PROCUREMENT DOCUMENT

CEYLON PETROLEUM CORPORATION (CEYPETCO)

BID FOR THE SUPPLY OF A CARGO OF
700,000 BBLS +/- 10% OF
WTI MIDLAND SWEET CRUDE OIL (OPTION A)
OR
700,000 BBLS +/- 10% OF
SAHARAN BLEND CRUDE OIL (OPTION B)
OR
700,000 BBLS +/- 10% OF
MIRI LIGHT CRUDE OIL (OPTION C)
OR
700,000 BBLS +/- 10% OF
MURBAN CRUDE OIL (OPTION D)

REF: CR/14/2026

FOR DISCHARGE AT SPBM1 COLOMBO, SRI LANKA

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

06TH MARCH 2026

INVITATION FOR BIDS

CEYLON PETROLEUM CORPORATION (CEYPETCO)

BID FOR THE SUPPLY OF A CARGO OF

700,000 BBLS +/- 10% OF WTI MIDLAND SWEET CRUDE OIL (OPTION A)
OR
700,000 BBLS +/- 10% OF SAHARAN BLEND CRUDE OIL (OPTION B)
OR
700,000 BBLS +/- 10% OF MIRI LIGHT CRUDE OIL (OPTION C)
OR
700,000 BBLS +/- 10% OF MURBAN CRUDE OIL (OPTION D)

UNDER 30 DAYS LETTER OF CREDIT AND/OR UNDER EX-STORAGE MODALITY
ON DELIVERED AT PLACE (DAP) (INCOTERMS 2010)
FOR DISCHARGE AT SPBM 1 COLOMBO
CR/14/2026

SECTION 1- INSTRUCTIONS TO BIDDERS (ITB)

1.1 INTRODUCTION

THE CHAIRMAN, STANDING HIGH LEVEL PROCUREMENT COMMITTEE (SHLPC), ON BEHALF OF CEYLON PETROLEUM CORPORATION (HEREIN AFTER REFERRED TO AS 'CEYPETCO') INVITES FIRM OFFERS FROM THE SUPPLIERS **REGISTERED WITH CEYPETCO** UNDER THE CATEGORY OF "CRUDE OIL" FOR THE SUPPLY OF **A CARGO OF 700,000 BBLS +/- 10% OF WTI MIDLAND SWEET CRUDE OIL (OPTION A) OR 700,000 BBLS +/- 10% OF SAHARAN BLEND CRUDE OIL (OPTION B) OR 700,000 BBLS +/- 10% OF MIRI LIGHT CRUDE OIL (OPTION C) OR 700,000 BBLS +/- 10% OF MURBAN CRUDE OIL (OPTION D) ON DAP COLOMBO BASIS (INCOTERMS 2010) UNDER 30 DAYS LETTER OF CREDIT AND/OR UNDER EX-STORAGE MODALITY** FOR DISCHARGE OF FULL CARGO QUANTITY AT SINGLE POINT BUOY MOORING 1 (SPBM 1) COLOMBO, SRI LANKA DURING LAYCAN **17-21/04/2026.**

INTERESTED SUPPLIERS MAY REQUEST FURTHER INFORMATION/CLARIFICATIONS FROM THE COMMERCIAL MANAGER OF CEYLON PETROLEUM CORPORATION [TEL: 0094-117296115; E-MAIL: mgr.commercial@ceypetco.gov.lk, sanjeewa.m@ceypetco.gov.lk].

1.2 ISSUE OF BIDDING DOCUMENT

- LOCAL AGENTS OF THE REGISTERED SUPPLIERS COULD OBTAIN THE BIDDING DOCUMENT FROM THE COMMERCIAL MANAGER OF CEYLON PETROLEUM CORPORATION BETWEEN 0900 HRS. AND 1500 HRS. (SRI LANKA TIME) ON ANY WORKING DAY COMMENCING **06TH MARCH 2026 UP** TO **23RD MARCH 2026.**
  OR
- REGISTERED SUPPLIERS COULD DOWNLOAD THE RELEVANT BID DOCUMENT FROM THE CEYPETCO WEBSITE www.ceypetco.gov.lk

1.3 ELIGIBILITY FOR BIDDING

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

1.4 SUBMISSION OF BIDS

PLEASE REFER CLAUSE 2.25.

1.5 LOCAL AGENT AND LOCAL AGENCY COMMISSION

PLEASE REFER CLAUSE 2.13.

1.6 ACCEPTANCE OF THE BID

PLEASE REFER CLAUSE 2.17.

1.7 PRICING METHODOLOGY / CURRENCY

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

1.8 BID SECURITY GUARANTEE

1.8.1 **CASH DEPOSIT IN UNITED STATES DOLLARS**

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

IMPORTANT

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

1.8.2.2. **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 OR CASH DEPOSIT, 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 CALL ON THE BID SECURITY GUARANTEE OR CASH DEPOSIT 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 GUARANTEE OR CASH DEPOSIT OF THE SUCCESSFUL BIDDER WILL BE RETURNED ONLY AFTER THE SUBMISSION OF THE PERFORMANCE SECURITY GUARANTEE BY THE SUCCESSFUL BIDDER. CEYPETCO SHALL BE ENTITLED TO CALL ON THE BID SECURITY GUARANTEE UNLESS A PERFORMANCE SECURITY GUARANTEE IS PROVIDED BY THE SUCCESSFUL BIDDER, ON THE DATE SPECIFIED BY CEYPETCO.

1.8.6 THE BID SECURITY GUARANTEE OR CASH DEPOSIT FROM THE UNSUCCESSFUL BIDDERS WILL BE RETURNED TO THEM AFTER THE AWARD IS MADE TO THE SUCCESSFUL BIDDER.

1.9 CORRECTION OF ERRORS

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

SECTION 2 - TERMS & CONDITIONS OF THE BID

2.1 BUYUER

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

2.2 CONTRACTUAL CARGO QUANTITY

2.2.1 THE TOTAL QUANTITY OF **WTI MIDLAND SWEET CRUDE OIL (OPTION A) OR SAHARAN BLEND CRUDE OIL (OPTION B) OR MIRI LIGHT CRUDE OIL (OPTION C) OR 700,000 BBLS +/- 10% OF MURBAN CRUDE OIL (OPTION D)** REQUIRED UNDER THIS CONTRACT IS AS FOLLOWS.

PRODUCT	TOTAL CONTRACTUAL QUANTITY
WTI MIDLAND SWEET CRUDE OIL (OPTION A) OR SAHARAN BLEND CRUDE OIL (OPTION B) OR MIRI LIGHT CRUDE OIL (OPTION C) OR MURBAN CRUDE OIL (OPTION D)	700,000 BBLS PLUS/MINUS 10 PERCENT (+/- 10%).

2.2.2 THE TOTAL QUANTITY OF THIS DELIVERY OF **WTI MIDLAND SWEET CRUDE OIL (OPTION A) OR SAHARAN BLEND CRUDE OIL (OPTION B) OR MIRI LIGHT CRUDE OIL (OPTION C) OR 700,000 BBLS**

+/- 10% OF MURBAN CRUDE OIL (OPTION D) SHALL BE AS PER THE **ANNEX-"B"** WHERE CARGO SIZE IS 700,000 BBLS LOADED WITHIN THE PLUS/MINUS 10 PER CENT (+/- 10%) TOLERANCE.

2.2.3 ANY DEVIATION TO THE PLUS/MINUS 10% (+/-10%) QUANTITY TOLERENCE WILL ONLY BE CONSIDERED UNDER SPECIAL CIRCUMSTANCES, ON MUTUAL AGREEMENT BETWEEN CEYPETCO AND THE SUCCESSFUL SUPPLIER/BIDDER.

2.3 DELIVERY OF WTI MIDLAND SWEET CRUDE OIL (OPTION A) OR SAHARAN BLEND CRUDE OIL (OPTION B) OR MIRI LIGHT CRUDE OIL (OPTION C) OR OF MURBAN CRUDE OIL (OPTION D) AT SPBM 1, COLOMBO

2.3.1. THE SUCCESSFUL SUPPLIER/ BIDDER SHALL DELIVER THE FULL CARGO OF **WTI MIDLAND SWEET CRUDE OIL (OPTION A) OR SAHARAN BLEND CRUDE OIL (OPTION B) OR MIRI LIGHT CRUDE OIL (OPTION C) OR OF MURBAN CRUDE OIL (OPTION D) 700,000 BBLS +/- 10%** OIL AS GIVEN IN **ANNEX - 'B'** SHOULD BE MADE ON **DAP COLOMBO BASIS (INCOTERMS 2010)** AT SPBM 1 COLOMBO, SRI LANKA DURING THE FIVE-DAY DELIVERY LAYCAN OF **17-21/04/2026 .**

2.3.2. IT IS IMPERATIVE THAT THE SHIPMENT IS DELIVERED IN COLOMBO DURING THE FIVE-DAY DELIVERY LAYCAN NOTIFIED BY CEYPETCO IN ONE TANKER IN ONE LOT.

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

2.3.3. FOR WTI MIDLAND SWEET CRUDE OIL, PORT OF LOADING FOR THE CARGO SHALL BE ANY PORT IN THE UNITED STATES OF AMERICA. (U.S.A.).

FOR SAHARAN BLEND CRUDE OIL, PORT OF LOADING FOR THE CARGO SHALL BE ARZEW, ALGERIA OR BETHIOUA, ALGERIA.

FOR MIRI LIGHT CRUDE OIL, PORT OF LOADING FOR THE CARGO SHALL BE MIRI TERMINAL, MALAYSIA.

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

ANY LOADING PORT UNDER UNITED STATES SANCTIONS ARE NOT APPLICABLE.

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

2.4 IMPORTANT

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

2.4.2 UNDER EX-STORAGE MODALITY, THE QUANTITY OF THE PRODUCT DISCHARGED AT THE COLOMBO PORT SHALL BE CERTIFIED BY THE MUTUALLY APPOINTED INDEPENDENT INSPECTOR AND SHALL THEREUPON BE STORED AT THE STORAGE FACILITIES OWNED AND OPERATED BY THE CEYLON PETROLEUM CORPORATION AT ORUGODAWATTA AND/OR SAPUGASKANDA AND WILL BE WITHDRAWN AS PER THE REQUIREMENT OF REFINERY OF CEYPETCO SUBJECT TO THE ADHERENCE OF USUAL QUANTITY MEASUREMENT. FOR THE AVOIDANCE OF DOUBT EACH WITHDRAWAL OF THE PRODUCT FROM THE STORAGE FACILITY SHALL BE SUBJECT TO CLAUSE 2.4.3. AND SHALL REQUIRE THE PRIOR WRITTEN APPROVAL OF THE MUTUALLY APPOINTED INDEPENDENT INSPECTOR.

2.4.3 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** 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.

2.4.4 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.

2.4.5 THE PAYMENT ENTITLED TO THE SUCCESSFUL SELLER/ BIDDER SHALL BE LIMITED TO THE VALUE IN UNITED STATES DOLLARS (USD) BASED ON CORRESPONDING INVOICING QUANTITY. INVOICING QUANTITY WILL BE LIMITED TO THE QUANTITY IN THE OUT-TURN QUANTITY CERTIFICATE.

2.4.6 OUTTURN QUANTITY WILL BE REPORTED AND CERTIFIED BY THE INDEPENDENT INSPECTOR IN THE "CERTIFICATE OF QUANTITY" ISSUED AT THE DISCHARGE PORT.

2.4.7 CEYPETCO SHALL HOLD THE CUSTODY OF THE PRODUCT RECEIVED FROM THE SUCCESSFUL SUPPLIER/ BIDDER AT THE STORAGE FACILITY OWNED BY THE CEYPETCO AT ITS COST UNTIL ENTIRE QUANTITY IS WITHDRAWN.

2.4.8 CEYPETCO SHALL BE RESPONSIBLE FOR ANY LOSS OR DAMAGE TO THE PRODUCT CARGO WHILE IN CEYPETCO STORAGE TANKS UNTIL THE EX-STORAGE MODALITY AGREEMENT WILL BE TERMINATED AS PER ANY OF THE CLAUSES UNDER CLAUSE 18. TERMINATION IN THE AGREEMENT.

2.5 THIRD PARTY CARGO

2.5.1 BIDDERS ARE NOT PERMITTED TO CARRY ANY THIRD-PARTY CARGO ALONG WITH THIS CARGO IN THE SAME DAUGHTER VESSEL.

2.5.2 BIDDERS ARE ALLOWED TO CO-LOAD THIRD PARTY CARGO ON MOTHER VESSEL. HOWEVER, CEYPETCO CARGO WILL BE SEGREGATED ON BOARD INTO NOMINATED SHIP TANKS.

2.6 QUALITY

THE SUCCESSFUL SUPPLIER/BIDDER SHALL ENSURE THAT THE **WTI MIDLAND SWEET CRUDE OIL (OPTION A) OR SAHARAN BLEND CRUDE OIL (OPTION B) OR MIRI LIGHT CRUDE OIL (OPTION C) OR MURBAN CRUDE OIL (OPTION D)** OFFERED IS IN CONFORMITY WITH THE RELEVANT SPECIFICATIONS GIVEN IN **"ANNEX – 'C-1', 'C-2', 'C-3' & 'C-4'** RESPECTIVELY. TENDERERS SHOULD FURNISH THE FULL ASSAY OF **WTI MIDLAND SWEET CRUDE OIL (OPTION A) OR SAHARAN BLEND CRUDE OIL (OPTION B) OR**

MIRI LIGHT CRUDE OIL (OPTION C) OR MURBAN CRUDE OIL (OPTION D) FOR THE EVALUATION OF BIDS. **THE BIDS FROM SUPPLIER/BIDDER WHO DO NOT FURNISH THE FULL ASSAY OF THE WTI MIDLAND SWEET CRUDE OIL (OPTION A) OR SAHARAN BLEND CRUDE OIL (OPTION B) OR MIRI LIGHT CRUDE OIL (OPTION C) OR MURBAN CRUDE OIL (OPTION D) WILL NOT BE CONSIDERED FOR EVALUATION**.

2.6.1 WTI MIDLAND SWEET OIL QUALITY IS AS MADE AVAILABLE AT THE TIME OF LOADING. SELLER TO PROVIDE COPY OF CERTIFICATE OF QUALITY AT LOAD PORT ISSUED BY THE TERMINAL/MANUFACTURER AND COPY OF CERTIFICATE OF U.S.A. ORIGIN ISSUED BY THE SUPPLIER OR TERMINAL OR ANY AUTHORITY OR LOCAL BODY OR CHAMBER OF COMMERCE CONFIRMING THAT THE WTI MIDLAND SWEET CRUDE OIL SHIPPED ON VESSEL IS DERIVED FROM THE CURRENT PRODUCTION OF THE WTI MIDLAND CRUDE OIL FIELD.

2.6.2 SAHARAN BLEND CRUDE OIL QUALITY IS AS MADE AVAILABLE AT THE LOADING TERMINAL AT THE TIME OF LOADING. SELLER TO PROVIDE COPY OF CERTIFICATE OF QUANTITY AND QUALITY ISSUED OR ENDORSED BY THE TERMINAL OR ENDORSED BY THE INDEPENDENT INSPECTOR AND COPY OF CERTIFICATE OF ALGERIAN ORIGIN ISSUED BY THE SUPPLIER OR TERMINAL OR ANY OTHER LOCAL BODY OR CHAMBER OF COMMERCE CONFIRMING THAT THE CRUDE OIL SHIPPED ON VESSEL IS DERIVED FROM THE CURRENT PRODUCTION OF THE SAHARAN BLEND CRUDE OIL FIELD.

2.6.3 MIRI BLEND CRUDE OIL QUALITY IS AS MADE AVAILABLE AT THE LOADING TERMINAL AT THE TIME OF LOADING. SELLER TO PROVIDE COPY OF CERTIFICATE OF QUANTITY AND QUALITY ISSUED OR ENDORSED BY THE TERMINAL OR ENDORSED BY THE INDEPENDENT INSPECTOR AND COPY OF CERTIFICATE OF MALAYSIAN ORIGIN ISSUED BY THE SUPPLIER OR TERMINAL OR ANY OTHER LOCAL BODY OR CHAMBER OF COMMERCE CONFIRMING THAT THE CRUDE OIL SHIPPED ON VESSEL IS DERIVED FROM THE CURRENT PRODUCTION OF THE MIRI LIGHT CRUDE OIL FIELD.

2.6.4 MURBAN CRUDE OIL QUALITY IS AS MADE AVAILABLE AT THE LOADING TERMINAL AT THE TIME OF LOADING. SELLER TO PROVIDE COPY OF CERTIFICATE OF QUANTITY AND QUALITY ISSUED OR ENDORSED BY THE TERMINAL OR ENDORSED BY THE INDEPENDENT INSPECTOR AND COPY OF CERTIFICATE OF U.A.E. ORIGIN ISSUED BY THE SUPPLIER OR TERMINAL OR ANY OTHER LOCAL BODY OR CHAMBER OF COMMERCE CONFIRMING THAT THE CRUDE OIL SHIPPED ON VESSEL IS DERIVED FROM THE CURRENT PRODUCTION OF THE MURBAN CRUDE OIL FIELD.

2.7 SOURCE OF SUPPLY

2.7.1. TENDERERS SHOULD CONFIRM THE CONTRY OF ORIGIN AND PORT OF SHIPMENT OF EACH CRUDE TYPE THEY OFFER.

2.7.2. TENDERER SHALL PRODUCE ALL DETAILS OF HIS SUPPLIER OF **WTI MIDLAND SWEET CRUDE OIL (OPTION A) OR SHARARAN BLEND CRUDE OIL (OPTION B) OR MIRI LIGHT CRUDE OIL (OPTION C) OR MURBAN CRUDE OIL (OPTION D).**

2.7.3. ON BOARD BLENDING IS STRICTLY PROHIBITED.

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

2.8 MODE OF LOADING

2.8.1. UNDER THIS SHIPMENT, CRUDE OIL SHALL BE LOADED ON TO THE NOMINATED VESSEL EITHER DIRECTLY FROM SHORE TANKS OR THROUGH SHIP-TO-SHIP (STS) TRANSFER OPERATIONS, SUBJECT TO THE FOLLOWING CONDITIONS:

2.8.2. ANY STS OPERATION SHALL BE SUBJECT TO THE PRIOR APPROVAL OF CEYPETCO. THE SUPPLIER/BIDDER SHALL PROVIDE FULL DETAILS OF THE STS LOCATION, THE MOTHER VESSEL, AND THE DAUGHTER VESSEL IN ADVANCE FOR BUYER'S REVIEW AND ACCEPTANCE.

2.8.3. THE NOMINATED DAUGHTER VESSEL MUST FULLY COMPLY WITH THE OPERATIONAL AND SAFETY REQUIREMENTS APPLICABLE AT SPBM 1, COLOMBO.

2.8.4. A MUTUALLY APPOINTED INDEPENDENT INSPECTOR SHALL BE PRESENT TO WITNESS AND CERTIFY BOTH QUALITY AND QUANTITY OF THE CARGO ON BOARD THE MOTHER VESSEL (OBQ) PRIOR TO STS OPERATION, AND ON BOARD THE DAUGHTER VESSEL AFTER STS OPERATION.

2.8.5. THE SUPPLIER/BIDDER SHALL BE FULLY RESPONSIBLE FOR THE INTEGRITY, SAFETY, AND QUALITY OF THE CARGO DURING AND AFTER THE STS OPERATION. ANY ADDITIONAL COSTS OR DELAYS ARISING FROM STS SHALL BE FOR THE ACCOUNT OF THE SUPPLIER/BIDDER.

2.9 INSPECTION

2.9.1 INSPECTION AT LOAD PORT

2.9.1.1. CEYPETCO SHALL NOMINATE AN INDEPENDENT INSPECTOR (GEO-CHEM/ITS CALEB BRETT/SBC ASIA–SAYBOLT/BUREAU VERITAS/CCIC/ AMSPEC / TANKOIL GROUP EGYPT) ACCEPTABLE TO THE SUCCESSFUL SUPPLIER/BIDDER TO SAMPLE, TEST AND CERTIFY THE QUALITY OF **WTI MIDLAND SWEET CRUDE OIL (OPTION A) OR SAHARAN BLEND CRUDE OIL (OPTION B) OR MIRI LIGHT CRUDE OIL (OPTION C) OR MURBAN CRUDE OIL (OPTION D)** AS PER THE PROCUREMENT DOCUMENT SPECIFICATIONS AND THE QUANTITY AS PER THE PROCUREMENT DOCUMENT CONDITIONS. THEY SHOULD BE PRESENT AT THE TIME OF LOADING OF THE CARGO TO CARRYOUT THE INSPECTION AND TO PREPARE THE QUALITY (SUBMIT ON LINE SAMPLING TEST REPORT INDICATING THE FOUR PARAMETERS NAMELY "TOTAL SULPHUR, DENSITY, RVP AND BS&W" ALSO THE BIDDER TO SUBMIT THE ASSAY OF **WTI MIDLAND SWEET CRUDE OIL (OPTION A) OR SAHARAN BLEND CRUDE OIL (OPTION B) OR MIRI LIGHT CRUDE OIL (OPTION C) OR MURBAN CRUDE OIL (OPTION D)** AND QUANTITY CERTIFICATES AND ANY OTHER DOCUMENTS SPECIFIED.

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

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

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

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

2.9.1.5. THE SUCCESSFUL SUPPLIER/BIDDER SHALL ENSURE THAT VESSEL LOADS WITH ONLY **WTI MIDLAND SWEET CRUDE OIL (OPTION A) OR SAHARAN BLEND CRUDE OIL (OPTION B) OR MIRI LIGHT CRUDE OIL (OPTION C) OR MURBAN CRUDE OIL (OPTION D)**. THE INDEPENDENT INSPECTOR NOMINATED BY CEYPETCO AND ACCEPTED BY THE SUCCESSFUL SUPPLIER/BIDDER SHALL ALSO ENSURE THAT THE VESSEL LOADS ONLY WITH **WTI MIDLAND SWEET CRUDE OIL (OPTION A) OR SAHARAN BLEND CRUDE OIL (OPTION B) OR MIRI LIGHT CRUDE OIL (OPTION C) OR MURBAN CRUDE OIL (OPTION D)**.

IN THE EVENT PRODUCT IS LOADED FROM DIFFERENT SHORE TANKS, THE INDEPENDENT INSPECTOR NOMINATED BY THE CEYPETCO AND ACCEPTED BY THE SUCCESSFUL SUPPLIER/BIDDER SHALL ENSURE THAT THE VESSEL LOADS ONLY WITH **WTI MIDLAND SWEET CRUDE OIL (OPTION A) OR SAHARAN BLEND CRUDE OIL (OPTION B) OR MIRI LIGHT CRUDE OIL (OPTION C) OR MURBAN CRUDE OIL (OPTION D)**.

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

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

2.9.1.8. INDEPENDENT INSPECTOR SHALL BE PRESENT AT THE TIME OF LOADING OF THE CARGO TO CARRY OUT THE INSPECTION AND TO PREPARE THE QUALITY CERTIFICATES (SUBMIT ON LINE SAMPLING TEST REPORT INDICATING THE FOUR PARAMETERS NAMELY "TOTAL SULPHUR, DENSITY, RVP AND BS&W").

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

2.9.1.10. IN THE EVENT THAT THE SUCCESSFUL SUPPLIER/BIDDER DOES NOT AGREE TO THE NOMINATED INDEPENDENT INSPECTOR BY CEYPETCO AS PER THE **CLAUSE 2.9.1.1**. ABOVE, THE SUCCESSFUL SUPPLIER/BIDDER IS PERMITTED TO NOMINATE AN ALTERNATIVE INDEPENDENT INSPECTOR AND GET THE ACCEPTANCE OF CETPETCO, LIABLE IN THE SAID CLAUSE UNDER NO CIRCUMSTANCES THE SUCCESSFUL SUPPLIER/BIDDER SHALL BE PERMITTED TO CHANGE SUCH ALTERNATIVE NOMINATION THEREAFTER.

2.9.2 **INSPECTION AT STS LOCATION**

2.9.2.1. CEYPETCO SHALL NOMINATE AN INDEPENDENT INSPECTOR (GEO-CHEM/ITS CALEB BRETT/SBC ASIA–SAYBOLT/BUREAU VERITAS/CCIC/AMSPEC/ TANKOIL GROUP EGYPT) ACCEPTABLE TO THE SUCCESSFUL SUPPLIER/BIDDER TO SAMPLE, TEST AND CERTIFY THE QUALITY OF **WTI MIDLAND SWEET CRUDE OIL (OPTION A) OR SAHARAN BLEND CRUDE OIL (OPTION B) OR MIRI LIGHT CRUDE OIL (OPTION C) OR MURBAN CRUDE OIL (OPTION D)** AS PER THE PROCUREMENT DOCUMENT SPECIFICATIONS AND THE QUANTITY AS PER THE PROCUREMENT DOCUMENT CONDITIONS. THEY SHOULD BE PRESENT AT THE TIME OF STS OPERATION TO CARRYOUT THE INSPECTION AND TO PREPARE THE QUALITY CERTIFICATE AND ALSO TO SUBMIT THE ASSAY OF **WTI MIDLAND SWEET CRUDE OIL (OPTION A) OR SAHARAN BLEND CRUDE OIL (OPTION B) OR**

MIRI LIGHT CRUDE OIL (OPTION C) OR MURBAN CRUDE OIL (OPTION D) AND QUANTITY CERTIFICATES AND ANY OTHER DOCUMENTS SPECIFIED.

2.9.2.2. 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**.

2.9.2.3. IT IS THE RESPONSIBILITY OF THE SUCCESSFUL SUPPLIER/BIDDER TO ENSURE THE PRESENCE OF THE INDEPENDENT INSPECTOR AT THE TIME OF LOADING OF THE CARGO AT THE STS LOCATION. THE SUCCESSFUL SUPPLIER/BIDDER SHALL COOPERATE AND LIAISE WITH THE INDEPENDENT INSPECTOR TO ENSURE THAT THE INSPECTION IS CARRIED OUT TO THE SATISFACTION OF CEYPETCO. UNDER NO CIRCUMSTANCES THE CARGO SHALL BE LOADED ON TO THE DAUGHTER VESSEL AT THE STS LOCATION WITHOUT THE PRESENCE OF THE INDEPENDENT INSPECTOR APPOINTED AS PER **SUB CLAUSE 2.9.2.1. AND THE SECOND INSPECTOR IF NOMINATED BY CEYPETCO AS PER SUB CLAUSE 2.9.2.2.**

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

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

2.9.2.5. THE SUCCESSFUL SUPPLIER/BIDDER SHALL ENSURE THAT VESSEL LOADS WITH ONLY **WTI MIDLAND SWEET CRUDE OIL (OPTION A) OR SAHARAN BLEND CRUDE OIL (OPTION B) OR MIRI LIGHT CRUDE OIL (OPTION C) OR MURBAN CRUDE OIL (OPTION D)**. THE INDEPENDENT INSPECTOR NOMINATED BY CEYPETCO AND ACCEPTED BY THE SUCCESSFUL SUPPLIER/BIDDER SHALL ALSO ENSURE THAT THE VESSEL LOADS ONLY WITH **WTI MIDLAND SWEET CRUDE OIL (OPTION A) OR SAHARAN BLEND CRUDE OIL (OPTION B) OR MIRI LIGHT CRUDE OIL (OPTION C) OR MURBAN CRUDE OIL (OPTION D)**.

IN THE EVENT PRODUCT IS LOADED FROM DIFFERENT TANKS OF THE MOTHER VESSEL, THE INDEPENDENT INSPECTOR NOMINATED BY THE CEYPETCO AND ACCEPTED BY THE SUCCESSFUL SUPPLIER/BIDDER SHALL ENSURE THAT THE DAUGHTER VESSEL LOADS ONLY WITH **WTI MIDLAND SWEET CRUDE OIL (OPTION A) OR SAHARAN BLEND CRUDE OIL (OPTION B) OR MIRI LIGHT CRUDE OIL (OPTION C) OR MURBAN CRUDE OIL (OPTION D)**.

2.9.2.6. THE SUCCESSFUL SUPPLIER/BIDDER SHALL LOAD THE CARGO COMPLYING WITH CEYPETCO PROCUREMENT DOCUMENT SPECIFICATION AT THEIR OWN RISK.

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

2.9.2.8. INDEPENDENT INSPECTOR SHALL BE PRESENT AT THE TIME OF LOADING OF THE CARGO VIA STS OPERATION TO CARRY OUT THE INSPECTION AND TO PREPARE THE QUALITY CERTIFICATES.

INDEPENDENT INSPECTOR SHALL CERTIFY THE QUANTITY OF CRUDE OIL ON BOARD THE MOTHER VESSEL, CONFIRM NIL ROB OF THE DAUGHTER VESSEL AND CLEAN & DRYNESS OF THE DAUGHTER VESSEL'S TANKS PRIOR TO STS COMMENCEMENT,

AFTER LOADING, THE DAUGHTER VESSEL'S QUANTITY MEASUREMENTS AND REMAINING ON BOARD QUANTITY OF THE MOTHER VESSEL SHOULD BE OBTAINED.

2.9.2.9. THE COST OF INSPECTION AT STS LOCATION SHALL BE SHARED EQUALLY BETWEEN CEYPETCO AND THE SUCCESSFUL SUPPLIER/BIDDER.

2.9.2.10. IN THE EVENT THAT THE SUCCESSFUL SUPPLIER/BIDDER DOES NOT AGREE TO THE NOMINATED INDEPENDENT INSPECTOR BY CEYPETCO AS PER THE **CLAUSE 2.9.2.1**. ABOVE, THE SUCCESSFUL SUPPLIER/BIDDER IS PERMITTED TO NOMINATE AN ALTERNATIVE INDEPENDENT INSPECTOR AND GET THE ACCEPTANCE OF CEYPETCO, LIABLE IN THE SAID CLAUSE UNDER NO CIRCUMSTANCES THE SUCCESSFUL SUPPLIER/BIDDER SHALL BE PERMITTED TO CHANGE SUCH ALTERNATIVE NOMINATION THEREAFTER.

2.9.3 **INSPECTION AT THE DISCHARGE PORT**

2.9.3.1. DISCHARGE PORT INDEPENDENT INSPECTOR SHALL BE DIFFERENT TO THAT OF THE LOAD PORT.

2.9.3.2. THE QUALITY AT DISCHARGE PORT COLOMBO SHALL BE DETERMINED BY CEYPETCO REFINERY LABORATORY AND WITNESSED BY THE INDEPENDENT INSPECTOR (ITS CALEB BRETT/GEO-CHEM/SBC ASIA – SAYBOLT/BUREAU VERITAS / CCIC / AMSPEC / TANKOIL LANKA (PVT) LTD) AT COLOMBO. SUCH DETERMINATIONS SHALL BE REPORTED ON THE CERTIFICATE OF QUALITY FINALLY ISSUED BY CEYPETCO REFINERY LABORATORY.

2.9.3.3. TWO SETS OF SHIP TANK SAMPLES WITH ADEQUATE QUANTITIES **WTI MIDLAND SWEET CRUDE OIL (OPTION A) OR SAHARAN BLEND CRUDE OIL (OPTION B) OR MIRI LIGHT CRUDE OIL (OPTION C) OR MURBAN CRUDE OIL (OPTION D)** SHALL BE SEPARATELY DRAWN FROM THE SHIP'S EACH TANK ACCORDING TO ASTM STANDARD METHOD OF SAMPLING BY A MUTUALLY AGREED INDEPENDENT INSPECTOR AT DISCHARGE PORT WITNESSED BY CEYPETCO/CPSTL REPRESENTATIVES AND A REPRESENTATIVE IF NOMINATED BY THE SUCCESSFUL SUPPLIER/CEYPETCO. BOTH SETS OF SAMPLES SHALL BE PROPERLY SEALED AND AUTHENTICATED BY THE INDEPENDENT INSPECTOR, VESSEL'S MASTER OR REPRESENTATIVE OF THE MASTER AND THE CEYPETCO/CPSTL REPRESENTATIVES AND REPRESENTATIVE IF NOMINATED BY THE SUCCESSFUL SUPPLIER/BIDDER.

FIRST COMPOSITE SAMPLE TO BE PREPARED AT CEYPETCO REFINERY LABORATORY FOR **WTI MIDLAND SWEET CRUDE OIL (OPTION A) OR SAHARAN BLEND CRUDE OIL (OPTION B) OR MIRI LIGHT CRUDE OIL (OPTION C) OR MURBAN CRUDE OIL (OPTION D)** SHALL BE ANALYSED AT THE REFINARY LABORATORY **TO CHECK AND ENSURE KEY PROPERTIES I.E. DENSITY, SULPHUR, RVP AND BS & W** AS SPECIFIED UNDER **SUB CLAUSE 2.9.3.2** WHILE SECOND SET OF TANK SAMPLES FOR **WTI MIDLAND SWEET CRUDE OIL (OPTION A) OR SAHARAN BLEND CRUDE OIL (OPTION B) OR MIRI LIGHT CRUDE OIL (OPTION C) OR MURBAN CRUDE OIL (OPTION D)** SHALL BE RETAINED UNDER THE CUSTODY OF THE INDEPENDENT INSPECTOR.

IN THE EVENT THE FIRST COMPOSITE SAMPLE DOES NOT MEET THE **KEY PROPERTIES I.E. DENSITY, SULPHUR, RVP AND BS & W,** THE SECOND COMPOSITE SAMPLE WILL BE PREPARED AT CEYPETCO REFINERY LABORATORY USING TANK SAPMLES RETAINED WITH THE INDEPENDENT INSPECTOR, SHLL BE TESTED AT THE REFINERY LABORATORY AS SPECIFIED UNDER **SUB CLAUSE 2.9.3.2** IN THE PRESENCE OF THE MUTUALLY AGREED INDEPENDENT

INSPECTOR, REPRESENTATIVES FROM THE CEYPETCO, A REPRESENTATIVE FROM THE SUCCESSFUL SUPPLIER / BIDDER'S CARGO INSURER, TWO REPRESENTATIVES FROM THE SUCCESFUL SUPPLIER / BIDDER AND ONE REPRESENTATIVE FROM THE PROTECTION AND INDEMNITY INSURANCE (P & I CLUB). ALL REPRESENTATIVES' WITNESS THIS TEST REQUIRED TO BE SIGNED EACH OF THE FULL TEST CERTIFICATE ISSUED BY THE REFINERY LABORATORY WHILE THE SECOND SET OF TANK SAMPLES FOR **WTI MIDLAND SWEET CRUDE OIL (OPTION A) OR SAHARAN BLEND CRUDE OIL (OPTION B) OR MIRI LIGHT CRUDE OIL (OPTION C) OR MURBAN CRUDE OIL (OPTION D)** SHALL BE RETAINED UNDER THE CUSTODY OF THE INDEPENDENT INSPECTOR.

2.9.3.4. 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 2.9.3.2. WILL BE ALLOWED.

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

2.9.3.6. IF THE SPECIFICATION OF THE PRODUCT DEVIATED FROM THE CEYPETCO ACCEPTED SPECIFICATIONS, CEYPETCO RESERVES THE RIGHT TO REJECT THE TOTAL CARGO.

2.9.3.7. UNDER NO CIRCUMSTANCE FURTHER SAMPLES SHALL BE DRAWN FROM SHIP'S TANKS OTHER THAN THE SAMPLES PROPOSED UNDER SUB CLAUSE 2.9.3.3. TO DETERMINE THE QUALITY OF CARGO AT DISCHARGE PORT.

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

2.9.3.9. DISCHARGE OF THE VESSEL SHALL COMMENCE ONLY AFTER THE QUALITY CERTIFICATE IS ISSUED BY THE INDEPENDENT INSPECTOR AND ACCEPTED BY CEYPETCO.

2.9.3.10. THE QUANTITY OF PRODUCT AT THE DISCHARGE PORT COLOMBO WILL BE DETERMINED BY AN INDEPENDENT INSPECTOR (ITS CALEB BRETT / GEO-CHEM/ SBC ASIA – SAYBOLT / SGS / BUREAU VERITAS CCIC / TANKOIL LANKA (PVT) LTD) AT COLOMBO. SUCH DETERMINATIONS SHALL BE REPORTED ON THE CERTIFICATE OF QUANTITY.

2.9.3.11. QUANTITIES MENTIONED IN THE OUT-TURN QUANTITY CERTIFICATE ISSUED BY THE INDEPENDENT INSPECTOR AT DISCHARGE PORT COLOMBO UNDER THEIR LETTERHEAD SHALL BE BINDING ON BOTH PARTIES.

2.9.2.1. THE COST OF INSPECTION, INCLUDING COST FOR TESTING OF SECOND COMPOSITE SAMPLE PAYABLE TO INDEPENDENT INSPECTOR AT DISCHARGE PORT, SHALL BE SHARED EQUALLY BETWEEN CEYPETCO AND THE SUCCESSFUL SUPPLIER'S / BIDDER.

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

2.10.1 SUCCESSFUL SUPPLIER/BIDDER SHALL PROVIDE CEYPETCO WITH COPIES OF FOLLOWING DOCUMENTS AFTER SHIPMENT TO PROVE THAT THE CARGO IS LOADED WITH **WTI MIDLAND SWEET CRUDE OIL (OPTION A) OR SAHARAN BLEND CRUDE OIL (OPTION B) OR MIRI LIGHT CRUDE OIL (OPTION C) OR MURBAN CRUDE OIL (OPTION D)**.

2.10.1.1. IN THE CASE OF DIRECT LOADING FROM SHORE TANKS:

(A) CERTIFICATE OF QUALITY AT LOAD PORT ISSUED BY THE TERMINAL/MANUFACTURER.

(B) CERTIFICATE OF QUANTITY AND QUALITY AT LOAD PORT ISSUED OR ENDORSED BY THE MUTUALLY APPOINTED INDEPENDENT INSPECTOR.

(C) CERTIFICATE OF U.S.A. ORIGIN ISSUED BY THE SUPPLIER OR TERMINAL OR ANY AUTHORITY OR LOCAL BODY OR CHAMBER OF COMMERCE.

2.10.1.2. IN THE CASE OF SHIP-TO-SHIP (STS) TRANSFER:

(A) CERTIFICATE OF ON BOARD QUANTITY (OBQ) OF THE MOTHER VESSEL AT THE LOAD PORT, ISSUED AND CERTIFIED BY THE MUTUALLY APPOINTED INDEPENDENT INSPECTOR, CONFIRMING THAT THE OBQ OF THE MOTHER VESSEL IS **NIL** PRIOR TO COMMENCEMENT OF LOADING OPERATIONS.

(B) ULLAGE REPORT OF THE MOTHER VESSEL AT THE LOAD PORT, ISSUED AND CERTIFIED BY THE MUTUALLY APPOINTED INDEPENDENT INSPECTOR, CONFIRMING THE ACTUAL ON BOARD QUANTITY OF **WTI MIDLAND SWEET CRUDE OIL (OPTION A) OR SAHARAN BLEND CRUDE OIL (OPTION B) OR MIRI LIGHT CRUDE OIL (OPTION C) OR MURBAN CRUDE OIL (OPTION D)** LOADED ON THE MOTHER VESSEL IMMEDIATELY AFTER COMPLETION OF LOADING OPERATIONS AND PRIOR TO THE VESSEL'S SAILING.

(C) CERTIFICATE OF QUANTITY AND QUALITY OF THE CARGO ON BOARD THE DAUGHTER VESSEL AFTER COMPLETION OF STS OPERATION, ISSUED OR ENDORSED BY THE MUTUALLY APPOINTED INDEPENDENT INSPECTOR.

(D) CERTIFICATE OF ORIGIN ISSUED BY THE SUPPLIER OR TERMINAL OR ANY AUTHORITY OR LOCAL BODY OR CHAMBER OF COMMERCE CONFIRMING THAT THE **WTI MIDLAND SWEET CRUDE OIL (OPTION A) OR SAHARAN BLEND CRUDE OIL (OPTION B) OR MIRI LIGHT CRUDE OIL (OPTION C) OR MURBAN CRUDE OIL (OPTION D)** LOADED INTO THE MOTHER VESSEL AT THE LOAD PORT IS OF **UNITED STATES OF AMERICA (U.S.A.) ORIGIN OR ALGERIAN ORIGIN OR MALAYSIAN ORIGIN OR U.A.E. ORIGIN RESPECTIVELY**.

IF THE SELLER FAILS TO PROVIDE THE COPIES OF DOCUMENTS AS ABOVE, CEYPETCO RESERVES THE RIGHT TO REJECT THE CONSIGNMENT ON BOARD THE VESSEL**.**

2.10.2 IF THE QUALITY OF THE PRODUCT AT THE DISCHARGE PORT DOES NOT MEET/COMPLY WITH THE **KEY PROPERTIES I.E. DENSITY, SULPHUR, RVP AND BS & W** WITH RESPECT TO ANY OF THE PARAMETERS INDICATED THEREIN, SUBJECT TO **CLAUSE 2.9.3**. THE BUYER RESERVES THE RIGHT TO REJECT THE FULL CONSIGNMENT ON BOARD THE VESSEL.

2.10.3 IN SUCH A CASE THE SELLER IS OBLIGED TO PROVIDE A REPLACEMENT CARGO AT THE REQUEST OF THE BUYER WITHOUT ANY ADDITIONAL COST TO THE BUYER WITHIN THE TIME SPECIFIED BY THE BUYER SUBJECT TO PAYMENT OF **ZERO POINT TWO FIVE PERCENT (0.25%)** OF THE DAP "VALUE OF THE REJECTED CARGO" PER DAY FOR THE PERIOD COMMENCING FROM THE DATE OF REJECTION OF THE CARGO UNTIL THE REPLACEMENT CARGO IS DELIVERED AT COLOMBO (I.E. UP TO THE NOR TENDERED TIME) DURING THE NEW LAYCAN SUBJECT TO THE MAXIMUM OF TWENTY (20) DAYS. VALUE OF THE REJECTED CARGO SHALL BE DETERMINED, BASED ON THE QUANTITY, THE DELIVERY MONTH OF THE REJECTED CARGO AND AS PER THE CLAUSE **2.12 PRICE/PAYMENT**. DETERMINATION OF THE NEW LAYCAN WILL BE AT THE DISCRETION OF THE BUYER. HOWEVER, THE BUYER SHALL NOT UNREASONABLY DELAY THE ALLOCATION OF THE ALTERNATIVE DELIVERY LAYCAN.

2.10.4 THE CONSENT FOR THE SUPPLY OF REPLACEMENT CARGO SHALL BE COMMUNICATED IN WRITING BY THE SUCCESSFUL SUPPLIER/BIDDER TO CEYPETCO WITHIN **FORTY EIGHT (48) HOURS** OF SUCH REQUEST BY CEYPETCO.

2.10.5 IN THE EVENT OF REJECTION OF THE CARGO RESULTING IN THE DELAY OF REPLACEMENT CARGO UNDER THIS CONTRACT, THE SUPPLIER SHALL BE BOUND TO EXTEND THE VALIDITY OF THE PERFORMANCE SECURITY GUARANTEE UP TO THE DATE DETERMINED BY CEYPETCO AS REQUIRED.

2.10.6 THE PRICING OF THE REPLACEMENT CARGO SHALL BE DETERMINED AS PER THE PRICE OF THE MONTH BELONGS TO THE FIRST DAY OF THE FIVE-DAY DELIVERY LAYCAN OF THE **REPLACEMENT CARGO** AT COLOMBO, PLUS PREMIUM/DISCOUNT. THE CALCULATION OF THE VALUE OF THE REPLACEMENT CARGO SHALL BE AS PER THE **CLAUSE 2.12**. UNDER THE HEADING "**PRICE / PAYMENT**".

2.10.7 IN THE EVENT, FAILURE BY THE SUCCESSFUL BIDDER/SUPPLIER TO PROVIDE A REPLACEMENT CARGO, CEYPETCO RESERVES THE RIGHT TO TERMINATE THE CONTRACT AND TO FORFEIT THE PERFORMANCE GUARANTEE.

2.10.8 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.

2.10.9 IN THE EVENT THE BUYER DECIDING, AT ITS SOLE DISCRETION, NOT TO REQUEST A REPLACEMENT CARGO FOR WTI MIDLAND SWEET CRUDE OIL (OPTION A) OR SAHARAN BLEND CRUDE OIL (OPTION B) OR MIRI LIGHT CRUDE OIL (OPTION C), A RECOVERY OF DAMAGES OR LOSSES FOR THE BUYER WHICH AMOUNTS TO **ONE POINT FIVE PERCENT (1.5%)** OF DAP COLOMBO VALUE OF SUCH REJECTED CARGO SHALL BE CLAIMED AND THE SELLER MAY SETTLE SUCH AMOUNTS DIRECTLY TO THE BUYER.

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

2.11 OUT-TURN QUANTITY

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

2.12 PRICE / PAYMENT

(OPTION-A) - DAP COLOMBO PRICE FOR WTI MIDLAND SWEET CRUDE OIL SHALL BE CALCULATED AS FOLLOWS;

PRICE OFFERED FOR **WTI MIDLAND SWEET CRUDE OIL** IN U.S. DOLLARS PER BARREL ON DAP COLOMBO BASIS (INCOTERMS 2010) SHALL BE THE AVERAGE OF THE MIDS OF "**WTI CUSHING MO01 (PCACG00)**" PUBLISHED IN PLATTS MARKET SCAN UNDER THE HEADING OF "ASIA AND MIDEAST KEY CRUDE BENCHMARKS" OVER THE MONTH BELONGS TO THE FIRST DAY OF THE 5-DAY DELIVERY LAYCAN OF THE CARGO AT SPBM 1, COLOMBO, PLUS A FIXED PREMIUM/DISCOUNT FOR THE FIRST 30 DAYS INTEREST FREE CRTEDIT PERIOD.

(OPTION-B) DAP COLOMBO PRICE FOR SAHARAN BLEND CRUDE OIL SHALL BE CALCULATED AS FOLLOWS;

PRICE OFFERED FOR **SAHARAN BLEND CRUDE OIL** IN U.S. DOLLARS PER BARREL ON DAP COLOMBO BASIS (INCOTERMS 2010) SHALL BE THE AVERAGE OF THE MIDS OF **"SAHARAN BLEND FOB ALGERIA (AAGZY00)"** PUBLISHED IN PLATTS MARKET SCAN UNDER THE HEADING OF "ASIA AND MIDEAST KEY CRUDE BENCHMARKS" OVER THE MONTH BELONGS TO THE FIRST DAY OF THE 5-DAY DELIVERY LAYCAN OF THE

CARGO AT SPBM 1, COLOMBO, PLUS A FIXED PREMIUM/DISCOUNT FOR THE FIRST 30 DAYS INTEREST FREE CRTEDIT PERIOD.

(OPTION-C) DAP COLOMBO PRICE FOR MIRI CRUDE OIL SHALL BE CALCULATED AS FOLLOWS;

PRICE OFFERED FOR **MIRI LIGHT CRUDE OIL** IN U.S. DOLLARS PER BARREL ON DAP COLOMBO BASIS (INCOTERMS 2010) SHALL BE THE AVERAGE OF THE MIDS OF **"MIRI FOB MALAYSIA S'PORE (PCABQ00)"** PUBLISHED IN PLATTS MARKET SCAN UNDER THE HEADING OF "ASIA AND MIDEAST KEY CRUDE BENCHMARKS" OVER THE MONTH BELONGS TO THE FIRST DAY OF THE 5-DAY DELIVERY LAYCAN OF THE CARGO AT SPBM 1, COLOMBO, PLUS A FIXED PREMIUM/DISCOUNT FOR THE FIRST 30 DAYS INTEREST FREE CRTEDIT PERIOD.

(OPTION D) DAP COLOMBO PRICE FOR MURBAN CRUDE OIL SHALL BE CALCULATED AS FOLLOWS;

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

PAYMENT

2.12.1. OPTION 1 - THIRTY (30) DAYS INTEREST FREE LETTER OF CREDIT OPENED THROUGH BOC (BANK OF CEYLON)

2.12.1.1. PAYMENT WILL BE MADE THIRTY (30) DAYS AFTER THE FIRST DAY OF THE FIVE-DAY DELIVERY LAYCAN [FIRST DAY OF THE FIVE-DAY DELIVERY LAYCAN 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 BASED ON THE FORMAT GIVEN IN **ANNEX-'H'**. ALL BANK CHARGES OUTSIDE SRI LANKA, IF ANY, WILL BE TO THE ACCOUNT OF THE SUCCESSFUL SUPPLIER/BIDDER. CONFIRMATION CHARGES OF L/C SHALL BE TO THE BENEFICIARY'S ACCOUNT**.**

2.12.1.2. THE LETTER OF CREDIT (L/C) TO BE ESTABLISHED BY THE CEYPETCO THROUGH BANK OF CEYLON BASED ON THE TERMS AND CONDITIONS ACCEPTABLE TO BOTH SUCCESSFUL SUPPLIER/BIDDER AND CEYPETCO, AT LEAST TWELVE (12) CALENDAR DAYS PRIOR TO THE FIRST DAY OF THE FIVE (5) DAY DELIVERY LAYCAN AT COLOMBO NOMINATED BY CEYPETCO.

2.12.1.3. THE SUPPLIER SHALL BE RESPONSIBLE TO SEND ALL REQUIRED DETAILS INCLUDING PERFORMA INVOICE FOR THE ESTABLISHMENT OF THE L/C BY CEYPETCO WITHIN THREE (03) WORKING DAYS AFTER RECEIPT OF THE NOMINATION OF THE CARGO UNDER THIS CONTRACT AND SHALL BE RESPONSIBLE TO TRACE AND VERIFY THE RECEIPT OF THE L/C THROUGH THEIR CORRESPONDING BANK.

2.12.1.4. 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. CREDIT PERIOD UNDER SUB CLAUSES 2.12.1. ABOVE FOR THE PURPOSE OF INTEREST CALCULATION SHALL BE ADJUSTED AS PER PAYMENT DUE DATE BEING AFFECTED UNDER THIS CONDITION.

2.12.1.5. 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.

2.12.1.6. THE "LATEST DATE OF SHIPMENT" IN THE L/C SHALL BE DETERMINE BY CEYPETCO BASED ON THE ESTIMATED AVERAGE SAILING TIME FROM THE LOAD PORT UP TO THE PORT OF COLOMBO DURING THE AGREED DELIVERY LAYCAN. ANY SUBSEQUENT CHANGES PROPOSED FOR THE "LATEST DATE OF SHIPMENT" BY THE SUPPLIER TO THE L/C SHALL BE SUBJECTED TO "CLAIMS, DISPUTES AND RECOVERY OF DAMAGES OR LOSSES FOR CEYPETCO BY LATE DELIVERY AND DELIVERY OF LESSER QUANTITY THAN AGREED" AS PER THE CLAUSE 2.16 OF THIS PROCUREMENT DOCUMENT.

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

2.12.1.7.1. MANUALLY SIGNED ORIGINAL COMMERCIAL INVOICE BASED ON THE NET **OUT-TURN QUANTITY** IN U.S. BARREL @ 60 ^{0}F (IN AIR).

2.12.1.7.2. FULL SET OF 3/3 ORIGINAL 'CLEAN ON BOARD' BILL OF LADING ISSUED OR ENDORSED TO THE ORDER OF BANK OF CEYLON BANK, COLOMBO AND NOTIFY 'CEYLON PETROLEUM CORPORATION' AND SHOWING FREIGHT PAYABLE AS PER CHARTER PARTY. EACH ORIGINAL B/L TO BE MANUALLY SIGNED BY THE MASTER OF THE VESSEL OR OWNERS OR SIGNED ON BEHALF OF THE MASTER AS AGENTS.

2.12.1.7.3. IN THE CASE OF DIRECT LOADING FROM SHORE TANKS:

2.12.1.7.3.1. ORIGINAL CERTIFICATE OF QUALITY AT LOAD PORT ISSUED BY THE TERMINAL/MANUFACTURER.

2.12.1.7.3.2. MANUALLY SIGNED ORIGINAL CERTIFICATE OF QUANTITY AND QUALITY AT LOAD PORT ISSUED OR ENDORSED BY THE MUTUALLY APPOINTED INDEPENDENT INSPECTOR.

2.12.1.7.3.3. ORIGINAL CERTIFICATE OF ORIGIN ISSUED BY THE SUPPLIER OR TERMINAL OR ANY AUTHORITY OR LOCAL BODY OR CHAMBER OF COMMERCE CONFIRMING THAT THE **WTI MIDLAND SWEET CRUDE OIL (OPTION A) OR SAHARAN BLEND CRUDE OIL (OPTION B) OR MIRI LIGHT CRUDE OIL (OPTION C) OR MURBAN CRUDE OIL (OPTION D)** LOADED INTO THE VESSEL AT THE LOAD PORT IS OF **UNITED STATES OF AMERICA (U.S.A.) ORIGIN OR ALGERIAN ORIGIN OR MALAYSIAN ORIGIN OR U.A.E. ORIGIN RESPECTIVELY**.

2.12.1.7.4. IN THE CASE OF SHIP-TO-SHIP (STS) TRANSFER:

2.12.1.7.4.1. MANUALLY SIGNED ORIGINAL CERTIFICATE OF ON BOARD QUANTITY (OBQ) OF THE MOTHER VESSEL AT THE LOAD PORT, ISSUED AND CERTIFIED BY THE MUTUALLY APPOINTED INDEPENDENT INSPECTOR, CONFIRMING THAT THE OBQ OF THE MOTHER VESSEL IS NIL PRIOR TO COMMENCEMENT OF LOADING OPERATIONS FOR THE SHIP TANKS NOMINATED FOR LOADING CEYPETCO CARGO.

2.12.1.7.4.2. MANUALLY SIGNED ORIGINAL ULLAGE REPORT OF THE MOTHER VESSEL AT THE LOAD PORT, ISSUED AND CERTIFIED BY THE MUTUALLY APPOINTED INDEPENDENT INSPECTOR, CONFIRMING THE ACTUAL ON BOARD QUANTITY OF CRUDE OIL LOADED ON THE MOTHER VESSEL IMMEDIATELY AFTER COMPLETION OF LOADING OPERATIONS AND PRIOR TO THE VESSEL'S SAILING.

2.12.1.7.4.3. MANUALLY SIGNED ORIGINAL CERTIFICATE OF QUANTITY AND QUALITY OF THE CARGO ON BOARD THE DAUGHTER VESSEL AFTER COMPLETION OF STS OPERATION, ISSUED OR ENDORSED BY THE MUTUALLY APPOINTED INDEPENDENT INSPECTOR.

2.12.1.7.4.4. ORIGINAL CERTIFICATE OF ORIGIN ISSUED BY THE SUPPLIER OR TERMINAL OR ANY AUTHORITY OR LOCAL BODY OR CHAMBER OF COMMERCE CONFIRMING THAT THE **WTI MIDLAND SWEET CRUDE OIL (OPTION A) OR SAHARAN BLEND CRUDE OIL (OPTION B) OR MIRI LIGHT CRUDE OIL (OPTION C) OR MURBAN CRUDE OIL (OPTION D)** LOADED INTO THE MOTHER VESSEL AT THE LOAD PORT IS OF **UNITED STATES OF AMERICA (U.S.A.) ORIGIN OR ALGERIAN ORIGIN OR MALAYSIAN ORIGIN OR U.A.E. ORIGIN RESPECTIVELY**.

2.12.1.7.5. MANUALLY SIGNED ORIGINAL CERTIFICATE OF SHIP ARRIVAL QUANTITY AT DISCHARGE PORT, COLOMBO ISSUED OR ENDORSED BY THE INDEPENDENT INSPECTOR.

2.12.1.7.6. MANUALLY SIGNED ORIGINAL CERTIFICATE OF OUT-TURN QUANTITY AT DISCHARGE PORT, COLOMBO ISSUED BY THE INDEPENDENT INSPECTOR.

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

i. PRESENTATION OF BENEFICIARY'S MANUALLY SIGNED ORIGINAL COMMERCIAL INVOICE AS MENTIONED UNDER CLAUSE 2.12.1.7.1.
ii. PRESENTATION OF SHIP ARRIVAL QUANTITY REPORT ISSUED BY THE INDEPENDENT INSPECTOR AT DISCHARGE PORT, COLOMBO AS MENTIONED UNDER CLAUSE 2.12.1.7.5.
iii. PRESENTATION OF OUT-TURN QUANTITY REPORT ISSUED BY THE INDEPENDENT INSPECTOR AT DISCHARGE PORT, COLOMBO AS MENTIONED UNDER CLAUSE 2.12.1.7.6.
iv. OBTAINING PRIOR APPROVAL OF CEYPETCO FOR SUCH LOI FORMAT.

2.12.1.7.8. THE FINAL TOTAL PAYMENT ENTITLED TO THE SUCCESSFUL SELLER/ BIDDER SHALL BE LIMITED TO THE VALUE IN UNITED STATES DOLLARS (USD) BASED ON CORRESPONDING INVOICING QUANTITY. INVOICING QUANTITY WILL BE LIMITED TO THE QUANTITY IN THE OUT-TURN QUANTITY CERTIFICATE.

2.12.2. OPTION 2 - PAYMENT PRIOR TO THE DATE OF QUANTITY DRAWN (100%-EX-STORAGE MODALITY)

2.12.2.1. 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.

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

2.12.2.3. 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 AND SHALL BE RESPONSIBLE TO TRACE AND VERIFY THE RECEIPT OF THE PAYMENT THROUGH THEIR CORRESPONDING BANK.

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 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.

2.12.2.6. PAYMENT TO BE MADE THROUGH TELEGRAPHIC TRANSFER (TT) BY CEYPETCO WILL CALL FOR THE FOLLOWING ORIGINAL DOCUMENTS.

2.12.2.6.1. MANUALLY SIGNED ORIGINAL COMMERCIAL INVOICE BASED ON THE NET **OUT-TURN QUANTITY** IN U.S. BARREL @ 60 ^{0}F (IN AIR).

2.12.2.6.2. 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 CHARTER PARTY. EACH ORIGINAL B/L TO BE MANUALLY SIGNED BY THE MASTER OF THE VESSEL OR OWNERS OR SIGNED ON BEHALF OF THE MASTER AS AGENTS.

2.12.2.6.3. IN THE CASE OF DIRECT LOADING FROM SHORE TANKS:

2.12.2.6.3.1. ORIGINAL CERTIFICATE OF QUALITY AT LOAD PORT ISSUED BY THE TERMINAL/MANUFACTURER.

2.12.2.6.3.2. MANUALLY SIGNED ORIGINAL CERTIFICATE OF QUANTITY AND QUALITY AT LOAD PORT ISSUED OR ENDORSED BY THE MUTUALLY APPOINTED INDEPENDENT INSPECTOR.

2.12.2.6.3.3. ORIGINAL CERTIFICATE OF ORIGIN ISSUED BY THE SUPPLIER OR TERMINAL OR ANY AUTHORITY OR LOCAL BODY OR CHAMBER OF COMMERCE CONFIRMING THAT THE **WTI MIDLAND SWEET CRUDE OIL (OPTION A) OR SAHARAN BLEND CRUDE OIL (OPTION B) OR MIRI LIGHT CRUDE OIL (OPTION C) OR MURBAN CRUDE OIL (OPTION D)** LOADED INTO THE VESSEL AT THE LOAD PORT IS OF **UNITED STATES OF AMERICA (U.S.A.) ORIGIN OR ALGERIAN ORIGIN OR MALAYSIAN ORIGIN OR U.A.E. ORIGIN RESPECTIVELY**.

2.12.2.6.4. IN THE CASE OF SHIP-TO-SHIP (STS) TRANSFER:

2.12.2.6.4.1. MANUALLY SIGNED ORIGINAL CERTIFICATE OF ON BOARD QUANTITY (OBQ) OF THE MOTHER VESSEL AT THE LOAD PORT, ISSUED AND CERTIFIED BY THE MUTUALLY APPOINTED INDEPENDENT INSPECTOR, CONFIRMING THAT THE OBQ OF THE MOTHER VESSEL IS **NIL** PRIOR TO COMMENCEMENT OF LOADING OPERATIONS.

2.12.2.6.4.2. MANUALLY SIGNED ORIGINAL ULLAGE REPORT OF THE MOTHER VESSEL AT THE LOAD PORT, ISSUED AND CERTIFIED BY THE MUTUALLY APPOINTED INDEPENDENT INSPECTOR, CONFIRMING THE ACTUAL ON BOARD QUANTITY OF **WTI MIDLAND SWEET CRUDE OIL (OPTION A) OR SAHARAN BLEND CRUDE OIL (OPTION B) OR MIRI LIGHT CRUDE OIL (OPTION C) OR MURBAN CRUDE OIL (OPTION D)** LOADED ON THE

MOTHER VESSEL IMMEDIATELY AFTER COMPLETION OF LOADING OPERATIONS AND PRIOR TO THE VESSEL'S SAILING.

2.12.2.6.4.3. MANUALLY SIGNED ORIGINAL CERTIFICATE OF QUANTITY AND QUALITY OF THE CARGO ON BOARD THE DAUGHTER VESSEL AFTER COMPLETION OF STS OPERATION, ISSUED OR ENDORSED BY THE MUTUALLY APPOINTED INDEPENDENT INSPECTOR.

2.12.2.6.4.4. ORIGINAL CERTIFICATE OF ORIGIN ISSUED BY THE SUPPLIER OR TERMINAL OR ANY AUTHORITY OR LOCAL BODY OR CHAMBER OF COMMERCE CONFIRMING THAT THE **WTI MIDLAND SWEET CRUDE OIL (OPTION A) OR SAHARAN BLEND CRUDE OIL (OPTION B) OR MIRI LIGHT CRUDE OIL (OPTION C) OR MURBAN CRUDE OIL (OPTION D)** LOADED INTO THE VESSEL AT THE LOAD PORT IS OF **UNITED STATES OF AMERICA (U.S.A.) ORIGIN OR ALGERIAN ORIGIN OR MALAYSIAN ORIGIN OR U.A.E. ORIGIN RESPECTIVELY**.

2.12.2.6.5. MANUALLY SIGNED ORIGINAL CERTIFICATE OF SHIP ARRIVAL QUANTITY AT DISCHARGE PORT, COLOMBO ISSUED OR ENDORSED BY THE INDEPENDENT INSPECTOR.

2.12.2.6.6. MANUALLY SIGNED ORIGINAL CERTIFICATE OF OUT-TURN QUANTITY AT DISCHARGE PORT, COLOMBO ISSUED BY THE INDEPENDENT INSPECTOR.

2.12.2.7. THE FINAL TOTAL PAYMENT ENTITLED TO THE SUCCESSFUL SELLER/ BIDDER SHALL BE LIMITED TO THE VALUE IN UNITED STATES DOLLARS (USD) BASED ON CORRESPONDING INVOICING QUANTITY. INVOICING QUANTITY WILL BE LIMITED TO THE QUANTITY IN THE OUT-TURN QUANTITY CERTIFICATE.

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

2.12.1.2. **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 QUANTITY INDICATED IN THE OUT-TURN QUANTITY CERTIFICATE.

2.13 PCA3 FORM, AGENT, REPRESENTATIVE OR NOMINEE FOR OR ON BEHALF OF ANY BIDDER & LOCAL AGENCY COMMISSION

2.13.1 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,

2.13.2 ANY PERSON WHO ACTS AS AN AGENT OR SUB-AGENT, REPRESENTATIVE OR NOMINEE FOR OR ON BEHALF OF ANY BIDDER, 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.

2.13.3 WHERE ANY PERSON IS AN AGENT, SUB-AGENT, REPRESENTATIVE OR NOMINEE FOR OR ON BEHALF OF A BIDDER 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 www.drc.gov.lk.

2.13.4 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.

2.14 TITLE AND RISK

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

2.15 PERFORMANCE SECURITY GUARANTEE

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

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

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

2.15.4. **THE SUCCESSFUL SUPPLIER/BIDDER SHOULD ENSURE AND CLEARLY INDICATE IN THEIR OFFER THAT A PERFORMANCE SECURITY GUARANTEEWILL BE PROVIDED UPON THE AWARD. FAILURE TO COMPLY THIS REQUIREMENT SHALL BE CONSIDERED AS A MAJOR DEVIATION RESULTING TO AWARD BEING CANCELLED WHILE THE BID SECURITY GUARANTEE BEING FORFEITED.**

2.15.5. IF THE SUCCESSFUL SUPPLIER/ BIDDER FAILS TO FURNISH THE PERFORMANCE SECURITY GUARANTEE AS AFORESAID, THE SUCCESSFUL SUPPLIER'S NAME COMPELLED TO BE PLACED IN THE LIST OF DEFAULTING SUPPLIERS. CEYPETCO SHALL THEREFORE, RESERVE THE RIGHT, IN ITS ABSOLUTE DISCRETION TO MAKE SUITABLE ARRANGEMENTS REQUIRED TO PERFORM OF SUCH PROCUREMENT.

2.15.6. THE SUCCESSFUL SUPPLIER/BIDDER, IN THE EVENT OF THE SUCCESSFUL SUPPLIER'S/ BIDDER'S FAILURE TO FURNISH THE PERFORMANCE SECURITY GUARANTEE AS REQUIRED UNDER THIS 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.

2.15.7. IN THE EVENT THE PAYMENT IS MADE UNDER L/C MECHANISM, THE LETTER OF CREDIT (L/C) FOR THE SHIPMENT WILL BE OPENED ONLY AFTER THE RECEIPT OF PERFORMANCE SECURITY GUARANTEE. THE PERFORMANCE SECURITY GUARANTEE SHALL BE IN FAVOUR OF CEYPETCO.

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

2.16.1 ANY CLAIM WHATSOEVER ARISING BETWEEN THE SUCCESSFUL SUPPLIER/BIDDER AND CEYPETCO TO THIS CONTRACT, UNDER THE TERMS OF THIS CONTRACT SHALL BE LODGED IN WRITING WITHIN (60) SIXTY DAYS OF RECEIPT OF PRODUCT BY THE CEYPETCO OR IN THE CASE THE CARGO IS NOT DELIVERED TO CEYPETCO WITHIN SIXTY (60) DAYS OF THE LAST DATE OF DELIVERY LAYCAN AS NOTIFIED BY THE CEYPETCO. OTHERWISE ANY SUCH CLAIM SHALL BE DEEMED TO HAVE BEEN WAIVED.

2.16.2 EVERY ENDEAVOUR SHALL BE MADE TO SETTLE ANY DIFFERENCE OR DISPUTE BETWEEN CEYPETCO AND THE SUCCESSFUL SUPPLIER/BIDDER ARISING FROM ANY TRANSACTION BY MUTUAL NEGOTIATIONS, FAILING WHICH SUCH DIFFERENCES OR DISPUTES SHALL BE SETTLED BY ARBITRATION.

2.16.3 THE VENUE OF ARBITRATION SHALL BE COLOMBO, SRI LANKA.

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

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

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

2.16.7 THE SUCCESSFUL SUPPLIER/ BIDDER IS FULLY RESPONSIBLE TO DELIVER THE CARGO WITHIN THE AGREED UPON DELIVERY DATE /LAYCAN. FAILURE TO COMPLY WITH THE AGREED UPON DELIVERY DATE /LAYCAN WILL MAKE THE SUCCESSFUL SUPPLIER/ BIDDER LIABLE FOR LIQUIDATED DAMAGES OF **ZERO POINT TWO FIVE PERCENT (0.25%)** OF THE DAP VALUE PER DAY FOR EACH DAY OF DELAY COUNTS PRO-RATA BASIS FROM 00:01 HRS. OF THE FIRST DAY, AFTER LAST DAY OF AGREED DELIVERY DATE/LAYCAN TILL VESSEL TENDER NOR AT DISCHARGE PORT AT COLOMBO. IF THE DELAY EXCEEDS SEVEN DAYS AFTER THE LAST DATE OF THE AGREED DELIVERY LAYCAN WITHOUT OBTAINING PRIOR APPROVAL, CEYPETCO WILL RESERVE RIGHT TO TERMINATE THE CONTRACT.

2.16.8 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 TEN PERCENT (-10%) (QUANTITY OF THE PROCUREMENT DOCUMENT 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**.

2.16.9 IN THE EVENT THE SUCCESSFUL SUPPLIER/BIDDER IS LIABLE FOR A LATE DELIVERY, PENALTY AND/OR A SHORT LOADING PENALTY AS SPECIFIED IN (2.16.7) AND/OR (2.16.8) ABOVE, SUCH PENALTY SHALL BE SETTLED BY THE SUPPLIER SEPARATELY ON OR BEFORE THE DUE DATE OF THE FINAL PAYMENT FOR THE CARGO. IN FAILURE OF SUCH SETTLEMENT ON OR 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.

2.16.10 SUCH CLAIM IN RESPECT OF THE LIQUIDATED DAMAGES MUST BE NOTIFIED TO THE SELLER IN WRITING WITHIN SIXTY (60) DAYS OF THE DATE OF DISCONNECTION OF HOSES OF SELLER'S NOMINATED VESSEL AT DISCHARGE PORT, COLOMBO WITH FULL SUPPORTING DOCUMENTATION

THAT THE SELLER MAY REASONABLY REQUIRE. ANY SUCH DOCUMENTATION NOT THEN AVAILABLE SHALL BE PROVIDED TO THE SELLER WITHIN SEVENTY-FIVE (75) DAYS OF THE DISCONNECTION OF HOSES OF SELLER'S NOMINATED VESSEL AT DISCHARGE PORT, COLOMBO. IF THE BUYER FAILS TO GIVE SUCH NOTICE OR PROVIDE SUCH DOCUMENTATION WITHIN THE ABOVE RESPECTIVE TIME LIMITS, THEN THE BUYER'S CLAIM SHALL BE DEEMED TO HAVE BEEN WAIVED AND ANY LIABILITY OF THE SELLER SHALL BE EXTINGUISHED.

2.16.11 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.

2.17 ACCEPTANCE OF THE BID

2.17.1. CEYPETCO RESERVES TO ITSELF THE RIGHT TO CANCEL THE PROCUREMENT OR TO REJECT ANY PART OF THE PROCUREMENT DOCUMENT OR REJECT THE PROCUREMENT WITHOUT ASSIGNING ANY REASON WHATSOEVER. IN SUCH AN EVENT CEYPETCO SHALL NOT BE LIABLE TO ANY COMPENSATION OR DAMAGES ARISING THEREFROM.

2.17.2. SHLPC RESERVES THE RIGHT TO DETERMINE THE SELECTION OF THE TYPE OF CRUDE [**I.E.WTI MIDLAND SWEET CRUDE OIL (OPTION A) OR SAHARAN BLEND CRUDE OIL (OPTION B) OR MIRI LIGHT CRUDE OIL (OPTION C) OR MURBAN CRUDE OIL (OPTION D)],** PAYMENT OPTION(S) [I.E. OPTION 1 (THIRTY (30) DAYS CREDIT L/C OPENED THROUGH BOC [BANK OF CEYLON]), OPTION 2 (PAYMENT PRIOR TO THE DATE OF QUANTITY DRAWN (100%-EX-STORAGE MODALITY), BY TAKING INTO CONSIDERATION OF THE DOMESTIC COST FACTORS AS PER THE **ANNEX 'F'.**

2.17.3. IF DEEMED NECESSARY, SHLPC RESERVES THE RIGHT TO CONDUCT DUE DILIGENCE ON ANY SELECTED BIDDER.

2.17.4. WHERE THE PROCUREMENT IS AWARDED, SUCH AWARD SHALL BE IN ACCORDANCE WITH THESE TERMS AND CONDITIONS NOTWITHSTANDING ANY VARIATION IN THE OFFER THEREFROM UNLESS EXPRESSLY AND SPECIFICALLY PROVIDED FOR OTHERWISE IN THE COMMUNICATION OF THE AWARD.

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

2.18 LAYTIME FOR DISCHARGE AT SPBM 1 COLOMBO

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

2.18.1. NOTICE OF READINESS **(NOR) SHOULD BE TENDERED BETWEEN 0600 HRS AND 1500** HRS DURING FIVE-DAY DELIVERY LAYCAN AGREED UPON.

2.18.2. IF NOR IS TENDERED **AFTER 1500 HRS** FOR ALL PURPOSES IT WILL BE CONSIDERED THAT NOR HAS BEEN TENDERED AT 0600 HRS ON THE FOLLOWING DAY AND LAYTIME SHALL COMMENCE 06 HRS THEREAFTER OR AT THE TIME OF COMPLETION OF MOORING, WHICHEVER IS EARLIER UNDER NORMAL WEATHER/SEA CONDITIONS.

2.18.3. IF NOR IS TENDERED **BEFORE THE COMMENCEMENT OF THE DELIVERY LAYCAN** AGREED UPON, FOR ALL PURPOSES IT WILL BE CONSIDERED THAT NOR HAS BEEN TENDERED AT 0600 HRS ON THE FIRST DAY OF THE FIVE-DAY DELIVERY LAYCAN. LAYTIME SHALL IN SUCH CASE COMMENCE 06 HRS THEREAFTER OR AT THE TIME OF MOORING, WHICHEVER IS EARLIER.

2.18.4. IF THE VESSEL IS **MOORED PRIOR TO THE DELIVERY LAYCAN** AGREED UPON, AT THE REQUEST OF THE SELLER, LAYTIME SHALL COMMENCE AT 0600 HRS ON THE FIRST DAY OF THE FIVE-DAY DELIVERY LAYCAN.

2.18.5. IF NOR IS TENDERED AFTER 1500 HRS OF THE **FIFTH** DAY OF THE DELIVERY LAYCAN AGREED UPON, FOR ALL PURPOSES IT WILL BE CONSIDERED THAT NOR HAS BEEN TENDERED AT 0600 HRS ON THE FOLLOWING DAY AND LAYTIME SHALL COMMENCE SIX (06) HRS THEREAFTER OR AT THE TIME OF MOORING, WHICHEVER IS EARLIER.

2.18.6. IF NOR IS TENDERED AFTER THE **FIFTH** DAY OF THE DELIVERY LAYCAN AGREED UPON, LAYTIME SHALL COMMENCE AT THE TIME OF BERTHING SUBJECT TO THE CONDITION THAT THE LAYTIME SHALL CEASED TO COUNT IF THE VESSEL SHALL BE UN-BERTHED TO ALLOW BERTHING OF OTHER VESSELS ARRIVING ON AGREED DELIVERY LAYCAN OR BERTHING OF OTHER VESSELS ON PRODUCT AVAILABILITY BASIS OF THE COUNTRY. UNDER THESE CIRCUMSTANCES, THE ACTUAL TIME UTILISED BY THE VESSEL AT THE BERTH SHALL ONLY BE CONSIDERED AS USED LAYTIME.

2.18.7. BERTHING AND MOORING OF TANKERS AT SPBM COLOMBO IS GOVERNED BY THE BUILDERS' (IMODCO, USA) RECOMMENDATIONS SPECIALLY WITH REGARD TO THE SAFETY LIMITS OF WEATHER/SEA CONDITIONS. THE BUYER UNDERTAKES TO CLEAR WITH IMODCO OTHER VESSELS THAT MEET THE REVISED SPBM RESTRICTIONS AND SHARE THESE FINDINGS WITH THE SELLER.

2.18.8. ANY DELAYS IN BERTHING DUE TO WEATHER AND/OR SEA CONDITIONS TO BE COUNTED AS HALF LAYTIME (CONOCO WEATHER CLAUSE).

2.19 NOTICE OF ARRIVAL AT COLOMBO

MASTER OF VESSEL SHOULD ADVISE ESTIMATED TIME OF ARRIVAL (ETA) AT COLOMBO 3/2/1 DAYS AND 12 HRS IN ADVANCE TO THE COMMERCIAL MANAGER, CEYLON PETROLEUM CORPORATION TEL NOS. 0094-11 7296115 E-MAIL: cm@ceypetco.gov.lk, commercial.crude@ceypetco.gov.lk, lahirud@ceypetco.gov.lk THE MANAGER (SHIPPING), CEYLON PETROLEUM CORPORATION TEL NO. +94-11-7296300 FAX NO. +94-11-7296407 E-MAIL: shipping@ceypetco.gov.lk, THE DEPUTY MANAGER (OPERATIONS), CEYLON PETROLEUM CORPORATION FAX NO. +94-11-7296432 E-MAIL: menakaj@ceypetco.gov.lk, THE MANAGER (REFINERY OPERATIONS) CEYLON PETROLEUM CORPORATION TEL NO. +94-11-5668490 FAX NO. +94-11-2400436 E-MAIL: kgh_kodagoda@ceypetco.gov.lk, THE MANAGER (ECONOMICS & SCHEDULING), CEYLON PETROLEUM CORPORATION TEL NO. +94-11-2400432 FAX NO. +94-11-2400436 E-MAIL: ref_tech_econ@sltnet.lk, THE MANAGER (OPERATIONS) AT OIL FACILITIES OFFICE, CPSTL, COLOMBO TEL NO. +94-11-2422388 / FAX +94-11-2434273, THE OPERATIONS MANAGER (BULK MOVEMENTS AND BULK PRODUCTS), CPSTL, COLOMBO TEL/FAX NO. +94-11-2572324 AND THE MANAGER (OPERATIONS), MUTHURAJAWELA TEL NO. +94-11-5769519 FAX NO. +94-11-5353352 VIA VESSEL AGENT AT COLOMBO.

2.20 VESSEL REQUIREMENTS

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

VESSEL NOMINATED

2.20.1.1. SHOULD MEET FOLLOWING COLOMBO PORT RESTRICTIONS:

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

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

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

2.20.1.3. **MANIFOLD**

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

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

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

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

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

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

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

2.20.1.7. POSITION OF PEDESTAL ROLLER FAIRLEAD/WINCH DRUM

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

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

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

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

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

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

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

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

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

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

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

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

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

2.20.1.18. **INERT GAS SYSTEM**

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

2.20.1.19. **COMMUNICATION EQUIPMENT**

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

2.20.1.20. **ACCOMMODATION/MEALS**

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

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

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

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

2.20.1.23. **RATE OF DISCHARGE**

TANKER SHOULD BE EQUIPPED WITH CARGO DISCHARGE PUMPS CAPABLE OF DISCHARGING THROUGH THE MANIFOLD AS MENTIONED IN CLAUSE 2.20 ABOVE WHILE MAINTAINING A PRESSURE OF 8.5 KG/CM^2 /9.5 KG/CM^2. MINIMUM AT THE MANIFOLD OR AS ADVISED BY THE MOORING MASTERS. AVAILABILITY OF CONTINUOUS PRESSURE MONITORING AND RECORDING/REPORTING FACILITIES SHALL BE PREFERRED

NOTE : WHEN PUMPING TO REFINERY (22 KM DISTANCE) AVERAGE RATE 1,350 MT/HR. AT 7.5 KG/CM^2.

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

2.20.1.24. **CRUDE OIL WASHING**

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

2.21 LINE FLUSHING AT SPM 1, COLOMBO

THE VESSEL NOMINATED BY THE SUCCESSFUL SUPPLIER/BIDDER SHOULD BE CAPABLE OF FLUSHING THE 22 KM LENGTH, DISCHARGE LINE (36 INCH SUBMARINE LINE REDUCED TO 24 INCH) WITH MINIMUM OF 5.0 KG/CM^2 PRESSURE AT MANIFOLD, WITH APPROX. 8,000 M^3 OF SEA WATER, AS AND WHEN REQUIRED.

THE SELLER SHALL BE BOUND TO GIVE PROPER INSTRUCTIONS TO THE MASTER OF THE PERFORMING VESSEL TO USE CARGO PUMPS FOR LINE FLUSHING OPERATIONS WHILE AVOIDING STRIPPING PUMPS FOR LINE FLUSHING. ALL DELAYS DUE TO LOW RATE OF LINE FLUSHING SHALL BE THE RESPONSIBILITY OF THE SELLER.

2.22 DEMURRAGE

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

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

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

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

MOREOVER, THE CEYPETCO RESERVES THE RIGHT TO BERTH THE VESSEL ONLY ON SPBM 1 AVAILABILITY BASIS AND BASED ON THE REQUIREMENT FOR CRUDE OIL IN THE REFINERY. FURTHERMORE, **CEYPETCO SHALL NOT BE RESPONSIBLE FOR ANY DEMURRAGES INCURRED BY THE SUPPLIER'S VESSEL ARRIVING OUTSIDE THE CONTRACTUAL LAYCAN.** CEYPETCO SHALL TAKE EVERY ENDEAVOUR TO MINIMIZE THE OVERALL COMMERCIAL LOSS TO ALL PARTIES.

IN ORDER TO MITIGATE ADVERSE IMPACT ON VESSELS ARRIVING LATER THAN THE STIPULATED CONTRACTUAL DELIVERY LAYCAN, SUCCESSFUL SUPPLIER/BIDDER SHALL PROVIDE A MOORING TUG AT HIS OWN COST WITH THE APPROVAL OF CEYPETCO WHILE PROVIDING A 24 HRS. ADVANCE NOTICE TO CEYPETCO FOR PLANNING PURPOSE. HOWEVER, THE BERTHING AT SPM 1, COLOMBO WILL BE FACILITATED GIVING PRIORITY FOR THE SUBSEQUENT VESSELS ARRIVING ON SCHEDULE.

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

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

2.22.7. IN ANY CIRCUMSTANCES, THE BUYER REQUIRES TO UNLOAD THE PRODUCT ON BOARD THE VESSEL AS PER THE PRODUCT REQUIREMENT TO ENSURE THE ENERGY SECURITY OF THE COUNTRY, THE BUYER COMPELS TO DISCHARGE THE MINIMUM REQUIREMENT OF THE CARGO ON BOARD THE SUBJECT VESSEL AND ALL COST INVOLVEMENTS IN THIS EVENT SUCH AS DEMURRAGES OF THE SUBSEQUENT THREE VESSELS, COMMERCIAL LOSSES (IF ANY) SHALL BE BORNE BY THE SELLER.

2.23 FORCE MAJEURE

THE SUCCESSFUL SUPPLIER / BIDDER OR THE CEYPETCO SHALL NOT BE LIABLE FOR ANY LOSS, CLAIM OR DEMANDS OF ANY NATURE WHATSOEVER, OR BE DEEMED TO BE IN A BREACH OF THIS AGREEMENT BECAUSE OF ANY DELAYS OR FAILURE IN OBSERVING OR PERFORMING ANY OF THE CONDITIONS OR PROVISIONS HEREOF IF SUCH DELAY OR FAILURE WAS CAUSED BY OR AROSE OUT OF ANY CIRCUMSTANCES WHATSOEVER BEYOND THE SUCCESSFUL SUPPLIER'S / BIDDER'S OR CEYPETCO'S CONTROL INCLUDING (BUT WITHOUT LIMITING THE GENERALITY OF THE FOREGOING) DECLARED OR UNDECLARED WAR, SABOTAGE, BLOCKADE, PIRACY OR PIRATICAL SEIZURE OF VESSEL, REVOLUTION, POLICE ACTION, RIOT OR DISORDER, EMBARGO OR TRADE RESTRICTION OF ANY SORT GOVERNMENT OR QUASI GOVERNMENT ACTION, ACT OF GOD, FIRE, FLOOD, EARTHQUAKE, STORM, TIDE OR TIDAL WAVE, EXPLOSION, ACCIDENT, RADIATION, STRIKE, LOCKOUT OR OTHER LABOUR DISPUTE. IN CASE OF FORCE MAJEURE EVENT, CEYPETCO SHALL REQUEST AND SUPPLIER SHOULD AGREE TO DEFER THE CARGO DELIVERY PERIOD TO A REVISED DATE RANGE AGREED WITH THE SUPPLIER WHILE KEEPING THE PRICE OF THE **WTI MIDLAND SWEET CRUDE OIL (OPTION A) OR SAHARAN BLEND CRUDE OIL (OPTION B) OR MIRI LIGHT CRUDE OIL (OPTION C) OR MURBAN CRUDE OIL (OPTION D)** ON THE RESPECTIVE BASE (BENCHMARK) GIVEN IN CLAUSE **2.12** ON THE MONTH BELONGS TO THE FIRST DAY OF THE FIVE-DAY DELIVERY LAYCAN OF THE CARGO AT SPBM 1, COLOMBO ALREADY AGREED AS PER THE PROCUREMENT DOCUMENT.

2.24 OTHER REQUIREMENTS

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

2.25 SUBMISSION OF BIDS

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

2.25.1.1. FORM OF BID (ANNEX – 'E') DULY FILLED, COMPLETED AND SIGNED BY THE AUTHORIZED PERSON INDICATING NAME OF AUTHORIZED PERSON WITH THE OFFICIAL SEAL OF THE BIDDER

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

2.25.1.3. SLIP OF THE CASH DEPOSIT / BID SECURITY GUARANTEE (ANNEX – 'A', SPECIMEN FORM ATTACHED).

2.25.1.4. A BOARD RESOLUTION / POWER OF ATTORNEY AUTHORIZING THE PERSON WHO SIGNS THE BID INDICATING NAME OF THE AUTHORIZED PERSON AND SIGNATURE OF THE AUTHORIZED PERSON OR ADOCUMENTED 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.

2.25.1.5. 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.

2.25.1.6. 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 TERMS & CONDITIONS OF THE PROCUREMENT DOCUMENT LISTED UNDER THE HEADING **B. TERMS & CONDITIONS** THEREIN.

2.25.1.7. PCA 3 FORM FURNISHED UNDER SECTION 6. OF PUBLIC CONTRACT ACT NO. 3 OF 1987

2.25.2. BIDDERS ARE REQUESTED TO INDICATE AUTHORIZED SIGNATURE ON EACH PAGE OF THE BID.

2.25.3. A "DUPLICATE" OF THE BID, WHICH CONTAINS ONE SET OF COPIES OF ALL THE ORIGINAL DOCUMENTS OF THE "ORIGINAL" BID SHALL ALSO BE SUBMITTED. THE "ORIGINAL" AND THE "DUPLICATE" OF THE BIDS SHALL BE SEALED IN SEPARATE ENVELOPES, DULY MARKING THE ENVELOPES AS "ORIGINAL" AND "DUPLICATE" AND SHALL BE MARKED REF: **CR/14/2026** ON EACH ENVELOPES. THE ENVELOPES SHALL THEN BE SEALED IN AN OUTER ENVELOPE AND SHALL BE MARKED REF: **CR/14/2026**.

2.25.4. ANY FORM OF ALTERNATIVE BIDS ALONG WITH THE ORIGINAL BID SHALL NOT BE PERMITTED. IN THE EVENT IF ALTERNATIVE BIDS HAVE BEEN SUBMITTED BY THE BIDDER, THE SECOND AND SUBSEQUENT ALTERNATIVE BIDS SHALL BE REJECTED. IF THE BIDDER HAS SUBMITTED ORIGINAL BID AND ALTERNATIVE BIDS USING THE SAME FORM OF BID AND BID SECURITY GUARANTEE/ CASH DEPOSIT, SHLPC RESERVES THE RIGHT TO REJECT ALL BIDS SUBMITTED BY THE BIDDER.

2.25.5. SUBMISSION OF BIDS BY FAX OR EMAIL IS NOT ENTERTAINED.

2.25.6. BIDDER SHALL CONFIRM THAT BIDDER WILL AGREE TO AND ABIDE BY THE ABOVE REQUIREMENTS/TERMS AND CONDITIONS OF THE PROCUREMENT DOCUMENT.

2.25.7. THE ENVELOPE SEALED AS ABOVE AND ADDRESSED TO THE CHAIRMAN, STANDING HIGH LEVEL PROCUREMENT COMMITTEE (SHLPC), **COMMERCIAL FUNCTION BID OPENING ROOM, 04TH 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 24TH MARCH 2026**.

2.26 VALIDITY OF THE BIDS

OFFERS CLOSE AT **1200 HRS, SRI LANKA TIME ON 24TH MARCH 2026** AND SHOULD BE HELD VALID FOR **SEVENTY TWO (72) HRS** THEREFROM.

2.27 AGREEMENT

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

2.27.2. IN THE EVENT THERE IS NO INDICATION IN THE OFFER THAT THE BIDDER IS IN AGREEMENT TO ANNEX - 'G' NO CLARIFICATIONS WILL BE MADE AFTER THE 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 EX-STORAGE MODALITY AGREEMENT (AUTHORIZED OFFICER) SHOULD HAVE PROPER AUTHORITY

2.27.4. THE AUTHORITY SHALL BE IN THE FORM OF A BOARD RESOLUTION OR DOCUMENTED DECISION OF THE PARTNERS IN A PARTNERSHIP AS THE CASE MAY BE.

NOTE

BIDDERS ARE REQUESTED TO INDICATE AUTHORISED SIGNATURE ON EACH PAGE OF OFFERS.

I. 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 AUTHORISED TO SUBMIT THE OFFER ON BEHALF OF THEM.

II. 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.

ANNEX – 'A'

FORMAT FOR BID SECURITY GUARANTEE

[This Bank Guarantee from 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)]

ANNEX - 'B'

SHIPMENT QUANTITY

PRODUCT	TOTAL CONTRACTUAL QUANTITY
WTI MIDLAND SWEET CRUDE OIL (OPTION A) OR SAHARAN BLEND CRUDE OIL (OPTION B) OR MIRI LIGHT CRUDE OIL (OPTION C) OR MURBAN CRUDE OIL (OPTION D)	700,000 BBLS PLUS/MINUS 10 PERCENT (+/- 10%).

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.

Properties of Crude

Crude Type: WTI – Midland Crude Oil (Sweet)

Test	**Unit**	**Result**
API @ 60^0F	^{0}API	41.67
Density @ 15^0C	g/cc	0.8167
Vapor Pressure	Psi	6.3
Pour point	^{0}C	-29.0
Total Sulphur	% wt	0.140
H_2S	ppm	-
Total Acid Number	mg KOH/g	0.03
K Factor		11.78
Total Nitrogen	ppm	684.2
Basic Nitrogen	ppm	222.6
Flash	^{0}C	-23.6
n-Paraffin	%vol	40.34
Vanadium	ppm	0.47
Nickel	ppm	0.61
Sodium	ppm	<5
Iron	ppm	7.25
Salt Content	lb/1000 bbl	<5.0
Water Content	% vol	<0.05
Viscosity @ 40^0C	cSt	2.8
Viscosity @ 50^0C	cSt	2.3
Wax (shell)	% wt	5.98
Asphaltenes	% wt	0.06

Properties of Crude

Crude Type: Saharan Blend Crude Oil

		Crude	**Saharan Blend**			TBP DISTILLATION					
		Country	**Algeria**								
Density at 15°C, kg/m3	800.30				°F		wt%	vol%	°F	wt%	vol%
°API	45.3				080		4.02	5.30			
					160		10.27	12.98			
Acidity, mg KOH/g	0.150				330		33.46	38.06			
Sulphur, wt%	0.1				400		42.21	46.92			
Hydrogen Sulphide, mg/kg	<1				500		53.98	58.46			
Mercaptan Sulphur, mg/kg	3.2				650		69.72	73.37			
Viscosity, cSt at 15 °C	3.22				800		82.39	84.84			
50 °C	1.89				1050		92.56	93.81			
Pour Point, °C	<-20										
Total Nitrogen, ppm wt%	169.0										
Wax, wt%	-		wt%	vol%							
Wax Appearance Temperature, °C	-										
DVP at 37.8 °C, psi	7.37	C1 - C4	1.78	1.26							
Water, vol%	-										
Salt, lb/1000b	<1										

Properties of Crude

Crude Type: Miri Light Crude Oil

Crude Properties			Crude Country	MIRI LIGHT Malaysia	
Density at 15°C	kg/m³	861.7	Assay Date		
°API		32.6			
Bbl/mt		-			
Acidity	mg KOH/g	0.19			
Sulphur	wt%	0.04			
Hydrogen Sulphide	mg/kg	-			
Mercaptan Sulphur	mg/kg	-			
Viscosity at	70 F	-			
	100F	3.0			
Pour Point,	° C	0			
Total Nitrogen	wt%	0.0137			
Wax	wt%	-		wt%	vol%
Wax Appearance Temperature	°C		Methane	0.00	0.00
RVP at 37.8 °C	kPa	32.4054	Ethane	0.01	0.02
Water	vol%	-	Propane	0.10	0.17
NaCl	mg/kg	-	Iso-Butane	0.13	0.20
Nickel	mg/kg	0.82	n-Butane	0.30	0.44
Vanadium	mg/kg	0.02	Iso-Pentane	0.42	0.57
Iron	mg/kg	-	n-Pentane	0.43	0.58
Mercury	µg/kg	-			

Properties of Crude

Crude Type: Murban Crude Oil

		Crude **MURBAN**				TBP					
		Country	United Arab Emirates			DISTILLATION					
Density at 15°C, kg/m3	822.4				°C		wt%	vol%	°C	wt%	vol%
°API	40.5				080		8.09	10.36	460	80.91	83.54
Bbl/mt	7.660				090		9.54	12.05	480	83.49	85.87
Acidity, mg KOH/g	0.05				100		11.19	13.94	500	85.78	87.92
Sulphur, wt%	0.743				120		15.06	18.27	520	87.79	89.70
Hydrogen Sulphide, mg/kg	0				140		19.48	23.11	540	89.53	91.24
Mercaptan Sulphur, mg/kg	56				160		24.15	28.11	560	91.04	92.56
Viscosity, cSt at 10 °C	6.5				180		28.80	33.01	580	92.36	93.71
50 °C	2.5				200		33.37	37.77			
Pour Point, °C	-9				220		37.90	42.43			
Total Nitrogen, wt%	0.042				240		42.34	46.93			
Wax, wt%	-		wt%	vol%	260		46.50	51.09			
Wax Appearance Temperature, °C	-				280		50.32	54.85			
RVP at 37.8 °C, kPa	39	Ethane	0.00	0.01	300		54.08	58.49			
Water, vol%	-	Propane	0.17	0.28	320		58.22	62.45			
NaCl, mg/kg	-	Iso-Butane	0.19	0.28	340		62.69	66.68			
Nickel, mg/kg	1.6	n-Butane	0.69	0.97	360		65.76	69.57			
Vanadium, mg/kg	2.4				380		68.46	72.10			
Iron, mg/kg	-				400		71.62	75.04			
Mercury, µg/kg	-				420		74.89	78.06			
					440		78.03	80.93			

ANNEX - 'D'

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 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)]

ANNEX – 'E'

FORM OF BID

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

Dear Sir,

BIDDING FOR THE SUPPLY OF A CARGO OF WTI MIDLAND SWEET CRUDE OIL (OPTION A) OR SAHARAN BLEND CRUDE OIL (OPTION B) OR MIRI LIGHT CRUDE OIL (OPTION C) OR MURBAN CRUDE OIL (OPTION D) FOR DISCHARGE AT SPBM 1 COLOMBO, SRI LANKA

(PROCUREMENT REF: CR/14/2026)

NAME AND ADDRESS OF THE BIDDER : ……
……
……

A. PRODUCT / PRICE

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 Shipment of WTI MIDLAND SWEET CRUDE OIL (OPTION A) / SAHARAN BLEND CRUDE OIL (OPTION B) / MIRI LIGHT CRUDE OIL (OPTION C) OR MURBAN CRUDE OIL (OPTION D) with the specifications and quantity as specified in the Procurement document.

Type of Crude Oil	Country of Origin	Port of Loading	Contractual cargo quantity (BBLs +/- 10%)	Compliance	Contractual cargo quality	Compliance	**Premium/ Discount (USD per BBL)**		
							FOB basis	DAP (Colombo) Basis	
								OPTION – 1 30 DAYS LETTER OF CREDIT OPENED	Option–2 100% EX-STORAGE MODALITY
	Option – A								
WTI MIDLAND SWEET CRUDE OIL	U.S.A.	Any port in U.S.A. or STS	700,000	**Comply / Not Comply**	Annex – 'C-1'	**Comply / Not Comply**			
	Option – B								
Saharan Blend Crude Oil	Algeria	Arzew, Algeria/ Bethioua, Algeria or STS	700,000	**Comply / Not Comply**	Annex – 'C-2'	**Comply / Not Comply**			
	Option – C								
Miri Light Crude Oil	Malaysia	Miri Terminal, Malaysia or STS	700,000	**Comply / Not Comply**	Annex – 'C-3'	**Comply / Not Comply**			
	Option – D								
Murban Crude Oil	U.A.E.	Jebel Dhanna and/or Fujairah, U.A.E. or STS	700,000	**Comply / Not Comply**	Annex – 'C-4'	**Comply / Not Comply**			
Name of the Agent, representative or nominee for or on behalf of any tenderer and Local Agency Commission (USD) (if any)									

B. TERMS & CONDITIONS

BID DOCUMENT CLAUSE REFERENCE	COMPLIANCE
1.8. BID SECURITY GUARANTEE (ANNEX – 'A')	**Comply / Not Comply**
2.2. CONTRACTUAL CARGO QUANTITIES (ANNEX – 'B')	**Comply / Not Comply**
2.3. DELIVERY	**Comply / Not Comply**
2.4 IMPORTANT	**Comply / Not Comply**
2.5 THIRD PARTY CARGO	**Comply / Not Comply**
2.6. QUALITY (Annex-C-1 / Annex-C-2 / Annex-C-3 / Annex-C-4)	**Comply / Not Comply**
2.7. SOURCE OF SUPPLY	**Comply / Not Comply**
2.8 MODE OF LOADING – DIRECTLY FROM SHORE TANKS OR SHIP-TO –SHIP TRANSFER (PLEASE MENTION)	**Comply / Not Comply**
2.9.1.INSPECTION AT LOAD PORT	**Comply / Not Comply**
2.9.2.INSPECTION AT STS LOCATION	**Comply / Not Comply**
2.9.3.INSPECTION AT DISCHARGE PORT	**Comply / Not Comply**
2.10..RECOVERY OF DAMAGES OR LOSSES FOR CEYPETCO DUE TO UNACCEPTABLE QUALITY	**Comply / Not Comply**
2.11.OUT-TURN LOSS	**Comply / Not Comply**
2.12.PRICE / PAYMENT	**Comply / Not Comply**
2.12.1 OPTION 01 - 30 DAYS INTEREST FREE LETTER OF CREDIT OPENED THROUGH BOC	**Comply / Not Comply**
2.12.2 OPTION 02- PAYMENT PRIOR TO THE DATE OF QUANTITY DRAWN (100%-EX-STORAGE MODALITY)	**Comply / Not Comply**
2.12.2.8 INVOICING FOR PAYMENT	**Comply / Not Comply**
2.13. PCA3 FORM, AGENT, REPRESENTATIVE OR NOMINEE FOR OR ON BEHALF OF ANY BIDDER & LOCAL AGENCY COMMISSION	**Comply / Not Comply**
2.14.TITLE AND RISK	**Comply / Not Comply**
2.15.PERFORMANCE SECURITY GUARANTEE (ANNEX – 'D')	**Comply / Not Comply**
2.16.CLAIMS, DISPUTES & RECOVERY OF DAMAGES FOR LOSSES BY CEYPETCO AND DELIVERY OF LESSER QUANTITY THAN AGREED	**Comply / Not Comply**
2.17.ACCEPTANCE OF THE BID	**Comply / Not Comply**
2.18.LAYTIME FOR DISCHARGE AT SPBM 1, COLOMBO	**Comply / Not Comply**
2.19.NOTICE OF ARRIVAL AT COLOMBO	**Comply / Not Comply**
2.20.VESSEL REQUIREMENTS	**Comply / Not Comply**
2.21.LINE FLUSHING AT SPBM 1, COLOMBO	**Comply / Not Comply**
2.22.DEMURRAGE	**Comply / Not Comply**
2.23.FORCE MAJEURE	**Comply / Not Comply**
2.24.OTHER REQUIREMENTS	**Comply / Not Comply**
2.25.SUBMISSION OF BIDS	**Comply / Not Comply**
2.25.1.1 SUBMISSION OF "FORM OF BID" GIVEN IN ANNEX – 'E'	**Comply / Not Comply**
2.25.1.4. A BOARD RESOLUTION / POWER OF ATTORNEY AUTHORIZING THE PERSON WHO SIGNS THE BID INDICATING NAME OF THE AUTHORIZED PERSON AND SIGNATURE OF THE AUTHORIZED PERSON OR A DOCUMENTED DECISION OF THE PARTNERS IN A PARTNERSHIP AS THE CASE MAY BE	**Comply / Not Comply**
2.26. VALIDITY OF THE BIDS	**Comply / Not Comply**
2.27 AGREEMENT (ANNEX – 'G')	**Comply / Not Comply**
DELIVERY LAYCAN - **17-21/04/2026**	**Comply / Not Comply**
AMENDMENT NOTICE(S) [IF ANY]	**Comply / Not Comply**

- I/We confirm that the bid shall remain open for acceptance as mentioned above under validity of bid and that it will not be withdrawn or revoked prior to that date.

- I/We attach hereto the following documents as part of my/our Bid (If any);
  ……..
  ……..
  ……..
- I/We understand that you are not bound to accept the lowest or any other Bid and that you reserve the right to reject any or all Bids or to accept a Bid in full or in part without assigning any reasons therefore.

- I/We hereby attach the Assay to confirm the quality of the Murban Crude Oil to be supplied.

- I/We undertake to deliver the quality/quantity of Murban Crude Oil referred to above.

Yours Faithfully,

Signature of the authorized person : ……

Name of the authorized person : ……

Official seal of the Bidder : ……

Name of the Bidder : ……

Address : ……..

Telephone No. : ……..

Fax No. : ……..

E-mail : ……..

Date : ……

ANNEX – 'F'

FORMULA FOR SELECTION OF THE MOST VIABLE PRICING OPTION

P = {A + (A × B) + (A × C) + (A × D-1) + (A × D-2) + (A × D-3) - [A × E × (F/360)]} × 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 -1
C: Bank Acceptance rate [i.e. 0.0375% on value (one time) for usance bills for payment Option -1
D: LC Payment Commission

D-1 : Sight - 0.05% on value (one time) for payment Option -1
D-2 : Term – 0.01% on value if settled through USD for payment Option -1
D-3 : 0.05% if settlement through Sri Lanka Rupees for payment Option -1

E: Bank interest – 7.5% P.A..
F: Credit period as declared in below Note 2 & Note 3

NOTE:

1. 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 – 2.

2. 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 THREE DAY DELIVERY LAYCAN - OPTION -1.

EX-STORAGE MODALITY AGREEMENT

THIS AGREEMENT is made and entered into at Colombo in the Democratic Socialist Republic of Sri Lanka on this ……(Date) (hereinafter referred to as the "Agreement")

BETWEEN

....., …….. a company incorporated under the laws of the United Arab Emirates bearing company 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 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 'CEYPETCO' 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:

A. CEYPETCO is a corporation established by the Ceylon Petroleum Corporation Act, No. 28 of 1961 as amended which provides exclusive rights to CEYPETCO to import & refine Crude Oil and import, export, sell, supply or distribute petrol, kerosene, diesel oil and furnace oil etc

B. The Seller has represented to CEYPETCO that it has the requisite expertise and capacity to supply Crude Oil and all petroleum products.

C. The seller has offered & agreed to supply the Product (as defined below) and store such Product at the storage facilities of CEYPETCO at Orugodawatta and/or Sapugaskanda which has a capacity of 90,000 tons and 120,000 tons respectively; and

D. CEYPETCO 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;

Agreement / this Agreement	Shall mean and include this Agreement, read together with Exhibits A (CEYPETCO *Terms & Conditions for Crude Oil*), B (*Specifications for Crude Oil*) and C (*Deed Of Pledge*) all of which shall be read and construed as an integral part of this Agreement. In case of inconsistencies or discrepancies between this agreement & the Exhibits thereto, the former shall prevail
CEYPETCO	shall mean and include Ceylon Petroleum Corporation established by Ceylon Petroleum Corporation Act, No. 28 of 1961 as amended its successors and permitted assigns
Independent Inspector	A globally reputed independent inspecting company which will be jointly appointed by the seller and buyer to monitor and control the stock & discharging of total cargo from the vessel & partial quantities from time to time from CEYPETCO storage tanks strictly as per this agreement.
Seller	**.....**, (Seller), a company incorporated under the laws of the …….. having its registered head office at …….. (Address) bearing company registration number …….. and its successors.
Party/Parties	Shall mean both CEYPETCO and Seller and their respective successors and permitted assigns when referred to herein in plural and shall mean either CEYPETCO or Seller when herein referred in the singular as the context may require.
Month/Calendar Month	Shall mean any consecutive period of 30 day whilst "Calendar Month" shall mean a consecutive period of 30 days which immediately follows the 1st day of any month in the Calendar
WTI	SHALL MEAN THE AVERAGE OF THE MIDS OF "WTI CUSHING MO01 (PCACG00)" PUBLISHED IN PLATTS MARKET SCAN UNDER THE HEADING OF "ASIA AND MIDEAST KEY CRUDE BENCHMARKS" OVER THE MONTH BELONGS TO THE FIRST DAY OF THE 5-DAY DELIVERY LAYCAN OF THE CARGO AT SPBM 1, COLOMBO, PLUS A FIXED PREMIUM/DISCOUNT FOR THE FIRST 30 DAYS INTEREST FREE CRTEDIT PERIOD.

SAHARAN BLEND	SHALL MEANS THE AVERAGE OF THE MIDS OF "SAHARAN BLEND FOB ALGERIA (AAGZY00)" PUBLISHED IN PLATTS MARKET SCAN UNDER THE HEADING OF "ASIA AND MIDEAST KEY CRUDE BENCHMARKS" OVER THE MONTH BELONGS TO THE FIRST DAY OF THE 5-DAY DELIVERY LAYCAN OF THE CARGO AT SPBM 1, COLOMBO, PLUS A FIXED PREMIUM/DISCOUNT FOR THE FIRST 30 DAYS INTEREST FREE CRTEDIT PERIOD.
MIRI LIGHT	SHALL MEANS THE AVERAGE OF THE MIDS OF "MIRI FOB MALAYSIA S'PORE (PCABQ00)" PUBLISHED IN PLATTS MARKET SCAN UNDER THE HEADING OF "ASIA AND MIDEAST KEY CRUDE BENCHMARKS" OVER THE MONTH BELONGS TO THE FIRST DAY OF THE 5-DAY DELIVERY LAYCAN OF THE CARGO AT SPBM 1, COLOMBO, PLUS A FIXED PREMIUM/DISCOUNT FOR THE FIRST 30 DAYS INTEREST FREE CRTEDIT PERIOD.
ADNOC (GSP)	SHALL MEAN ABU DHABI NATIONAL OIL COMPANY (ADNOC) GOVERNMENT SELLING PRICE (GSP)
Year/Calendar Year	"Year" shall mean any consecutive period of 365 day whilst "Calendar Year" shall mean a consecutive period of 365 days immediately from the 1st day of the month of January in any year to the 31st day of December in that year inclusive of both days
Term	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 Crude oil quantity discharged to Orugodawaththa and Refinery storage terminals 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 reference ……..
Product	Shall mean ..... crude Oil shipment arrived under CEYPETCO award dated ……. and reference …….. on board the vessel M/T …….
Quality Inspector	Shall be a duly qualified independent surveyor appointed by mutual agreement of the CEYPETCO and the Seller.
Quality Test Report	Shall mean all laboratory tests conducted by the Quality Inspector at CEYPETCO to ascertain the quality of the ..... Crude Oil.

Business Day	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 the entering in to this agreement until making the payment of the total DAP Colombo (Incoterms 2010) value of the Crude oil quantity discharged to Orugodawaththa and Refinery storage terminals 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 reference …….

3. PRINCIPLE & CONSIDERATION

3.1 Product will be imported to Sri Lanka by CEYPETCO as the consignee as per the terms and conditions of …… (reference) except for the method of payment to the consignment 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.

3.2 The Seller shall

3.2.1 provide the WTI MIDLAND SWEET CRUDE OIL cargo at "WTI CUSHING MO01 (PCACG00)" published in PLATT'S Market Scan under the heading of "Asia and Mideast Key Benchmarks" plus Premium of USD ……. per barrel and it shall be considered as the cost of the consignment. CEYPETCO will pay all regulatory levies and other port and customs payments related to the WTI MIDLAND SWEET CRUDE OIL as shipment is consigned to CEYPETCO.

The final DAP Colombo Price of WTI MIDLAND SWEET Crude Oil shall be the average of the Mids of "WTI CUSHING MO01 (PCACG00)" published in PLATT'S Market Scan under the heading of "Asia and Mideast Key Benchmarks" over the month belongs to the first day of the five day delivery laycan at SPBM 1, Colombo, plus a fixed premium of USD …….. per barrels net.

3.2.2 Provide the SAHARAN BLEND CRUDE OIL cargo at "SAHARAN BLEND FOB ALGERIA (AAGZY00)" published in PLATT'S Market Scan under the heading of "Asia and Mideast Key Benchmarks" plus Premium of USD ……. per barrel and it shall be considered as the cost of the consignment. CEYPETCO will pay all regulatory levies and other port and customs payments related to the SAHARAN BLEND CRUDE OIL as shipment is consigned to CEYPETCO.

The final DAP Colombo Price of SAHARAN BLEND Crude Oil shall be the average of the Mids of "SAHARAN BLEND FOB ALGERIA (AAGZY00)"" published in PLATT'S Market Scan under the heading of "Asia and Mideast Key Benchmarks" over the month belongs to the first day of the five day delivery laycan at SPBM 1, Colombo, plus a fixed premium of USD …….. per barrels net.

3.2.3 Provide the MIRI CRUDE OIL cargo at "MIRI FOB MALAYSIA S'PORE (PCABQ00)" published in PLATT'S Market Scan under the heading of "Asia and Mideast Key Benchmarks" plus Premium of USD ……. per barrel and it shall be considered as the cost of the consignment. CEYPETCO will pay all regulatory levies and other port and customs payments related to the MIRI CRUDE OIL as shipment is consigned to CEYPETCO.

The final DAP Colombo Price of MIRI Crude Oil shall be the average of the Mids of "MIRI FOB MALAYSIA S'PORE (PCABQ00)" published in PLATT'S Market Scan under the heading of "Asia and Mideast Key Benchmarks" over the month belongs to the first day of the five day delivery laycan at SPBM 1, Colombo, plus a fixed premium of USD …….. per barrels net.

3.2.4 Provide the MURBAN CRUDE OIL cargo at Abu Dhabi National Oil Company (ADNOC) government selling price ("GSP") for MURBAN crude oil plus Premium of USD ……. per barrel and it shall be considered as the cost of the consignment. CEYPETCO will pay all regulatory levies and other port and customs payments related to the MIRI CRUDE OIL as shipment is consigned to CEYPETCO.

The final DAP Colombo Price of Murban Crude shall be Abu Dhabi National Oil Company (ADNOC) government selling price ("GSP") for MURBAN crude oil for the month of delivery plus a fixed premium of USD …….. per barrels net.

The Payment entitled to the Seller shall be limited to the value in USD based on corresponding Invoicing Quantity. Invoicing quantity will be limited to the quantity in the out-turn report at the discharge port issued by the Independent Inspector.

In the event where out-turn loss (out-turn quantity vs. B/L quantity) beyond 0.3% is technically proved by the supplier due to CEYPETCO's discharging pipelines leakage, causing an out-turn loss. Such outturn loss shall not be deducted from the invoice quantity for invoice purposes.

3.3 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 CEYPETCO; and
b) The CEYPETCO shall forthwith execute a mortgage in the form annexed herewith as Exhibit C, pledging the Product to the Seller until such time that payment of DAP price calculated as per clause no. 3 & 8 of this agreement is made in full.

3.4 The quantity of the Product discharged at the Colombo Port shall be certified by the Independent Inspector and shall thereupon be stored at the storage facilities owned by the CEYPETCO at Orugodawatta and/or Sapugaskanda ("Storage Facility") and will be discharged adopting the usual distribution and operational procedures of 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 Clause 3.5 and shall require the prior written approval of the Independent Inspector.

3.5 Prior to withdrawing the Product from the Storage Facility, CEYPETCO 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.

3.6 Prior to withdrawing the Product from the Storage Facility, CEYPETCO 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: ……
Beneficiary: …….
Account No. ……..
SWIFT Code: ……

Receipt by the Seller of the full price for the ..... crude oil withdrawal quantity from CEYPETCO as well as the approval of the Independent Inspector shall be conditions precedent to the relevant withdrawal from the Storage Facility.

The Payment entitled to the Seller shall be limited to the value in USD based on corresponding Invoicing Quantity. Invoicing quantity will be limited to the quantity in the out-turn report at the discharge port issued by the Independent Inspector shall be binding on both parties.

Outturn quantity will be reported by the Quality 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 attached as Exhibit B.
4.2. CEYPETCO shall hold the custody of the Product received from the Seller at the Storage Facility owned by the CEYPETCO at its cost until sales are completed.
4.3 CEYPETCO shall be responsible for any loss or damage to the ..... Crude oil cargo while in CEYPETCO storage tanks until the agreement will be terminated as per any of the clauses under clause

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 Exhibit A.

6. RIGHTS AND OBLIGATIONS OF BUYER

CEYPETCO (Buyer) shall;

i. Store the Product received from the Seller in accordance with Clause 4.2 and be responsible for any loss or damage to the ..... Crude oil cargo while in CEYPETCO storage tanks until the agreement will be terminated as per any of the provisions under clause 19.

ii. Maintain, on its own account, an inventory of the Crude oil Product at levels which are appropriate and adequate for CEYPETCO to meet all deliveries and service requirements in relation to the Product.

iii. Allow the Seller to access the records maintained for the ..... Crude Oil stock and to allow the Seller full right to gauge and sample the tank as well.

iv. Subject to the availability of space/ullage in the storage tanks, the Buyer has the right to store same Crude Oil type imported/purchased on its own in the same storage tanks as and when required.

v. Buyer has the right to store Crude Oil imported/purchased from any third-party sellers in the same storage tanks as and when required.

vi. Buyer has the right to draw a quantity of the product from the storage tanks upon payment of the value equivalent to the quantity to be drawn at the price agreed under this agreement soon after the transmission of the buyer's bank confirmation to the seller.

vii. 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 ..... Crude Oil from the imported tanker M/T ……..

viii. Buyer has no obligation to pay any value exceeding the total DAP value of the ..... Crude oil quantity discharged to Orugodawaththa and Refinery storage terminals 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.

ix. Carry out lab tests of the ..... Crude Oil at CEYPETCO laboratory in the presence of the Independent Surveyor before the unloading of the cargo at the Colombo Port and to make available the test results to the seller without any delay.

x. Buyer has 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 Exhibit B.

xi. CEYPETCO is not allowed to create or cause to be created any other liens/ pledges/ mortgages or other encumbrances over the Product in favor of any third party including CPSTL apart those created in favor of the Seller hereunder.

xii. CEYPETCO 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 CEYPETCO 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 Exhibit B requested by CEYPETCO reference to …….

ii. Make available Seller's representative at the Storage Facility with the approval of CEYPETCO when measurements are taken of the storage tanks before and after storing of the Product & drawing a quantity by buyer.

iii. Seller agreed to release the quantity of ..... Crude Oil equivalent to the value of the payment made to the seller based on the price agreed in the contract soon after the transmission of the buyer's bank confirmation to the seller.

iv. All rights of the seller to the quantity of Crude oil in the storage tanks will cease to exist soon after CEYPETCO make payment & withdraw the equivalent total quantity declared in the out-turn report issued by the mutually agreed independent inspector after discharging of the Crude oil form the respective vessel.

v. Seller has no authority to claim any value exceeding the total DAP value of the ..... Crude oil quantity discharged to Orugodawaththa and Refinery storage terminals 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.

8. PAYMENT & INVOICING

8.1 The price of

8.1.1 WTI MIDLAND SWEET Crude Oil shall be the total DAP Colombo (INCOTERM 2010) value of the cargo calculated based on the unit price agreed in the letter of confirmation/award dated ……., the out-turn quantity and the other applicable clauses in the contract entered in to based on offer and acceptance.

The final DAP Colombo Price of WTI MIDLAND SWEET Crude Oil shall be the be the average of the Mids of "WTI CUSHING MO01 (PCACG00)" published in PLATT'S Market Scan under the heading of "Asia and Mideast Key Benchmarks" over the month belongs to the first day of the five day delivery laycan, plus a fixed premium of USD …….. per barrels net.

8.1.2 SAHARAN BLEND Crude Oil shall be the total DAP Colombo (INCOTERM 2010) value of the cargo calculated based on the unit price agreed in the letter of confirmation/award dated ……., the out-turn quantity and the other applicable clauses in the contract entered in to based on offer and acceptance.

The final DAP Colombo Price of SAHARAN BLEND Crude Oil shall be the be the average of the Mids of "SAHARAN BLEND FOB ALGERIA (AAGZY00)" published in PLATT'S Market Scan under the heading of "Asia and Mideast Key Benchmarks" over the month belongs to the first day of the five day delivery laycan, plus a fixed premium of USD …….. per barrels net.

8.1.3 MIRI LIGHT Crude Oil shall be the total DAP Colombo (INCOTERM 2010) value of the cargo calculated based on the unit price agreed in the letter of confirmation/award dated ……., the out-turn quantity and the other applicable clauses in the contract entered in to based on offer and acceptance.

The final DAP Colombo Price of MIRI LIGHT Crude Oil shall be the be the average of the Mids of "MIRI FOB MALAYSIA S'PORE (PCABQ00)" published in PLATT'S Market Scan under the heading of "Asia and Mideast Key Benchmarks" over the month belongs to the first day of the five day delivery laycan, plus a fixed premium of USD …….. per barrels net.

8.1.4 MURBAN Crude Oil shall be the total DAP Colombo (INCOTERM 2010) value of the cargo calculated based on the unit price agreed in the letter of confirmation/award dated ……., the out-turn quantity and the other applicable clauses in the contract entered in to based on offer and acceptance.

The final DAP Colombo Price of Murban Crude shall be Abu Dhabi National Oil Company (ADNOC) government selling price ("GSP") for MURBAN crude oil for the month of delivery plus a fixed premium of USD …….. per barrels net.

8.2 Invoicing

Based on the availability of funds & the requirement of crude oil to run the refinery without interruption the quantity required to be drawn shall be informed to the seller by the buyer & the relevant payment will be made based on the respective invoice raised by the seller indicating the quantity in US barrels, the unit price in US$ per bbl and the subtotal of the respective invoice.

The final invoice shall be raised by the seller in such a way that the cumulative quantity of all invoices does not exceed the out-turn quantity indicated in the out-turn report issued by the independent inspector at the time of discharging the vessel.

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 of 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 .....

Address :

.....

.....

Telephone

By Email

To Buyer Ceylon Petroleum Corporation
609 Dr. Danister De Silva Mawatha Colombo
09, Sri Lanka
By Phone 0094-11 7296115
By Email cm@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 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 Seller'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.

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 CEYPETCO harmless from and against any and all actually incurred losses, liabilities, damages, and claims, arising out of or otherwise in respect of 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 CEYPETCO to this Agreement, under the terms of this Agreement shall be lodged in writing within thirty (30) days of receipt of the Product by CEYPETCO and in the event the cargo is not delivered to CEYPETCO within thirty (30) days of the last date of Five-day delivery laycan as notified by CEYPETCO. 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 CEYPETCO and Seller arising from any transaction hereunder 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.

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 CEYPETCO from the storage tanks in Orugodawaththa and Refinery.
c. Automatically, once the total DAP value of the Crude oil quantity discharged to Orugodawaththa and Refinery storage terminals 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 will be paid to the seller by CEYPETCO.

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 …….. day of …….. Two Thousand and Twenty-……..

.....	**CEYLON PETROLEUM CORPORATION**
Name: …….	Name: …….
Designation: ……	Designation: Chairman
……	…….
	Name: …….
	Designation: Managing Director

Exhibit-C

DEED OF PLEDGE

DATE:

THIS DEED OF PLEDGE IS MADE BETWEEN:
(NAME OF SELLER)
[REG.NUMBER +ADDRESS]
AND
CEYLON PETROLEUM CORPORATION (CEYPETCO)

[REG.NUMBER +ADDRESS]

WHEREAS CEYPETCO AND (NAME OF SELLER) ENTERED INTO AN AGREEMENT DATED ___ FOR THE SUPPLY BY (NAME OF SELLER) TO CEYPETCO OF ____ MT OF CRUDE OIL WITHIN THE PERIOD _____ ON DAP PORT COLOMBO TERMS (THE "**AGREEMENT**"); AND

WHEREAS ACCORDING TO THE AGREEMENT THE CRUDE OIL IS STORED AT ORUGODAWATTA AND/OR SAPUGASKANDA STORAGE FACILITIES ("STORAGE FACILITIES") AT (ADDRESSES: _____) OWNED BY THE CEYPETCO; AND

WHEREAS THE CONSIGNEE OF CRUDE OIL UNDER THE AGREEMENT IS CEYPETCO AND CEYPETCO OBTAINS THE TITLE TO CRUDE OIL UPON ITS DISCHARGE AT THE COLOMBO PORT; AND

WHEREAS AS A COLLATERAL FOR THE PAYMENT FOR CRUDE OIL, (NAME OF SELLER) AND CEYPETCO AGREED THAT THE TITLE TO THE CRUDE OIL DISCHARGED AT COLOMBO PORT AND STORED AT THE STORAGE FACILITIES SHALL BE PLEDGED IN FAVOR OF (NAME OF SELLER) UNTIL SUCH TIME WHEN (NAME OF SELLER) RECEIVES PAYMENT IN FULL FOR THE DISCHARGE OF CRUDE OIL FROM THE COLOMBO PORT BY CEYPETCO;

NOW THEREFORE, THE PARTIES HAVE AGREED AS FOLLOWS:

PLEDGE

AS A GENERAL AND CONTINUING COLLATERAL SECURITY FOR THE PAYMENT BY CEYPETCO TO (NAME OF SELLER) OF THE PURCHASE PRICE FOR THE CRUDE OIL UNDER THE AGREEMENT, CEYPETCO HEREBY IN ACCORDANCE WITH THE PROVISIONS OF THE LAWS OF SRI LANKA DOES HEREBY PLEDGE AND CHARGE TO AND IN FAVOR OF (NAME OF SELLER), HEREUNTO PRESENT AND ACCEPTING THE TITLE AND PROPERTY TO THE CRUDE OIL DELIVERED BY (NAME OF SELLER) TO CEYPETCO UNDER THE AGREEMENT AS DEFINED HEREABOVE.
CRUDE OIL IS PHYSICALLY LOCATED AT THE STORAGE FACILITIES AT THE FOLLOWING ADDRESSES:
_____TANK # ___, SRI LANKA.
_____TANK # ___, SRI LANKA.

CEYPETCO HEREBY UNDERTAKES:

1. TO HOLD THE CRUDE OIL [IN TRUST] FOR THE ORDER OF **(NAME OF SELLER)** AND NOT TO RELEASE, SELL OR OTHERWISE DISPOSE CRUDE OIL TO ANY THIRD PARTY AND NOT TO ISSUE OR SURRENDER ANY STORAGE WARRANT OR OTHER (NEGOTIABLE) INSTRUMENT IN RESPECT OF CRUDE OIL WITHOUT A PRIOR WRITTEN INSTRUCTION OF (NAME OF SELLER) ENERGY DMCC. INSTRUCTIONS SHALL BE SENT VIA FAX OR EMAIL: _____; AND

2. NOT TO CREATE ANY PLEDGE, CHARGE OR OTHER KIND OF ENCUMBRANCE OVER CRUDE OIL; AND

3. TO COMPENSATE (NAME OF SELLER) FOR ALL THE DAMAGES RELATED TO CEYPETCO'S NON-PERFORMANCE OR UNDUE PERFORMANCE OF ITS UNDERTAKINGS SET OUT HEREIN UPON (NAME OF SELLER)'S WRITTEN REQUEST AND THE SUPPORTING DOCUMENTS.

THE PLEDGE WILL BE LIFTED UPON RECEIPT BY (NAME OF SELLER) OF THE PAYMENT IN FULL OF THE PURCHASE PRICE FROM CEYPETCO TO (NAME OF SELLER)'S 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 CEYPETCO FOR EACH WITHDRAWAL OF CRUDE OIL 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.
THIS DEED OF PLEDGE IS GOVERNED BY LAWS OF SRI LANKA AND ____ COURT IN COLOMBO, SRI LANKA SHALL HAVE EXCLUSIVE JURISDICTION OVER ANY DISPUTE ARISING HEREFROM.

SIGNATURES

_____
WITNESSED BY

AN IRREVOCABLE, NON-ASSIGNABLE & NON-TRANSFERABLE DOCUMENTARY LETTER OF CREDIT ESTABLISHED THROUGH **BANK OF CEYLON, COLOMBO.**

PLEASE ISSUE BELOW IRREVOCABLE DOCUMENTARY LETTER OF CREDIT TO BE ADVISED TO **……..**

QUOTE

WE HEREBY ISSUE OUR IRREVOCABLE, NON-ASSIGNABLE & NON-TRANSFERABLE DOCUMENTARY LETTER OF CREDIT NO. _____ DATED _____ AS PER FOLLOWING DETAILS:

APPLICANT :
CEYLON PETROLEUM CORPORATION
609, DR. DANISTER DE SILVA MAWATHA
BASELINE ROAD, DEMATAGODA, COLOMBO 09
SRI LANKA.

BENEFICIARY :
……..
……..
……..
……..

AMOUNT : **……..**

AVAILABLE WITH : **……..**

2.28

EXPIRY : / **……..**

2.29 **<u>COVERING</u>**

700,000 U.S. BARRELS PLUS/MINUS 10% WTI MIDLAND SWEET CRUDE OIL (OPTION A) / SAHARAN BLEND CRUDE OIL (OPTION B) / MIRI LIGHT CRUDE OIL (OPTION C) / MURBAN CRUDE OIL (OPTION D)
H.S. CODE 2709:00:10
DAP COLOMBO, SRI LANKA (INCOTERMS 2010)

PORT OF LOADING : ANY PORT IN U.S.A. (OPTION A) / ARZEW, ALGERIA/ BETHIOUA, ALGERIA (OPTION B) / MIRI TERMINAL, MALAYSIA (OPTION C) / JEBEL DHANNA, U.A.E. AND/OR FUJAIRAH, U.A.E. (OPTION D)

PORT OF DISCHARGE : COLOMBO, SRI LANKA

LATEST SHIPMENT DATE : **……..**

PRICE :

(OPTION A)

DAP COLOMBO, SRI LANKA (INCOTERMS 2010) PRICE PER NET U.S. BARREL OF WTI MIDLAND SWEET CRUDE OIL IN UNITED STATES DOLLARS SHALL BE THE AVERAGE OF THE MIDS OF "WTI CUSHING MO01 (PCACG00)" PUBLISHED IN PLATTS MARKET SCAN UNDER THE HEADING OF "ASIA AND MIDEAST KEY BENCHMARKS" OVER THE MONTH BELONGS TO THE FIRST DAY OF THE FIVE DAY DELIVERY LAYCAN AT SPBM 1, COLOMBO, SRI LANKA **(I.E. THE MONTH OF ……..)**, PLUS A FIXED PREMIUM OF **USD** ……. **PER NET U.S. BARREL (UNITED STATES DOLLARS ……. PER NET U.S. BARREL).**

(OPTION B)

DAP COLOMBO, SRI LANKA (INCOTERMS 2010) PRICE PER NET U.S. BARREL OF SAHARAN BLEND CRUDE OIL IN UNITED STATES DOLLARS SHALL BE THE AVERAGE OF THE MIDS OF "SAHARAN BLEND FOB ALGERIA (AAGZY00)" PUBLISHED IN PLATTS MARKET SCAN UNDER THE HEADING OF "ASIA AND MIDEAST KEY BENCHMARKS" OVER THE MONTH BELONGS TO THE FIRST DAY OF THE FIVE DAY DELIVERY LAYCAN AT SPBM 1, COLOMBO, SRI LANKA **(I.E. THE MONTH OF ……..)**, PLUS A FIXED PREMIUM OF **USD** ……. **PER NET U.S. BARREL (UNITED STATES DOLLARS ……. PER NET U.S. BARREL).**

(OPTION C)

DAP COLOMBO, SRI LANKA (INCOTERMS 2010) PRICE PER NET U.S. BARREL OF MIRI CRUDE OIL IN UNITED STATES DOLLARS SHALL BE THE AVERAGE OF THE MIDS OF "MIRI FOB MALAYSIA S'PORE (PCABQ00)" PUBLISHED IN PLATTS MARKET SCAN UNDER THE HEADING OF "ASIA AND MIDEAST KEY BENCHMARKS" OVER THE MONTH BELONGS TO THE FIRST DAY OF THE FIVE DAY DELIVERY LAYCAN AT SPBM 1, COLOMBO, SRI LANKA **(I.E. THE MONTH OF .....)**, PLUS A FIXED PREMIUM OF **USD** ..... **PER NET U.S. BARREL (UNITED STATES DOLLARS ..... PER NET U.S. BARREL).**

(OPTION D)

DAP COLOMBO, SRI LANKA (INCOTERMS 2010) PRICE PER NET U.S. BARREL OF MURBAN CRUDE OIL IN UNITED STATES DOLLARS SHALL BE "MURBAN ADNOC" FOB PRICE PER NET U.S. BARREL CHARGED BY ABU DHABI NATIONAL OIL COMPANY ("ADNOC") TO TERM CUSTOMERS (I.E. GOVERNMENT SELLING PRICE) FOR LIFTINGS OF MURBAN CRUDE OIL LIFTED BY THEM OVER THE MONTH BELONGS TO THE FIRST DAY OF THE FIVE DAY DELIVERY LAYCAN AT COLOMBO, SRI LANKA **(I.E. THE MONTH OF .....)**, PLUS A FIXED PREMIUM OF **USD** ..... **PER NET U.S. BARREL (UNITED STATES DOLLARS ..... PER NET U.S. BARREL).**

THE FINAL UNIT PRICE SHALL BE ROUNDED TO THREE (3) DECIMAL PLACES AND THE FOLLOWING ARITHMETIC RULES SHALL BE APPLIED TO DO THIS:

(I) IF THE FOURTH DECIMAL PLACE IS FIVE (5) OR GREATER THAN FIVE (5) THEN THE THIRD DECIMAL PLACE SHALL BE ROUNDED UP TO THE NEXT DIGIT.

(II) IF THE FOURTH DECIMAL PLACE IS LESS THAN FIVE (5) THEN THE THIRD DECIMAL PLACE WILL BE UNCHANGED.

SELLER'S COMMERCIAL INVOICE SHALL BE BASED ON THE B/L QUANTITY IN U.S. BARRELS.

THE L/C AMOUNT IS TO FLUCTUATE AUTOMATICALLY TO REFLECT CHANGES IN PLATTS PRICE AS PER L/C EVEN IF BELOW/IN EXCESS OF THE L/C AMOUNT WITHOUT FURTHER AMENDMENT FROM THE APPLICANT/APPLICANT'S BANK.

PARTIAL SHIPMENTS : NOT ALLOWED
TRANSHIPMENT : ALLOWED

AVAILABLE WITH ..... **BY NEGOTIATION** AT 30 CALENDAR DAYS AFTER THE FIRST DAY OF THE THREE DAY DELIVERY LAYCAN [FIRST DAY OF THE FIVE DAY DELIVERY LAYCAN TO COUNT AS DAY ZERO) FOR ONE HUNDRED (100) PERCENT OF INVOICE VALUE AGAINST THE FOLLOWING DOCUMENTS;

1. BENEFICIARY'S MANUALLY SIGNED ORIGINAL COMMERCIAL INVOICE BASED ON THE NET OUT-TURN QUANTITY IN U.S. BARREL @ 60 0F (IN AIR).

2. FULL SET 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 CHARTER PARTY. EACH ORIGINAL B/L TO BE MANUALLY SIGNED BY THE MASTER OF THE VESSEL OR OWNER OR AGENT ON BEHALF OF THE MASTER OR OWNER.

3. MANUALLY SIGNED ORIGINAL CERTIFICATE OF QUANTITY AND QUALITY AT LOAD PORT ISSUED BY THE TERMINAL/MANUFACTURER.

4. IN THE CASE OF DIRECT LOADING FROM SHORE TANKS:

   MANUALLY SIGNED ORIGINAL CERTIFICATE OF QUANTITY AND QUALITY AT LOAD PORT ISSUED OR ENDORSED BY THE MUTUALLY APPOINTED INDEPENDENT INSPECTOR.

5. IN THE CASE OF SHIP-TO-SHIP (STS) TRANSFER:

   5.1. MANUALLY SIGNED ORIGINAL CERTIFICATE OF QUANTITY AND QUALITY OF THE CARGO ON BOARD THE MOTHER VESSEL AT THE LOAD PORT, ISSUED OR ENDORSED BY THE MUTUALLY APPOINTED INDEPENDENT INSPECTOR; AND

   5.2. MANUALLH SIGNORIGINAL CERTIFICATE OF QUANTITY AND QUALITY OF THE CARGO ON BOARD THE DAUGHTER VESSEL AFTER COMPLETION OF STS OPERATION, ISSUED OR ENDORSED BY THE SAME INDEPENDENT INSPECTOR.

6. MANUALLY SIGNED ORIGINAL CERTIFICATE OF U.S.A. (OPTION A) / ALGERIA (OPTION B) /MALAYSIA (OPTION C) ORIGIN ISSUED BY THE SUPPLIER OR TERMINAL OR ANY AUTHORITY OR LOCAL BODY OR CHAMBER OF COMMERCE.

7. MANUALLY SIGNED ORIGINAL CERTIFICATE OF SHIP ARRIVAL QUANTITY AND OUT-TURN QUANTITY AT DISCHARGE PORT, COLOMBO ISSUED OR ENDORSED BY THE INDEPENDENT INSPECTOR.

ADDITIONAL INSTRUCTIONS:

1. ALL BANK CHARGES INCURRED BY APPLICANT'S BANK ARE FOR APPLICANT'S ACCOUNT. ALL BANK CHARGES OUTSIDE SRI LANKA INCLUDING CONFIRMATION CHARGES (IF ADDED AT BENEFICIARY'S REQUEST) AND REIMBURSEMENT CHARGES ARE FOR BENEFICIARY'S ACCOUNT.

2. DOCUMENTS PRESENTED LATER THAN 21 DAYS AFTER THE BILL OF LADING DATE BUT WITHIN THE VALIDITY OF THE LETTER OF CREDIT ARE ACCEPTABLE.

3. IF THE PAYMENT DUE DATE FALLS ON A SATURDAY OR NON-MONDAY BANK HOLIDAY IN NEW YORK, U.S.A., THEN PAYMENT SHALL BE EFFECTED ON THE LAST PRECEDING BANKING DAY IN NEW YORK, U.S.A. IF THE PAYMENT DUE DATE FALLS ON A SUNDAY OR MONDAY BANK HOLIDAY IN NEW YORK, U.S.A., THEN PAYMENT SHALL BE EFFECTED ON THE FIRST FOLLOWING BANKING DAY IN NEW YORK, U.S.A.

4. CHARTER PARTY BILL OF LADING IS ACCEPTABLE.

5. TANKER BILL OF LADING IS ALSO ACCEPTABLE.

6. PARTIAL SHIPMENT PROHIBITED. PARTIAL DRAWINGS ALLOWED.

7. INDEPENDENT INSPECTOR WHO ISSUED OR ENDORSED CERTIFICATE OF QUANTITY AT THE LOAD PORT AND CERTIFICATE OF SHIP ARRIVAL QUANTITY AND OUT-TURN QUANTITY AT THE DISCHARGE PORT SHOULD BE DIFFERENT.

8. NEGOTIATING BANK IS ALLOWED TO ADD CONFIRMATION TO THIS L/C WITH COST TO BENEFICIARY.

9. COMMERCIAL INVOICE SHOULD CLEARLY INDICATE THE NET B/L QUANTITY AND UNIT PRICE PER NET U.S. BARREL.

10. QUANTITY ON SHIPPING DOCUMENTS SHOWING METRIC TONS / US BBLS AT 60F / U.S. BARRELS AT 60 DEGREES FAHRENHEIT / LONG TONS IS ALSO ACCEPTABLE.

11. IN THE ABSENCE OF ANY EXPRESS PROVISIONS TO THE CONTRARY, THIS LETTER OF CREDIT WILL BE GOVERNED BY THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (2007 REVISION) OF THE INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO.600 OR ANY REVISION OR AMENDMENT THERETO AS MAY BE IN FORCE FROM TIME TO TIME.

12. FIRST DAY OF THE FIVE DAY DELIVERY LAYCAN IS …….. AND THE MONTH BELONGS TO THE FIRST DAY OF THE FIVE DAY DELIVERY LAYCAN IS ……..

13. IN THE EVENT THAT ORIGINAL SHIPPING DOCUMENTS SPECIFIED IN FIELD 46A ARE TEMPORARILY UNAVAILABLE FOR PRESENTATION, PAYMENT WILL BE MADE AGAINST PRESENTATION OF THE FOLLOWING DOCUMENTS:

    (I) BENEFICIARY'S MANUALLY SIGNED ORIGINAL COMMERCIAL INVOICE AS MENTIONED IN THE L/C.

    (II) PHOTOCOPY OF SHIP ARRIVAL QUANTITY AND OUT-TURN QUANTITY AT DISCHARGE PORT COLOMBO ISSUED BY THE INDEPENDENT INSPECTOR AS MENTIONED IN THE L/C.

    (III) DULY MANUALLY SIGNED BENEFICIARY'S LETTER OF INDEMNITY IN THREE ORIGINALS IN THE FORMAT BELOW:

QUOTE

DATE: .....

TO: CEYLON PETROLEUM CORPORATION
609, DR. DANISTER DE SILVA MAWATHA,
BASELINE ROAD, DEMATAGODA, COLOMBO 09
SRI LANKA.

FROM: …….
…….
…….
…….

DEAR SIRS,

WE REFER TO A CARGO OF [ ] METRIC TONS / [ ] BBLS OF WTI MIDLAND SWEET CRUDE OIL SHIPPED ON BOARD THE TANKER [ ] AT THE PORT OF [ ] PURSUANT TO BILLS OF LADING DATED [ ] AND LETTER OF CREDIT NUMBER [ ] DATED [ ] ISSUED BY **BANK OF CEYLON, COLOMBO FOR THE SHIPMENT NO.** …….**.**

ALTHOUGH WE HAVE SOLD AND TRANSFERRED TITLE OF THE SAID PRODUCT TO YOU, WE HAVE BEEN UNABLE TO PROVIDE YOU WITH THE ORIGINAL SHIPPING DOCUMENTS AS STIPULATED IN THE CONTRACT.

IN CONSIDERATION OF YOU PAYING THE FULL PURCHASE PRICE OF U.S. DOLLARS [ ] ON PAYMENT DUE DATE IN ACCORDANCE WITH THE CONTRACT, WE HEREBY EXPRESSLY WARRANT THAT:

(1) WE HAVE MARKETABLE TITLE, FREE AND CLEAR OF ANY LIEN OR ENCUMBRANCE TO THE ABOVE PRODUCT AND

(2) WE HAVE THE FULL RIGHT AND AUTHORITY TO TRANSFER SUCH TITLE AND EFFECT DELIVERY OF SUCH PRODUCT TO YOU.

WE FURTHER AGREE TO EXERCISE OUR UTMOST EFFORTS TO LOCATE AND TO SURRENDER THESE DOCUMENTS TO YOU AS SOON AS POSSIBLE AND TO PROTECT, INDEMNIFY AND SAVE YOU HARMLESS FROM AND AGAINST ANY AND ALL DAMAGES, COSTS , COUNSEL FEES AND ANY OTHER REASONABLE EXPENSES WHICH YOU MAY SUFFER BY REASON OF THE ORIGINAL SHIPPING DOCUMENTS REMAINING OUTSTANDING, OR BREACH OF THE WARRANTIES GIVEN ABOVE , INCLUDING BUT NOT LIMITED TO , ANY CLAIMS AND DEMANDS WHICH MAY BE MADE BY A HOLDER OR TRANSFEREE OF THE ORIGINAL SHIPPING DOCUMENTS OR BY ANY OTHER THIRD PARTY CLAIMING AN INTEREST IN OR LIEN ON THE PRODUCT OR PROCEEDS THEREOF.

THIS LETTER OF INDEMNITY SHALL, WHETHER RETURNED OR NOT, EXPIRE OR TERMINATE AUTOMATICALLY AT THE MOMENT UPON OUR TENDERING TO YOU THE ORIGINAL DOCUMENTS AS STIPULATED IN THE CONTRACT.

OUR OBLIGATION TO INDEMNIFY YOU IS, OF COURSE, SUBJECT TO THE CONDITION THAT YOU SHALL GIVE US PROMPT NOTICE OF ASSERTION OF ANY CLAIM (S) AND FULL OPPORTUNITY TO CONDUCT, IN A TIMELY MANNER, THE DEFENCE THEREOF AND THAT YOU SHALL NOT SETTLE ANY SUCH CLAIM (S) WITHOUT OUR PRIOR WRITTEN APPROVAL, SUCH APPROVAL NOT TO BE UNREASONABLY WITHHELD.

THE INDEMNITY SHALL BE GOVERNED BY LAWS OF SRI LANKA AND DISPUTE ARISING OUT OF OR IN CONNECTION WITH THIS LETTER OF INDEMNITY NOT SETTLED BY NEGOTIATION BETWEEN SELLER AND BUYER SHALL BE REFERRED TO AND FINALLY RESOLVED BY ARBITRATION IN SRI LANKA IN ACCORDANCE WITH THE UNCITRAL (UNITED NATIONS COMMISSION ON INTERNATIONAL TRADE LAW) ARBITRATION RULES. THE TRIBUNAL SHALL CONSIST OF THREE ARBITRATORS, ONE TO BE APPOINTED BY THE SELLER, ONE BY BUYER AND TWO ARBITRATORS THUS APPOINTED SHALL CHOOSE THE THIRD ARBITRATOR. ARBITRATION SHALL BE A CONDITION PRECEDENT TO THE INSTITUTION OF ANY LEGAL ACTION BY EITHER PARTY AGAINST THE OTHER. THE LANGUAGE OF THE ARBITRATION SHALL BE ENGLISH.

YOURS FAITHFULLY,

……..

DATED

UNQUOTE

<u>REIMBURSEMENT INSTRUCTIONS</u>:

1. ORIGINAL DOCUMENTS SHOULD BE SENT BY COURIER SERVICE DIRECT TO **BANK OF CEYLON, CORPORATE IMPORTS DEPARTMENT, NO. 01, BANK OF CEYLON MAWATHA, COLOMBO 01, SRI LANKA.**

2. UPON RECEIPT OF ORIGINAL DOCUMENTS HAVING NEGOTIATED IN STRICT CONFORMITY WITH THE TERMS AND CONDITIONS OF THIS CREDIT, WE, **BANK OF CEYLON, CORPORATE IMPORTS DEPARTMENT, NO. 01, BANK OF CEYLON MAWATHA, COLOMBO 01, SRI LANKA** UNDERTAKE TO COVER YOU AT MATURITY IN ACCORDANCE WITH YOUR INSTRUCTIONS.