel oil and Furnace Oil;

**WHEREAS** CPC is the national monopoly importer and nominated service provider for the supply of Aviation Jet Fuel to all local and international aircrafts operating to and from Sri Lanka at several airfields and airports within the country;

**WHEREAS** the Seller has represented to CPC as authorised by the Principal source of Supplier in the form of a Board Resolution that it has the requisite expertise and capacity to supply Aviation Jet Fuel, subject to the terms and conditions set out herein;

**WHEREAS** CPC has therefore requested the Seller to supply Aviation Jet Fuel by using the existing logistical and infrastructure facilities of CPC as more fully set out herein and thereby to enable the supply of Aviation Jet Fuel to all aircraft operating to from and within Sri Lanka at airfields and airports located in Sri Lanka;

**WHEREAS** the Seller has agreed to facilitate the supply of Aviation Jet Fuel into Sri Lanka in collaboration with CPC which in turn has agreed and undertaken to store, and transport

Aviation Jet Fuel supplied to Sri Lanka by the Seller utilizing the logistical storage and distribution facilities of CPC; and

**WHEREAS** the Parties are therefore desirous of formulating their Agreement in writing and thus expressly stipulate the terms conditions rights duties obligations covenants privileges benefits and all other conditions applicable to governing and implementation of the Agreement between Parties according to the Cabinet Decision ref: 22/0758/522/007 dated 06/06/2022 and the said Agreement as follows:

## **1. DEFINITIONS/INTERPRETATIONS**

Except where the context requires otherwise, the following words and expressions shall have the following meanings;

|                                   |   |
|-----------------------------------|---|
| <i>Agreement / this Agreement</i> | Shall mean and include this Agreement, read together with procurement document all of which shall be read and construed as an integral part of this Agreement.  |
| <i>CPC</i>                        | Shall mean and include Ceylon Petroleum Corporation established by Ceylon Petroleum Corporation Act, No. 28 of 1961 as amended its successors and permitted assigns   |
| <i>CPSTL</i>                      | Ceylon Petroleum Storage Terminal, a Company duly incorporated under the Companies Act No. 07 of 2007, in terms of Section 2 (1) of the Conversion of Public Corporations or Government Owned Business Undertakings into Public Companies Act, No. 23 of 1987, morefully described in the Government Gazette Extraordinary bearing No. 1310/8 dated 13 <sup>th</sup> October 2003 having its registered business place at Oil Installation, Kolonnawa, Wellampitiya in the Democratic Socialist Republic of Sri Lanka |
| <i>Facility Cost</i>              | Facility Cost shall include all the cost components incurred by CPC and CPSTL during the importation (local components), storage, distribution, operations, maintenance and profit margin of supply of the Product from the discharge of Port of Colombo up to the delivery to the Airline Customers of CPC.  |
| <i>Seller</i>                     | <b>(Seller)</b> duly incorporated under..... (Relevant Incorporation under law) having its registered head office is at..... and its successors,  |
| <i>Party/Parties</i>              | Shall mean both CPC and Seller and their respective successors and permitted assigns when referred to herein in plural and shall mean either CPC or Seller when herein referred in the singular as the context may require.   |

|                                       |   |
|---------------------------------------|---|
| <i>Term</i>                           | Shall mean the term for the trial/first shipment which is extendable on mutual consent of both Parties.   |
| <i>Aviation Jet Fuel</i>              | Shall mean Jet A-1 for the purpose of this Agreement.   |
| <i>Product</i>                        | Shall mean each and every consignment of Jet A-1 conforming to the specification as set out in Procurement document   |
| <i>Independent Inspector</i>          | Shall be a duly qualified Independent Surveyor appointed by mutual agreement of the CPC and the Seller  |
| <i>Notice of Anticipated Delivery</i> | Shall mean the two-day delivery Laycan nominated by CPC thirty (30) days prior to the first day of the two-day delivery.  |
| <i>Quality Test Report</i>            | Shall mean all laboratory tests conducted both by the Independent Surveyor and the CPC/CPSTL to ascertain the quality of the Product.   |
| <i>Business Day</i>                   | Shall mean a day in which banks are open for business in Colombo, Sri Lanka and excludes a Saturday, Sunday and all public/bank holidays in Colombo, Sri Lanka  |
| <i>Month/Calendar Month</i>           | “Month” Shall mean any consecutive period of 30 days whilst “Calendar Month” shall mean a consecutive period of 30 days which immediately follows the 1 <sup>st</sup> day of any month in the Calendar  |
| <i>MOPS</i>                           | Mean of Platts Singapore  |
| <i>Year/Calendar Year</i>             | “Year” shall mean any consecutive period of 365 day whilst “Calendar Year” shall mean a consecutive period of 365 days immediately from the 1 <sup>st</sup> day of the month of January in any year to the 31 <sup>st</sup> day of December in that year inclusive of both days |

## 2. **TERM**

Shall mean the term for the trial/first shipment which is extendable on mutual consent of both parties.

## 3. **PRINCIPLE & CONSIDERATION**

3.1. Product will be imported to Sri Lanka by CPC as the consignee as per the terms and conditions in Exhibit A with testing of the Product cargo being carried out both at the Load Port and the Discharge Port at Colombo and the Product cargo supplied on DAP basis (Incoterm 2010). The cost of the consignment will be borne by the Seller up to the delivery to CPC storage at the Port of Colombo.

- 3.2. The Seller shall provide the Product cargo at the MOPS plus Premium of USD ... per barrel and it shall be considered as the cost of the consignment. CPC will pay all regulatory levies and other port and customs payments as shipment is consigned to CPC.
- 3.3. Upon discharge at Colombo Port, the title of the Product cargo shall pass to CPC, while mortgaging / pledging the title to the Seller upon discharge until the sale is complete.
- 3.4. Product discharged at Colombo Port will be stored in Kolonnawa Storage Terminal and will be distributed to the Aviation Fuel Storage Terminals at the airports adopting the usual distribution and operational procedures of CPC subject to the adherence of usual quantity measurement and other regular standards applicable during terminal operations used in the current supply chain.
- 3.5. The Product sales will be undertaken by CPC to Airline customers as per the usual practice under the prevailing fuel supply contracts signed between CPC and Airline customers. The Facility Cost incurred by CPC for this operation will be recovered from the proceeds obtained from selling Product to Airline customers.
- 3.6. The sales proceeds from the Airlines customers will be remitted to the exclusive USD Account of CPC. The Facility Cost incurred by CPC will be retained by CPC from this arrangement while the Seller will be provided with the facilities to repatriate their cost component in Dollars on weekly basis.
- 3.7. Payment for the upliftment of product from the pledged stocks by CPC is effected to the seller's following bank account:

Bank:

Beneficiary:

Account No.

SWIFT Code:

Intermediary Bank:

SWIFT Code:

- 3.8. The Payment entitled to the Seller shall be limited to the value in USD based on corresponding Outturn Quantity at 15 °C of Product in US Gallons reported by the Independent Inspector in the Certificate of Quantity issued at the Discharge Port. Such Payment shall be made on weekly basis from the sales proceedings.

#### 4. PRODUCT

- 4.1. The Product shall be as per the specification attached.
- 4.2. CPC shall hold the custody of the stock of Products received from **the Seller** at the Storage of **CPC/CPSTL** at its cost until sales are completed.
- 4.3. CPC shall insure all Product stocks held in the storage of **CPC** against all possible risks at the cost of CPC with an assignment to Seller as the title holder of Product.

#### 5. QUALITY AND DELIVERY

The Parties agree that the delivery of the Product and Quality shall be in accordance with the express provisions as stipulated in procurement document.

#### 6. RIGHTS AND OBLIGATIONS OF CPC

CPC shall;

- i) Hold the custody of the stock of the Product received from the **Seller** at the Storage of **CPC/CPSTL** at its cost until sales are completed.
- ii) Insure Product stocks held in the storage of **CPC/CPSTL** against all possible risks at the cost of CPC with an assignment to Seller as the title holder of Product.
- iii) Maintain, on its own account, an inventory of the Product at levels which are appropriate and adequate for **CPC** to meet all deliveries and service requirements in relation to the Product.
- iv) Allow the **Seller** to access the records maintained for the Product stock and sales.
- v) CPC accepts the title of Product vested with the Seller and shall undertake to sell and settle such values as and when sales with Airline customers are completed.
- vi) Upon issuance of the Letter of Acceptance / Confirmation by CEYPETCO, ensure that berthing facilities are made available at the Colombo Port for berthing the ship carrying the Product subject to Clause 2.12 in document.
- vii) Carry out lab tests of the Product at CPSTL laboratory in the presence of the Independent Surveyor before the unloading of the same at the Colombo Port and to make available the test results without any delay.

- viii) Have the right to reject the full consignment or part of the consignment on Board the vessel as the case may be, if the Quality of the Product at the Discharge Port does not meet/comply with the specifications stipulated in procurement document.

## **7. OBLIGATIONS OF THE SELLER**

The Seller shall;

- i) Undertake to supply the Product as per the quality standards in procurement document requested by CPC at all times.
- ii) Undertake to deliver the Product within the specified laycan.
- iii) Be liable to bear demurrages and any losses arising in the event of inability to arrive at Colombo within the given Delivery Laycan as stipulated in procurement document.
- iv) Obtain and order the entire quantity of the Product as requested by CPC in order to meet customer demand on a regular basis.
- v) Be liable to pay any damages incurred by CPC in the event of failure to supply the nominated Product consignment and limited to the value of USD 1,000,000, covered under the Performance Guarantee.
- vi) Inform CPC immediately of any foreseen delays in its deliveries whatever the cause and shall use its best efforts to minimize the consequence thereof.
- vii) Inform CPC by way of Notice of Anticipated Delivery and the commencement of Laytime shall be as per the procurement document.
- viii) Appoint Independent Surveyors for lab testing facilities in consultation and consensus with CPC as per the procurement document.
- ix) Make available Seller's representative at the Kollonnawa CPSTL tanks with the approval of CPC and/CPSTL when measurements are taken of the storage tanks before and after storing of the Product.

## **8. PAYMENT & INVOICING**

- 8.1. The cost of the Product consignment shall be determined in the following manner: DAP Colombo Unit price for Product shall be calculated as follows.

Price offered by the Seller for Jet A-1 in USD per barrel on DAP **Colombo basis (INCOTERMS 2010)** should be the average of the Mean of Platts Singapore price (MOPS) of Jet Kero under the heading of “Platts Asia And Middle East Jet Kero Assessments” on the first day of the two day delivery laycan, two days immediately before and two days immediately after the first day of the two day delivery laycan (if there is no publication on the first day of the two day delivery laycan then two days immediately before and two days immediately after the first day of the two day delivery laycan are to be taken into account) plus a fixed premium in USD ... per Bbl. [MOPS + Premium (USD ..... per barrel)] shall be converted into a per US Gallon (USG) basis for invoicing purposes for the Seller.

Under the jet a-1 supply modality total cargo quantity shall be withdraw within 45 days from the date completion of discharged.

- 8.2. Sales proceeds from Airlines shall be collected to the exclusive USD Account of CPC and the Seller shall be allowed to view the Account. The funds in this account will be primarily used to settle the dues only for this transaction with the Seller.
- 8.3. The payment due to the Seller will be paid on weekly basis in Dollar terms within the course of the subsequent week as per the clause 3.7 above. The selling price of Jet A-1 shall be determined by CPC on the basis of per USG by taking in to account of MOPS + Premium + Facility Cost.
- 8.4. CPC shall provide weekly summary of the sales Quantity for the Invoicing purposes to the Seller.
- 8.5. Upon receipt of the weekly summary referred to above, the Seller shall provide a corresponding Invoice for the respective payment.
- 8.6. Fuel supplied to the Seller for their own consumption will be invoiced in full and invoice value except facility cost for the respective invoices under this consignment will be net off against the payables.

## **9. TERMINATION UPON DEFAULT AND/OR BREACH**

The Agreement created hereby shall become terminated and/or ineffective:

- I. in the event that either Party shall undergo bankruptcy, winding up, dissolution, liquidation or any similar proceeding.
- II. by mutual consent.
- III. for violation or default of any of the conditions of this Agreement by CPC and/or its employees and/or its agents and/or servants and/or any person acting under CPC.



IV. for violation or default of any of the conditions of this Agreement by Seller and/or its employees and/or its agents and/or servants and/or any person acting under Seller.

## 10. NOTICES

10.1. Any communications (including without limitation statements of account) by either Party to the other shall, unless otherwise provided herein, be sufficiently made if sent by post (which shall be by airmail where airmail is possible), postage paid by telegraph, telex or facsimile transmission to the address hereinafter specified and shall, unless otherwise provided herein, be deemed to have been given to the other Party on the day on which such communications ought to have been delivered in due course of postal, telegraphic, telex or facsimile communication.

10.2. Unless otherwise specified by not less than 15 days notice in writing by the party in question, the addresses to which communication shall be sent:

|           |  |
|-----------|--|
| To Seller | (Seller Name)<br>Address :<br>By Telephone<br>By Facsimile<br>By Email |
|-----------|--|

|          |  |
|----------|--|
| To Buyer | Ceylon Petroleum Corporation<br>609 Dr. Danister De Silva Mawatha<br>Colombo 09, Sri Lanka<br>By Phone +94117296115<br>By Facsimile +94112106768 By<br>Email<br><a href="mailto:mgr.commercial@ceypetco.gov.lk">mgr.commercial@ceypetco.gov.lk</a> |
|----------|--|

## 11. ASSIGNMENT

Neither Party hereto shall assign any of their respective rights or obligations under this Agreement to any other person or entity without the express prior written consent of the other Party.

## 12. FORCE MAJEURE

The Seller or CPC 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 CPC'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.

### **13. ENTIRE AGREEMENT**

This Agreement supersedes and replaces all other prior letters, arrangements and / or agreements between the Parties hereto.

### **14. AMENDMENTS**

No amendments, changes, alterations or modifications to any provision of this Agreement shall be effective unless such changes, alterations or modifications are agreed upon by both Parties in writing and are signed by the authorized officers of the Parties hereto.

### **15. SEVERABILITY**

If any provision of this Agreement is invalid, unenforceable or prohibited by the applicable laws, this Agreement shall be considered divisible as to such provision and such provision shall be inoperative and shall not be part of the consideration moving from either party hereto to the other, and the remainder of this Agreement shall be valid, binding and of like effect as though such provision was not included herein.

The Parties further agree that they shall make every effort to change and/or amend such illegal, invalid, void and or unenforceable provision by way of a duly executed addendum to this Agreement, to make the same legal, valid and binding.

### **16. NON-WAIVER**

No failure or delay of any Party (including their employees and agents) to exercise any right or power under the Agreement or at law shall operate as a waiver thereof, except as provided in the Agreement, nor shall any single or partial exercise of any such right or power preclude any other or further exercise thereof or the exercise of any other right or power under the Agreement, and no waiver of any Party of any provision or part of any provision of the Agreement shall be binding unless expressly confirmed in writing.

### **17. CONFIDENTIALITY**

Each Party hereto shall maintain strict confidentiality and secrecy in respect of all information and documentation received by such Party directly or indirectly pursuant to this Agreement and neither Party hereto or their respective directors, employees, servants or agents shall disclose, reveal or divulge any confidential information howsoever acquired pursuant to this Agreement to any third party without the written consent of the other Party, unless required under any law.

The duty of confidentiality shall survive the termination of this Agreement and shall

extend to a further period of three (03) years from the date of termination or sooner determination of this Agreement.

**18. WARRANTY BY THE SELLER**

The Seller hereby warrants and confirms that it has and will for the duration of this Agreement maintain all necessary licenses permits and approvals and all commercial, technical and financial resources necessary to effectively supply the Product in the manner set out herein. The Seller shall indemnify, defend and hold CPC harmless from and against any and all losses, liabilities, damages, and claims, arising out of or otherwise in respect of any inaccuracy in or any breach of the aforesaid warranty.

**19. GOVERNING LAW AND DISPUTE RESOLUTION**

19.1. Any claim whatsoever arising between the Seller and CPC to this Agreement, under the terms of this Agreement shall be lodged in writing **within sixty (60) days** of receipt of the Product by CPC and in the event the cargo is not delivered to CPC **within sixty (60) days** of the last date of two day delivery laycan as notified by CPC. Otherwise any such claim shall be deemed to have been waived.

19.2. Every endeavor shall be made to settle any difference or dispute between CPC and Seller arising from any transaction hereunder by mutual negotiations, failing which such differences or disputes shall be settled by arbitration.

19.3. In the event of the failure to amicably settle any difference or dispute, the Parties shall refer all differences or disputes arising out of or in connection with this Agreement for final settlement by arbitration to be conducted under the rules of arbitration of the United Nations Commission on International Trade Law (UNCITRAL). The arbitral tribunal shall consist of three arbitrators. The seat of arbitration shall be Colombo, Sri Lanka and the language of arbitration shall be English.

IN WITNESS WHEREOF the Parties hereto have caused this Agreement and another of the same tenor and date as these presents to be executed at Colombo in the Democratic Socialist Republic of Sri Lanka on this .... of.....Two Thousand and Twenty-Six

**(SELLER NAME)**

**CEYLON PETROLEUM CORPORATION**

Name :

Name :

Designation :

Designation : Chairman

-----  
Name

-----  
Name : .....

Designation:

Designation: Managing Director

**PLEDGE AND SECURITY AGREEMENT**

THIS PLEDGE AND SECURITY AGREEMENT is made and entered into at Colombo in the Democratic Socialist Republic of Sri Lanka on this ..... day of ..... Two Thousand and Twenty- Six (.../.../2026) (hereinafter referred to as the “Agreement”)

**BETWEEN**

CEYLON PETROLEUM CORPORATION duly established by Ceylon Petroleum Act No.28 of 1961 as amended and having its registered office at No. 609, Dr. Danister De Silva Mawatha, Colombo 09, Sri Lanka. (hereinafter referred to as ‘CPC’ and/or ‘Pledgor’ which term or expression as herein used shall where the context requires or admits mean and include the said Ceylon Petroleum Cooperation, its successors and permitted assigns) of the one part (Second Party)

**AND**

..... having its registered office at..... (hereinafter referred to as the ‘Seller’ and/or ‘Secured Party’ which term or expression as herein used shall where the context requires or admits mean and include the said..... and its successors,) of the other part (First Party).

WHEREAS the Parties have entered into an Agreement dated ..... [Hereinafter the “Principal Agreement’] for the shipment of ..... MT / ..... US BBL under the Bill of Lading no. .... dated ..... discharged from MT/..... at Colombo AND WHEREAS to secure the CPC’s obligations under the aforesaid Principal Agreement and to ensure the timely payment and the performance of CPC’s other obligations under and in accordance with the aforesaid Principal Agreement, CPC is required, among other things, to pledge, and by this Agreement does pledge, among other things, all of its right, title and interest in all the Jet A-1 Aviation Fuel supplied to CPC by the Seller under the said Principal Agreement subject to the terms and conditions set out herein.

WHEREFORE, in consideration of the foregoing and in terms of the clause 3.3 in the Principal Agreement, the parties hereto, intending to be legally bound, hereby agree as follows;

**1. GRANT OF SECURITY INTEREST**

**1.1 Collateral**

As security for the full and punctual payment and performance of the obligations under the Principal Agreement, CPC hereby grants, pledges, hypothecates, transfers and assigns to the Seller a first priority and continuing lien on and first priority security interest in all of CPC’s right, title, ownership, equity or other interests in and to the consignment of the Jet A-1 Aviation Fuel Product supplied by the Seller under the said Principal Agreement whether now owned or hereafter acquired, now existing or hereafter arising and wherever located (collectively, the “Collateral”);

## 1.2 CPC Remains Liable

Anything herein to the contrary notwithstanding:

- i. CPC shall remain liable and shall perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed;
- ii. the exercise by the Seller of any of the rights hereunder shall not release CPC from any of its duties or obligations under the Collateral; and
- iii. Seller shall not have any obligation or liability under the Collateral by reason of this Agreement, nor shall Seller be obligated to perform any of the obligations or duties of CPC thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

## 2 EVENTS OF DEFAULT

An event of default (“**Event of Default**”) shall occur under this Agreement if a Default and or Breach on the part of CPC as contemplated in the Principal Agreement has occurred and remains uncured.

## 3 REMEDIES

- 3.1 If an Event of Default shall occur, in addition to the remedies contained in the Principal Agreement the Seller shall have the right, at any time and from time to time, to effect the Transfer of any or all of the Collateral:
- i. in the name of, or transfer to, Seller, a nominee or nominees, or designee or designees, of Seller;
  - ii. Sell, resell, assign and deliver, in Seller’s discretion, any or all of the Collateral (whether in whole or in part and at the same or different times); and
  - iii. Proceed by a suit or suits at law or in equity to foreclose all or any part of the security interests in the Collateral and sell the Collateral, or any portion thereof, at its discretion in an arbitration proceeding and or under a judgment or decree of a court of competent jurisdiction, retaining during the duration of such judicial enforcement all other rights, including all rights under applicable law and all rights made under this Agreement, with respect to the Collateral.

## 4 SALES OF THE COLLATERAL

- 4.1 Sale Procedures. No demand, advertisement or notice, all of which are hereby expressly waived by CPC, shall be required in connection with any sale or other disposition of all or any part of the Collateral, except that Seller shall give CPC at least ten (10) days’ prior written notice, which notice CPC hereby agrees is reasonable.

- 4.2 Adjournment; Credit Sale. Seller shall not be obligated to make any sale of the Collateral if it shall determine, in its discretion, not to do so, regardless of the fact that notice of sale may have been given, and Seller may without notice or publication adjourn any public or private sale.
  
- 4.3 CPC shall be responsible for the payment of all costs and expenses of every kind incurred in connection with the sale or the delivery of the Collateral, including brokers' and attorneys' fees and any taxes imposed in connection with the sale.
  
- 4.4 The proceeds of the sale of the Collateral may be applied by Seller for payment of such costs and expenses, and, after deducting such costs and expenses from the proceeds of the sale, Seller shall apply any remaining amounts to the payment of CPC's obligations under the Principal Agreement.

Any communications by either Party to the other shall be sent in writing via email as per below details

To Seller <Seller Name>.....  
Address .....  
.....  
By Phone .....  
By Facsimile.....  
By Email .....

To Buyer Ceylon Petroleum Corporation  
609 Dr. Danister De Silva Mawatha  
Colombo 09, Sri Lanka  
By Phone +94117296115  
By Facsimile +94112106768  
By Email [mgr.commercial@ceypetco.gov.lk](mailto:mgr.commercial@ceypetco.gov.lk) /  
[dmgr.commercial@ceypetco.gov.lk](mailto:dmgr.commercial@ceypetco.gov.lk)

In witness whereof the Parties hereto have set their respective hands and or caused the affixing of their common seals hereinto and another of the same tenor and date as these presents at Colombo.

.....  
Ceylon Petroleum Corporation

.....  
<Seller Name>

DRAFT AGREEMENT

THIS AGREEMENT is made and entered into at Colombo in the Democratic Socialist Republic of Sri Lanka on this ... day of ..... Two Thousand and Twenty Six (../.../.....) (hereinafter referred to as the “Agreement”)

BETWEEN

.....,a private company with limited liability duly organized and registered under the laws of Singapore (registration number .....) and having its registered office at .., (hereinafter referred to as the “Seller” which term or expression as herein used shall where the context requires or admits mean and include the said ..... and its successors,) of the first party.

AND

CEYLON PETROLEUM CORPORATION duly established by Ceylon Petroleum Act No.28 of 1961 as amended and having its Head office at No. 609. Dr. Danister De Silva Mawatha, Colombo 09, Sri Lanka. (hereinafter referred to as the 'CPC' which term or expression as herein used shall where the context requires or admits mean and include the said Ceylon Petroleum Corporation, its successors and permitted assigns) hereinafter referred to as the Second Party.

WITNESSETH

WHEREAS:

- A. CPC is a corporation established by the Ceylon Petroleum Corporation Act, No. 28 of 1961 as amended which provides exclusive rights to CPC to import export, sell, supply or distribute petrol, kerosene, diesel oil, jet a-1 and furnace oil etc.
- B. The Seller has represented to CPC that it has the requisite expertise and capacity to supply the Product as per the terms of this agreement.
- C. Considering the scarcity of the forex and the difficulty to make the 100% prepayment by CPC before discharge the vessel at discharge port Colombo, the seller has agreed to supply the Product (as defined below) and store such Product at the storage facilities of Ceylon Petroleum Storage Terminals Limited (CPSTL) at the Oil Terminals located Kolonnawa (Under Ex-storage modality)
- D. With the recommendation of BEC and the approval of SHLPC , the contract Ref. BK/23/2026 has been awarded to M/s. ....on ...<sup>th</sup>..... with the Payment prior to the date of quantity drawn – (100% ex-storage modality) on DAP Colombo basis (Incoterms 2010) based on the offer submitted on ...<sup>th</sup>..... and subsequence correspondences as well as acceptance of the bid dated ../.../.....

E. CPC has agreed to purchase and store the Product subject to the terms and conditions set out herein.

IT IS HEREBY AGREED as follows:

**1. DEFINITIONS/ INTERPRETATIONS**

Except where the context requires otherwise, the following words and expressions shall have the following meanings;

|  |   |
|--|---|
| <b><i>Agreement / this Agreement</i></b> | Shall mean and include this Agreement, read together with subsequent acceptance letters and all bidding term & conditions of which shall be read and construed as an integral part of this Agreement. In case of inconsistencies or discrepancies between this agreement & the annexures thereto, the former shall prevail.   |
| <b><i>Shipment Ref.</i></b>              | <ul style="list-style-type: none"> <li>• BK/23/2026</li> <li>• Supplier .....</li> <li>• Letter of acceptance dated .../.../.....</li> </ul>  |
| <b><i>CPC</i></b>                        | Shall mean and include Ceylon Petroleum Corporation established by Ceylon Petroleum Corporation Act, No. 28 of 1961 as amended its successors and permitted assigns.  |
| <b><i>CPSTL</i></b>                      | Ceylon Petroleum Storage Terminal a company duly incorporate under Companies Act No. 07 of 2007, in terms of section 2(1) of the Conversion of Public Corporations or Government owned Business Undertakings into Public Companies Act, No. 23 of 1987, more fully described in the government Gazette Extraordinary bearing No. 1310/8 dated 13 <sup>th</sup> October 2003 having it registered business place at Oil Installation, Kolonnawa, Wellampitiya in the Democratic Socialist Republic of Sri Lanka. |
| <b><i>Storage Facility</i></b>           | Storage facilities owned and operated by the CPSTL at the Oil Terminals located at Kolonnawa  |



|                                     |  |
|-------------------------------------|--|
| <b><i>Independent Inspector</i></b> | A globally reputed independent inspecting company which will be jointly appointed by the seller and buyer to monitor the stock & discharging of total cargo from the vessel & partial quantities from time to time from CPSTL storage tanks strictly as per this agreement and to issue the quality report at the discharge port.  |
| <b><i>Seller</i></b>                | ..... a private company with limited liability duly organized and registered under the laws of Singapore (registration number ..... ) and having its registered office at .....  |
| <b><i>Party/Parties</i></b>         | shall mean CPC and the Seller and their respective successors and permitted assigns when referred to herein in plural and shall mean either CPC or Seller when herein referred in the singular as the context may require.   |
| <b><i>Month/Calendar Month</i></b>  | Month Shall mean any consecutive period of 30 day whilst “Calendar Month” shall mean a consecutive period of 30 days which immediately follows the 1 <sup>st</sup> day of any month in the Calendar.   |
| <b><i>MOPS</i></b>                  | Mean of Platts Singapore   |
| <b><i>USD</i></b>                   | United States Dollars  |
| <b><i>LKR</i></b>                   | Sri Lankan Rupees  |
| <b><i>Year/Calendar Year</i></b>    | “Year” shall mean any consecutive period of 365 day whilst “Calendar Year” shall mean a consecutive period of 365 days immediately from the 1 <sup>st</sup> day of the month of January in any year to the 31 <sup>st</sup> day of December in that year inclusive of both days  |
| <b><i>Term</i></b>                  | Shall mean the term commencing from the date of the entering in to this agreement until making the payment of the total DAP value of the Product quantity discharged to Oil Terminals belongs to CPSTL located at Kolonnawa equivalent to the out turn quantity declared in the out turn quantity report issued by the mutually agreed Independent inspector at the time of discharging the cargo from the imported vessel under shipment ref. No. <b>BK/23/2026</b> |
| <b><i>Product</i></b>               | Shall mean the Jet A-1 cargo arrived under shipment ref. No. <b>BK/23/2026</b>   |

|                                   |   |
|-----------------------------------|---|
| <b><i>Quality Test Report</i></b> | Shall mean all laboratory tests conducted by the Independent inspector at CPC/CPSTL to ascertain the quality of the Product.                              |
| <b><i>Business Day</i></b>        | Shall mean a day in which banks are open for business in Colombo, Sri Lanka and excludes a Saturday, Sunday and all public holidays in Colombo, Sri Lanka |

## 2. TERMS

Shall mean the term commencing from the date of entering in to this agreement until making the payment of the total DAP Colombo value (Incoterms 2010) of the Product quantity discharged to Oil Terminals located at Kolonnawa equivalent to the out turn quantity declared in the out turn quantity report issued by the mutually agreed Independent Inspector at the time of discharging the cargo from the imported vessel under shipments reference **BK/23/2026**.

## 3. PRINCIPLE & CONSIDERATION

- 3.1 Product will be imported to Sri Lanka by CPC as the consignee as per the terms and conditions of the contract reference **BK/23/2026** with testing of the cargo being carried out both at the load port and the discharge port and the cargo supplied on DAP Colombo basis (Incoterms 2010). CPC shall be liable for the additional cost incurred by the seller subject to the terms and condition in the procurement document. CPC shall not be liable for the delays occurred due to negotiation of the signed Standard Ex-Storage Modality Agreement provided to the seller by CPC for discharge of cargo under Ex- Storage Modality.
- 3.2 The Seller shall provide the Product cargo at the MOPS discount/Premium of USD per barrel as agreed under the contract reference **BK/23/2026** which is more fully described in clause 8 of this agreement and it shall be considered as the cost of the consignment. CPC will pay all regulatory levies and other port and customs payments at discharged port related to the Product as shipment is consigned to CPC.
- 3.3 The Payment entitled to the Seller shall be limited to the value in United States Dollars (USD) based on corresponding Invoicing Quantity.
- 3.4 Upon discharge of the Product at Colombo Port;
  - a) The title to the Product and all associated risks, including but not limited to the risk of any loss or damage to the Product shall pass to CPC; and
  - b) The CPC shall forthwith execute a mortgage in the form annexed herewith, pledging the Product to the Seller until such time that payment of DAP Colombo (Incoterms 2010) price calculated as per clause no. 3 & 8 of this agreement is made in full.
  - c) Pledging agreement shall be signed by CPC within 5 (five) working days following the date when the Outturn Quantity Certificate is issued by the independent Inspector,

3.5 The quantity of the Product discharged at the Colombo Port shall be certified by the mutually appointed Independent Inspector and shall there upon be stored at the storage facilities owned and operated by the CPSTL at the Oil Terminals located at Kolonnawa (“Storage Facility”) and will be discharged adopting the usual distribution and operational procedures of CPSTL/CPC subject to the adherence of usual quantity measurement and other regular standards applicable during terminal operations used in the current supply chain. For the avoidance of doubt each withdrawal of the Product from the Storage Facility shall be subject to Clause 3.6 and shall require the prior written approval of the mutually appointed Independent Inspector and the Seller.

3.6 Prior to withdrawing the Product from the Storage Facility, CPC shall inform the Seller of the quantity which would be withdrawn and effect payment in full in respect of the said quantity of withdrawal in US Dollars by way of Telegraphic Transfer to the below mentioned bank account of the Seller.

BANK: ..... FAVOURING:

..... ACCOUNT NO.

..... SWIFT Code:

.....

USD CORRESPONDENT BANK: .....

3.7 Receipt by the Seller of the full price for the Product withdrawal quantity from CPC as well as the approval of the mutually appointed Independent Inspector shall be conditions precedent to the relevant withdrawal from the Storage Facility.

3.8 The Payment entitled to the Seller shall be limited to the value in USD based on corresponding Invoicing Quantity.

3.9 Outturn quantity will be reported by the Independent inspector in the Certificate of Quantity issued at the Discharge Port. Such Payment shall be made prior to any quantity been discharged from the storage.

#### 4. PRODUCT

4.1. The Product shall be as per the specification of the procurement document.

4.2. CPC shall hold the custody of the Product received from the Seller at the Storage Facility owned by the CPSTL at its cost until sales are completed and will not transfer the nominated quantity to any other storage facility unless received written official permission from the Seller.

4.3 CPC shall be responsible for the Seller for any loss or damage to the Product cargo while in CPSTL storage tanks until the agreement will be terminated as per the terms in this agreement.

#### 5. QUALITY AND DELIVERY

The Parties agree that the delivery of the Product and Quality shall be in accordance with the express provisions.

#### 6. RIGHTS AND OBLIGATIONS OF BUYER

CPC (Buyer) (*hereinafter referred to as the “CPC or “Buyer” which term or expression as herein used shall where the context requires or admits mean and include the said Ceylon Petroleum Corporation, its successors and permitted assign*) shall;

- i. Obtain the necessary provisions/approvals to discharge and store the relevant product/s in the “Storage Facility”.
- ii. Store the Product received from the Seller in accordance with Clause 4.2 and be responsible for any loss or damage to the Product cargo while in CPSTL/CPC storage tanks until the agreement will be terminated as per any of the provisions as per the terms in this agreement.
- iii. Maintain, on its own account, an inventory of the Product at levels which are appropriate and adequate for CPC to meet all deliveries and service requirements in relation to the Product.
- iv. Allow the Seller to access only for the records maintained for the Product stock and sales.
- v. Subject to the availability of space / ullage in the storage tanks, the Buyer has the right to store same respective Product type imported/purchased on its own in the same storage tanks as and when required.
- vi. Buyer has the right to store Jet A-1 Imported /purchased from any third-party sellers in the same storage tanks as and when required.
- vii. Buyer shall draw the quantity of the product from the storage tanks upon (1) receipt of the payment on the Seller’s nominated bank account of the value equivalent to the quantity to be drawn and (2) written approval by email from the Seller.
- viii. The buyer has the right to draw the quantity of products up to the quantity declared in the out- turn quantity report issued/produced by the mutually agreed independent inspector after discharging of the Product from the imported onboard the respective vessel.
- ix. Buyer has no obligation to pay any value exceeding the total DAP value of the respective Product quantity discharged to “Storage Facility” equivalent to the quantity declared in the original B/L(s) of the respective vessel.
- x. Carry out lab tests of the Product at CPSTL and/or CPC laboratory in the presence of the Independent Inspector before the unloading of the cargo at the Colombo Port and to make available the test results to the seller without any delay.
- xi. The final invoice shall be raised by the supplier in such a way that the cumulative quantity of all invoices does not exceed the B/L quantity indicated in the respective B/L (s) as indicated in clause 2.11. of the procurement document.
- xii. Buyer shall have the right to reject the full consignment or part of the consignment on Board the vessel as the case may be, if the Quality of the Product at the Discharge Port does not meet/comply with the specifications.
- xiii. CPC is not allowed to create or cause to be created any other liens/ pledges/ mortgages or other encumbrances over the Product pertaining to ref. **BK/23/2026** in favor of any third party including CPSTL apart those created in favor of the Seller hereunder.
- xiv. CPC shall indemnify the Seller for all damages and costs incurred by the latter due to the loss and/or damage to the Product while it is in transit or at the Storage Facility as well as any loss resulting from the undue performance or omission by CPC to the extent of the value of the remaining portion the cargo during the fulfillment of its obligations under this Agreement.

## 7. RIGHTS AND OBLIGATIONS OF THE SELLER

The Seller shall;

- i. Undertake to discharge the Product as per the quality standards in procurement document requested by CPC reference to **BK/23/2026**.
- ii. Make available Seller's representative at the Storage Facility with the approval of CPC when measurements are taken of the storage tanks before and after storing of the Product & drawing a quantity by buyer. A prior written approval of CPC to be sent to terminal before the discharge of the cargo at the terminal.  

Seller agreed to release the quantity of Product equivalent to the value of the payment made to the seller and receipt at the Seller's nominated bank account based on the price agreed in the contract soon after the transmission of the buyer's bank confirmation to the seller.
- iii. All rights of the seller to the quantity of Product in the storage tanks will cease to exist soon after CPC make payment & withdraw the equivalent total quantity declared in the out-turn report issued by the mutually agreed independent inspector after discharging of the Product from the respective vessel.
- iv. Seller has no authority to claim any value exceeding the total DAP Colombo (Incoterms 2010) value of the Product quantity discharged to "Storage Facility" equivalent to the out-turn quantity declared in the out-turn quantity report issued by the mutually agreed Independent inspector at the time of discharging the cargo from the imported vessel.
- v. Seller has the obligation to import the agreed quantity of the product as per the Letter of Acceptance issued by CPC and the terms entered into with CPC and make available the tanker at Colombo clearing the agreed date range/ laycan to discharge to discharge to the storage tanks at CPC/CPSTL.

## 8. PAYMENT & INVOICING

### 8.1 Price of the Product

Price offered for Jet A-1 in USD per barrel on DAP 'Colombo basis (incoterms 2010) shall be the average of the Mean of platts Singapore price of Jet Kero published in Platts market scan under the heading "Platts Asia And Middle East Jet Kero Assessments" on the first day of the two day delivery laycan, two days immediately before and two days immediately after the first day of the two day delivery laycan (if there is no publication on the first day of the two day delivery laycan then two days immediately before and two days immediately after the first day of the two day delivery laycan are to be taken into account) plus a fixed premium / discount in usd per bbl.

### 8.2 Invoicing

Based on the availability of funds the quantity required to be drawn shall be informed to the supplier by Ceypetco & the relevant payment will be made based on the respective invoice raised by the supplier indicating the quantity in us barrels, the unit price in United States Dollars (USD) per barrel (Bbl) and the subtotal of the respective invoice.

Payment will be made prior to the date of quantity drawn, by telegraphic transfer (TT) through Bank of Ceylon, 'Colombo. All bank charges outside Sri Lanka, if any, will be to the account of the supplier

The Final invoice shall be raised by the successful supplier / bidder in such a way that the cumulative quantity of all invoices does not exceed the B/L quantity indicated in the respective B/L(s) subjected to clause 2.11 in the procurement document.

**9. NOTICES**

9.1. Any communications (including without limitation statements of account) by either Party to the other shall, unless otherwise provided herein, be sufficiently made if sent by post (which shall be by airmail where airmail is possible), postage paid by telegraph, transmission to the address hereinafter specified and shall, unless otherwise provided herein, be deemed to have been given to the other Party on the day on which such communications ought to have been delivered in due course of e-mail, postal, telegraphic, telex or facsimile communication.

9.2. Unless otherwise specified by not less than 15 days' notice in writing by the party in question, the addresses to which communication shall be sent:

To Seller .....  
.....  
.....  
.....  
.....

To Buyer Ceylon Petroleum Corporation  
609 Dr. Danister De Silva Mawatha Colombo 09, Sri Lanka  
By Phone +0117296115  
By Facsimile +94112106768  
By Email [mgr.commercial@ceypetco.gov.lk](mailto:mgr.commercial@ceypetco.gov.lk)

**10. ASSIGNMENT**

Neither Party hereto shall assign any of their respective rights or obligations under this Agreement to any other person or entity without the express prior written consent of the other Party.

**11. FORCE MAJEURE**

The Seller or CPC 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 CPC'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.

**12. AMENDMENTS**

No amendments, changes, alterations or modifications to any provision of this Agreement shall be effective unless such changes, alterations or modifications are agreed upon by both Parties in writing and are signed by the authorized officers of the Parties hereto.

### **13. SEVERABILITY**

If any provision of this Agreement is invalid, unenforceable or prohibited by the applicable laws, this Agreement shall be considered divisible as to such provision and such provision shall be inoperative and shall not be part of the consideration moving from either party hereto to the other, and the remainder of this Agreement shall be valid, binding and of like effect as though such provision was not included herein.

The Parties further agree that they shall make every effort to change and/or amend such illegal, invalid, void and or unenforceable provision by way of a duly executed addendum to this Agreement, to make the same legal, valid and binding.

### **14. NON-WAIVER**

No failure or delay of any Party (including their employees and agents) to exercise any right or power under the Agreement or at law shall operate as a waiver thereof, except as provided in the Agreement, nor shall any single or partial exercise of any such right or power preclude any other or further exercise thereof or the exercise of any other right or power under the Agreement, and no waiver of any Party of any provision or part of any provision of the Agreement shall be binding unless expressly confirmed in writing.

### **15. CONFIDENTIALITY**

Each Party hereto shall maintain strict confidentiality and secrecy in respect of all information and documentation received by such Party directly or indirectly pursuant to this Agreement and neither Party hereto or their respective directors, employees, servants or agents shall disclose, reveal or divulge any confidential information howsoever acquired pursuant to this Agreement to any third party without the written consent of the other Party, unless required under any law, or unless disclosed to either Party's auditors, insurers, carriers (including ship-owners), financing bank(s) and/or consultants.

The duty of confidentiality shall survive the termination of this Agreement and shall extend to a further period of three (03) years from the date of termination or sooner determination of this Agreement.

### **16. WARRANTY BY THE SELLER**

The Seller hereby warrants and confirms that it has and will for the duration of this Agreement maintain all necessary licenses permits and approvals and all commercial, technical and financial resources necessary to effectively supply the Product in the manner set out herein. The Seller shall indemnify, defend and hold CPC harmless from and against any and all actually incurred losses, liabilities, damages, and claims, arising out of or otherwise in respect of inaccuracy or any breach of the aforesaid warranty.

### **17. GOVERNING LAW AND DISPUTE RESOLUTION**

17.1 The agreement shall be governed by and interpreted pursuant to the laws of Sri Lanka.

17.2 Any claim whatsoever arising between the Seller and CPC to this Agreement, under the terms of this Agreement shall be lodged in writing within thirty (30) days of receipt of the Product by CPC and in the event the cargo is not delivered to CPC within thirty (30) days of the last date of two- day delivery laycan as notified by CPC. Otherwise any such claim shall be deemed to have been waived.

17.3 Every endeavor shall be made to settle any difference or dispute between CPC and Seller arising from any transaction here under by mutual negotiations, failing which such differences or disputes shall be settled by arbitration.

17.4 In the event of the failure to amicably settle any difference or dispute, the Parties shall refer all differences or disputes arising out of or in connection with this Agreement for final settlement by arbitration to be conducted under the rules of arbitration of the United Nations Commission on International Trade Law (UNCITRAL). The arbitral tribunal shall consist of three arbitrators. The seat of arbitration shall be Colombo, Sri Lanka and the language of arbitration shall be English.

17.5 In the event that either Party deems it necessary to seek injunctive relief, such should be obtained from a court of competent jurisdiction pending the constitution and/or determination of the Arbitrators in accordance with Clause 17.4.

17.6 Terms of this agreement supersedes and replaces all other prior letters. Arrangements and /or agreements between the parties hereto.

## **18. TERMINATION**

This agreement will terminate;

- a) By mutual consent of both parties (buyer and seller)
- b) Automatically once the total quantity equivalent to the out-turn quantity will be withdrawn by CPC from the storage tanks "Storage Facility".
- c) Automatically, once the total DAP value of the Product quantity discharged to "Storage Facility" equivalent to the out turn quantity declared in the out turn quantity report issued by the mutually agreed Independent inspector at the time of discharging the cargo from the imported vessel is paid to the seller by CPC.
- d) The Seller shall be entitled to unilaterally early terminate this Agreement with a 20-day written notice to CPC in case the delivered Product is not paid by CPC within four (4) months from the day of its discharge at port Colombo, Sri Lanka. And the Seller will be entitled to collect the entire balance amount available as per the deed of pledge signed between the parties.



**19. OTHER REQUIREMENTS**

All other terms & conditions and requirements are as per the Invitation for Bids (Ref: **BK/23/2026**) **COMMERCIAL MANAGER** dated 25/03/2026 and CEYPETCO standard terms and conditions available with the Seller.

IN WITNESS WHEREOF the Parties hereto have caused this Agreement and another of the sametenor and date as these presents to be executed at Colombo in the Democratic Socialist Republic of Sri Lanka on this..... Two Thousand and Twenty-Six.

..... **CEYLON PETROLEUM CORPORATION**

|             |   |       |             |   |       |
|-------------|---|-------|-------------|---|-------|
| 1. NAME     | : | ..... | 1. NAME     | : | ..... |
| DESIGNATION | : | ..... | DESIGNATION | : | ..... |
| SIGNATURE   | : | ..... | SIGNATURE   | : | ..... |

|             |   |       |             |   |       |
|-------------|---|-------|-------------|---|-------|
| 2. NAME     | : | ..... | 2. NAME     | : | ..... |
| DESIGNATION | : | ..... | DESIGNATION | : | ..... |
| SIGNATURE   | : | ..... | SIGNATURE   | : | ..... |

**WITNESSED BY**

**WITNESSED BY**

- |          |         |
|----------|---------|
| 1) ..... | 1)..... |
| 2) ..... | 2)..... |

**DEED OF PLEDGE**

DATE:

THIS DEED OF PLEDGE IS MADE BETWEEN:

[NAME OF THE SUPPLIER]

[REG.NUMBER +ADDRESS]

AND

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

WHEREAS CPC AND [NAME OF THE SUPPLIER] ENTERED INTO AN AGREEMENT DATED FOR THE SUPPLY BY [NAME OF THE SUPPLIER] TO CPC OF MT OR BBLs OF JET A -1 WITHIN THE PERIOD ON DAP PORT COLOMBO TERMS (THE "AGREEMENT"); AND

**WHEREAS** ACCORDING TO THE AGREEMENT THE ..... MT OF JET A-1 IS DISCHARGED AND STORED AT STORAGE FACILITIES OWNED AND OPERATED BY THE CPSTL AT THE OIL TERMINALS LOCATED AT KOLONNAWA ("STORAGE FACILITIES"); AND

**WHEREAS** THE CONSIGNEE OF JET A-1 UNDER THE AGREEMENT IS CPC AND CPC OBTAINS THE TITLE TO JET A-1 UPON ITS DISCHARGE AT THE COLOMBO PORT; AND

**WHEREAS** AS A COLLATERAL FOR THE PAYMENT FOR JET A-1,.....AND CPC AGREED THAT THE TITLE TO THE JET A-1 DISCHARGED AT COLOMBO PORT AND STORED AT THE STORAGE FACILITIES SHALL BE PLEDGED IN FAVOR OF ..... UNTIL SUCH TIME WHEN..... RECEIVES PAYMENT IN FULL FOR THE DISCHARGE OF JET A-1 FROM THE COLOMBO PORT BY CPC;

**NOW THEREFORE**, THE PARTIES HAVE AGREED AS FOLLOWS:

PLEDGE

AS A GENERAL AND CONTINUING CO-LATERAL SECURITY FOR THE PAYMENT BY CPC TO ..... OF THE PURCHASE PRICE FOR THE JET A-1 UNDER THE AGREEMENT, CPC HEREBY IN ACCORDANCE WITH THE PROVISIONS OF THE LAWS OF SRI LANKA DOES HEREBY PLEDGE AND CHARGE TO AND IN FAVOR OF ....., HEREUNTO PRESENT AND ACCEPTING THE TITLE AND PROPERTY TO THE JET A-1 DELIVERED BY..... TO CPC UNDER THE AGREEMENT AS DEFINED HERE ABOVE.

JET A-1 IS PHYSICALLY LOCATED AT THE STORAGE FACILITIES AT THE FOLLOWING ADDRESSES:  
OIL INSTALLATION KOLONNAWA. CPC HEREBY UNDERTAKES:

1. TO HOLD THE JET A-1 [IN TRUST] FOR THE ORDER OF ..... AND NOT TO RELEASE, SELL OR OTHERWISE DISPOSE JET A-1 TO ANY THIRD PARTY AND NOT TO ISSUE OR SURRENDER ANY STORAGE WARRANT OR OTHER (NEGOTIABLE) INSTRUMENT IN RESPECT OF JET A-1 WITHOUT A PRIOR WRITTEN INSTRUCTION OF .....INSTRUCTIONS SHALL BE SENT VIA FAX OR EMAIL AS MENTIONED IN CLAUSE 9.2 IN THE AGREEMENT.

2. NOT TO CREATE ANY PLEDGE, CHARGE OR OTHER KIND OF ENCUMBRANCE OVER JET A-1 PERTAINING TO BK/23/2026; AND
3. GOVERNING LAW AND DISPUTE RESOLUTION
  - 3.1 THE AGREEMENT SHALL BE GOVERNED BY AND INTERPRETED PURSUANT TO THE LAWS OF SRI LANKA.
  - 3.2 ANY CLAIM WHATSOEVER ARISING BETWEEN THE SELLER AND CPC TO THIS AGREEMENT, UNDER THE TERMS OF THIS AGREEMENT SHALL BE LODGED IN WRITING WITHIN SIXTY (60) DAYS.
  - 3.3 EVERY ENDEAVOR SHALL BE MADE TO SETTLE ANY DIFFERENCE OR DISPUTE BETWEEN CPC AND SELLER ARISING FROM ANY TRANSACTION HEREUNDER BY MUTUAL NEGOTIATIONS, FAILING WHICH SUCH DIFFERENCES OR DISPUTES SHALL BE SETTLED BY ARBITRATION.
  - 3.4 IN THE EVENT OF THE FAILURE TO AMICABLY SETTLE ANY DIFFERENCE OR DISPUTE, THE PARTIES SHALL REFER ALL DIFFERENCES OR DISPUTES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT FOR FINAL SETTLEMENT BY ARBITRATION TO BE CONDUCTED UNDER THE RULES OF ARBITRATION OF THE UNITED NATIONS COMMISSION ON INTERNATIONAL TRADE LAW (UNCITRAL). THE ARBITRAL TRIBUNAL SHALL CONSIST OF THREE ARBITRATORS. THE SEAT OF ARBITRATION SHALL BE COLOMBO, SRI LANKA AND THE LANGUAGE OF ARBITRATION SHALL BE ENGLISH.
  - 3.5 IN THE EVENT THAT EITHER PARTY DEEMS IT NECESSARY TO SEEK INJUNCTIVE RELIEF, SUCH SHOULD BE OBTAINED FROM A COURT OF COMPETENT JURISDICTION PENDING THE CONSTITUTION AND/OR DETERMINATION OF THE ARBITRATORS IN ACCORDANCE WITH CLAUSE 3.4.

THE PLEDGE WILL BE LIFTED UPON RECEIPT BY ..... OF THE PAYMENT IN FULL OF THE PURCHASE PRICE FROM CPC TO .....BANK ACCOUNT FOR THE QUANTITY CERTIFIED AT THE PORT OF DISCHARGE BY THE INDEPENDENT INSPECTOR. THE VALUE OF THE PLEDGE WILL REDUCE AS AND WHEN PAYMENTS ARE MADE BY CPC FOR EACH WITHDRAWAL OF JET A-1 IN ACCORDANCE WITH CLAUSE 3.5 OF THE AGREEMENT.

EACH PARTY REPRESENTS THAT ALL NECESSARY CORPORATE ACTIONS AND FORMALITIES HAVE BEEN TAKEN TO ENABLE IT TO ENTER INTO THIS DEED OF PLEDGE.

IN WITNESS WHERE OF THE PARTIES HERETO HAVE CAUSED THIS AGREEMENT AND ANOTHER OF THE SAME TENOR AND DATE AS THESE PRESENTS TO BE EXECUTED AT COLOMBO IN THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA ON THIS ...<sup>TH</sup>.....2026.

|  |  |
|--|--|
| <p>.....</p> <p>1. NAME : .....</p> <p>DESIGNATION : .....</p> <p>SIGNATURE : .....</p> <p>2. NAME : .....</p> <p>DESIGNATION : .....</p> <p>SIGNATURE : .....</p> <p>WITNESSED BY</p> <p>1) .....</p> <p>2) .....</p> | <p><b>CEYLON PETROLEUM CORPORATION</b></p> <p>1. NAME : .....</p> <p>DESIGNATION : .....</p> <p>SIGNATURE : .....</p> <p>2. NAME : .....</p> <p>DESIGNATION : .....</p> <p>SIGNATURE : .....</p> <p>WITNESSED BY</p> <p>1).....</p> <p>2).....</p> |
|--|--|