



**PROCUREMENT DOCUMENT
CEYLON PETROLEUM CORPORATION
(CEYPETCO)**

**BID FOR THE SUPPLY OF A SINGLE CARGO OF 30,000 MT +/-5% OF
FUEL OIL 180 CST (MAX. 1.8% SULPHUR)**

REF: BK/36/2026

FOR SINGLE BERTH DISCHARGE AT DOLPHIN TANKER BERTH, COLOMBO
DURING **LAYCAN 22-23/06/2026**
ON DAP COLOMBO BASIS (INCOTERMS 2010)

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

08/05/2026



INVITATION FOR BIDS

CEYLON PETROLEUM CORPORATION (CEYPETCO)

BID FOR THE SUPPLY OF A CARGO OF

30,000 MT +/-5% OF FUEL OIL 180 CST (MAX. 1.8% SULPHUR)

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SECTION 1 – INSTRUCTIONS TO BIDDERS (ITB)

1.1 INTRODUCTION

THE CHAIRMAN, STANDING HIGH LEVEL PROCUREMENT COMMITTEE (SHLPC) , ON BEHALF OF CEYLON PETROLEUM CORPORATION (HEREINAFTER REFERRED TO AS “CPC/CEYPETCO”) INVITES FIRM OFFERS FROM THE SUPPLIERS REGISTERED WITH CEYPETCO FOR THE SUPPLY OF CARGO OF **30,000 +/- 5% OF FUEL OIL 180 CST (MAX. 1.8% SULPHUR)** FOR SINGLE BERTH DISCHARGE AT DOLPHINTANKER BERTH, COLOMBO DURING **LAYCAN 22-23/06/2026 ON DAP COLOMBO BASIS (INCOTERMS 2010)**. IT IS IMPERATIVE THAT THE SHIPMENT IS DELIVERED IN COLOMBO DURING THE TWO DAY DELIVERY LAYCAN **22-23/06/2026**.

INTERESTED SUPPLIERS MAY REQUEST FURTHER INFORMATION/CLARIFICATIONS FROM THE COMMERCIAL MANAGER OF CEYLON PETROLEUM CORPORATION [TEL: 0094-115455115; FAX: 0094-115455406; E-MAIL: mgr.commercial@ceypetco.gov.lk and dmgr.commercial@ceypetco.gov.lk

1.2 ISSUE OF PROCUREMENT DOCUMENT

- LOCAL AGENTS OF THE REGISTERED SUPPLIERS COULD OBTAIN THE PROCUREMENT DOCUMENT FROM THE COMMERCIAL MANAGER OF CEYLON PETROLEUM CORPORATION BETWEEN 0900 HRS. AND 1500 HRS. (SRI LANKA TIME) ON ANY WORKING DAY COMMENCING **08TH MAY 2026 TO 18TH MAY 2026**.

OR

- REGISTERED SUPPLIERS COULD DOWNLOAD THE RELEVANT BID DOCUMENT FROM THE CEYPETCO WEBSITE <https://ceypetco.gov.lk/>

1.3 ELIGIBILITY FOR BIDDING

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

1.4 SUBMISSION OF BIDS

PLEASE REFER CLAUSE 2.24.

1.5 PCA3 FORM, AGENT, REPRESENTATIVE OR NOMINEE FOR OR ON BEHALF OF ANY BIDDER & 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 SHOULD BE INDICATED IN UNITED STATES DOLLARS (USD).

1.8 BID SECURITY

1.8.1. CASH DEPOSIT IN UNITED STATES DOLLARS

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

1.8.1.2. THE CASH DEPOSIT SHOULD BE DEPOSITED FOR A MINIMUM 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 CPC 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, BIDDERS SHALL ESTABLISH A BID SECURITY GUARANTEE FOR UNITED STATES DOLLARS TWO HUNDRED THOUSAND (USD 200,000/=) FOR THE TENDER UNDERTAKING THAT THE BID WILL BE HELD VALID FOR THE SPECIFIED PERIOD AND THAT THE BID WILL NOT BE WITHDRAWN DURING THAT PERIOD. SUCH SECURITY SHALL BE IN THE FORM OF A BANK GUARANTEE ISSUED/CONFIRMED BY A LICENCED COMMERCIAL BANK IN SRI LANKA, 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.

- 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 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 WORD WILL GOVERN.

SECTION 2 - TERMS & CONDITIONS OF THE BID

2.1. BUYER

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

2.2. CONTRACTUAL CARGO QUANTITY

2.2.1. TOTAL QUANTITY OF PRODUCT REQUIRED UNDER THIS CONTRACT IS AS FOLLOWS.

PRODUCT	TOTAL CONTRACTUAL QUANTITIES
FUEL OIL 180 CST (MAX. 1.8% SULPHUR)	30,000 MT PLUS/MINUS 5 PCT

2.2.2. THE TOTAL QUANTITY OF THE SHIPMENT SHALL BE AS PER THE **ANNEX – ‘B’** WHERE TOTAL AVERAGE CARGO SIZE IS **30,000 MT** FOR FUEL OIL 180 CST (MAX. 1.8% SULPHUR).

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

2.2.4. ANY DEVIATION TO THE PLUS / MINUS FIVE PERCENT (+/-5%) TOLERANCE LIMIT SPECIFIED UNDER 2.2.3. WILL ONLY BE CONSIDERED UNDER SPECIAL CIRCUMSTANCES, ON MUTUAL AGREEMENT BETWEEN CEYPETCO AND THE SUCCESSFUL SUPPLIER/ BIDDER.

2.3 DELIVERY

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

2.3.1. THE SUCCESSFUL SUPPLIER/ BIDDER SHALL DISCHARGE THE FULL CARGO AS GIVEN IN **ANNEX -‘B’** SINGLE BERTH AT DOLPHIN TANKER BERTH, COLOMBO.

2.3.2. THE CARGO SHALL BE SINGLE BERTH DISCHARGE AT DOLPHIN TANKER BERTH, COLOMBO UPON ARRIVAL OF THE VESSEL AT COLOMBO.

2.4. IMPORTANT

2.4.1. SUPPLY OF A SINGLE CARGO OF FUEL OIL 180 CST (MAX. 1.8% SULPHUR) UNDER EX-STORAGE MODALITY AND / OR PAYMENT IN THIRTY (30) DAYS LC AFTER THE FIRST DAY OF THE TWO DAY DELIVERY LAYCAN THROUGH BANK OF CEYLON LC.

2.4.1.1. IT IS IMPERATIVE THAT THE CARGO IS DELIVERED FOR SINGLE BERTH DISCHARGE AT DOLPHIN TANKER BERTH, COLOMBO IN ONE LOT DURING THE TWO DAY CONTRACTUAL LAYCAN AND UNDER EX-STORAGE MODALITY AND / OR PAYMENT IN THIRTY (30) DAYS LC AFTER THE FIRST DAY OF THE TWO DAY DELIVERY LAYCAN THROUGH BANK OF CEYLON LC. UNDER NO CIRCUMSTANCES THE CARGO WILL BE ACCEPTED IN TWO SEPARATE TANKERS. IF THE SUCCESSFUL SUPPLIER / BIDDER FAIL TO DELIVER THE CARGO FOR SINGLE BERTH DISCHARGE AT DOLPHIN TANKER BERTH, COLOMBO IN ONE LOT DURING THE SAID TWO DAY CONTRACTUAL LAYCAN, THE SUCCESSFUL SUPPLIER / BIDDER WOULD BE HELD LIABLE FOR HEAVY PENALTIES AND ALL CONSEQUENTIAL LOSSES.

2.4.2. SUPPLY OF A SINGLE CARGO OF FUEL OIL 180 CST (MAX. 1.8% SULPHUR) UNDER EX-STORAGE MODALITY

- 2.4.2.1. THE QUANTITY OF THE PRODUCT DISCHARGED AT THE COLOMBO PORT SHALL BE CERTIFIED BY THE MUTUALLY APPOINTED INDEPENDENT INSPECTOR AND SHALL THERE UPON BE STORED AT THE STORAGE FACILITIES OWNED AND OPERATED BY THE CEYLON PETROLEUM STORAGE TERMINALS LIMITED (CPSTL) AT THE OIL TERMINALS LOCATED AT KOLONNAWA ("STORAGE FACILITY") AND WILL BE DISCHARGED ADOPTING THE USUAL DISTRIBUTION AND OPERATIONAL PROCEDURES OF CPSTL/CEYPETCO SUBJECT TO THE ADHERENCE OF USUAL QUANTITY MEASUREMENT AND OTHER REGULAR STANDARDS APPLICABLE DURING TERMINAL OPERATIONS USED IN THE CURRENT SUPPLY CHAIN. FOR THE AVOIDANCE OF DOUBT EACH WITHDRAWAL OF THE PRODUCT FROM THE STORAGE FACILITY SHALL BE SUBJECT TO CLAUSE 2.4.2 AND SHALL REQUIRE THE PRIOR WRITTEN APPROVAL OF THE MUTUALLY APPOINTED INDEPENDENT INSPECTOR.
- 2.4.2.2. 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 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.
- 2.4.2.3. 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.
- 2.4.2.4. THE PAYMENT ENTITLED TO THE SUCCESSFUL SUPPLIER/ BIDDER SHALL BE LIMITED TO THE VALUE IN USD BASED ON CORRESPONDING INVOICING QUANTITY. INVOICING QUANTITY WILL BE THE QUANTITY IN THE ORIGINAL B/L(S) SHALL BE BINDING ON BOTH PARTIES SUBJECT TO CLAUSE NO 2.11. "OUT-TURN LOSS"
- 2.4.2.5. OUTTURN QUANTITY WILL BE REPORTED AND CERTIFIED BY THE INDEPENDENT INSPECTOR IN THE "CERTIFICATE OF QUANTITY" ISSUED AT THE DISCHARGE PORT.
- 2.4.2.6. CEYPETCO AND CPSTL SHALL HOLD THE CUSTODY OF THE PRODUCT RECEIVED FROM THE SUCCESSFUL SUPPLIER/ BIDDER AT THE STORAGE FACILITY OWNED BY THE CPSTL AT ITS COST UNTIL SALES ARE COMPLETED.
- 2.4.2.7. CEYPETCO AND CPSTL SHALL BE RESPONSIBLE FOR ANY LOSS OR DAMAGE TO THE PRODUCT CARGO WHILE IN CEYPETCO / CPSTL STORAGE TANKS UNTIL THE EX-STORAGE MODALITY AGREEMENT WILL BE TERMINATED OR AS PER ANY OF THE CLAUSES UNDER CLAUSE 18. "TERMINATION" IN THE AGREEMENT.

2.5. THIRD PARTY CARGO

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

2.6. QUALITY

BIDDER SHALL ENSURE THAT THE PRODUCTS OFFERED ARE IN CONFORMITY WITH THE RELEVANT SPECIFICATIONS GIVEN IN **ANNEX - 'C' FOR FUEL OIL 180 CST (MAX. 1.8% SULPHUR)**. **BIDDER SHALL STATE THE COMPLIANCE TO THE SPECIFICATIONS IN ANNEX - 'C-1' FUEL OIL 180 CST (MAX. 1.8% SULPHUR) AND SUBMIT ALONG WITH THE BID.**

2.7. SOURCE OF SUPPLY

2.7.1 THE COUNTRY OF ORIGIN AND THE PORT OF SHIPMENT OF PRODUCT SHALL BE CLEARLY INDICATED.

2.7.2 CEYPETCO PREFERENCES TO BUY OR FUEL OIL 180 CST (MAX. 1.8% SULPHUR) DIRECTLY FROM REFINERIES.

2.7.3 ON BOARD BLENDING OF PRODUCTS ARE STRICTLY PROHIBITED.

2.7.4 IF THE PRODUCTS ARE PURCHASED FROM A THIRD PARTY, THE FULL DETAILS OF THE THIRD PARTY INCLUDING THE ORIGINAL SOURCE OF PURCHASE SHALL BE CLEARLY INDICATED.

2.8. MODE OF LOADING/PORT OF LOADING

2.8.1 UNDER THIS SHIPMENT, ALL TYPES OF PRODUCTS SHALL BE LOADED ON TO THE NOMINATED VESSEL ONLY FROM SHORE TANKS AND THE SHIP TO SHIP TRANSFER OF PRODUCT IS STRICTLY PROHIBITED.

2.8.2 UNDER NO CIRCUMSTANCES, ANY PRODUCT SHALL BE LOADED TO THE SLOP TANKS OF THE VESSEL. THE PRODUCT LOADING PLAN SHALL BE PROVIDED TO CEYPETCO INDICATING ALL NOMINATED TANKS.

2.9. INSPECTION

2.9.1 INSPECTION AT LOAD PORT

2.9.1.1 CEYPETCO SHALL NOMINATE AN INDEPENDENT INSPECTOR (GEO-CHEM / ITS - CALEB BRETT / SBC ASIA – SAYBOLT / BUREAU VERITAS / CCIC / AMSPEC/ TANKOIL-EGYPT) ACCEPTABLE TO THE SUCCESSFUL SUPPLIER/ BIDDER TO SAMPLE, TEST AND CERTIFY THE QUALITY OF PRODUCT FOR INCONFORMITY WITH THE TENDER SPECIFICATIONS AND THE QUANTITY FOR INCONFORMITY WITH THE TENDER CONDITIONS. THEY SHOULD PRESENT AT THE TIME OF LOADING OF THE CARGO TO CARRY OUT/ WITNESS THE INSPECTION AND TO PREPARE THE QUALITY AND QUANTITY CERTIFICATES AND ANY OTHER DOCUMENTS SPECIFIED.

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

2.9.1.3 IT IS THE RESPONSIBILITY OF THE SUCCESSFUL SUPPLIER/ BIDDER TO ENSURE THE PRESENCE OF THE INDEPENDENT INSPECTOR AT THE TIME OF SAMPLING, TESTING AND LOADING OF THE CARGO AT THE LOAD PORT. THE SUCCESSFUL SUPPLIER/ BIDDER SHALL CO-OPERATE AND LIAISE WITH THE INDEPENDENT INSPECTOR TO ENSURE THAT THE INSPECTION IS CARRIED OUT TO THE SATISFACTION OF CEYPETCO. UNDER NO CIRCUMSTANCES THE QUALITY OF THE CARGO SHALL BE TESTED AT THE LABORATORY AT THE LOAD PORT OR THE CARGO 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.

IN CASE CEYPETCO REQUESTS, THE INDEPENDENT INSPECTOR AT LOAD PORT IS ALSO RESPONSIBLE TO SEND A SHIP'S COMPOSITE SAMPLE WITH SUFFICIENT QUANTITY AT THE EARLIEST POSSIBLE TIME AFTER LOADING THE VESSEL TO REACH CPSTL LABORATORY AT COLOMBO VIA AIR FREIGHT. IN THIS CASE, ALL RELATED COST SHALL BE UNDER CEYPETCO ACCOUNT.

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 PRODUCTS SHALL BE TESTED IN ACCORDANCE WITH GOOD INDUSTRY STANDARDS AND PRACTICES, USING INTERNATIONALLY ACCEPTED SAMPLING AND ANALYTICAL / TESTING METHODS STIPULATED IN RELEVANT SPECIFICATION SHEETS.

2.9.1.5 SHORE TANK QUALITY CERTIFICATE ISSUED 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) AND COMMERCIAL MANAGER OF CEYPETCO THROUGH E-MAIL, BEFORE COMMENCEMENT OF LOADING.

2.9.1.6 THE SUCCESSFUL SUPPLIER/ BIDDER SHALL ENSURE THAT VESSEL LOADS ONLY THE PRODUCT THAT MEETS EACH, EVERY AND ALL SPECIFICATIONS AS SPECIFIED BY CEYPETCO IN THE CONTRACT. THE INDEPENDENT INSPECTOR NOMINATED BY CEYPETCO AND ACCEPTED BY THE SUCCESSFUL SUPPLIER/ BIDDER SHALL ALSO ENSURE THAT THE VESSEL LOADS ONLY PRODUCT THAT IS ON SPECIFICATIONS.

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

UNDER NO CIRCUMSTANCES, THE LOADING SHALL BE DELAYED, IF ALL THE PARAMETERS OF LOAD PORT QUALITY CERTIFICATES FOR ALL PRODUCTS ARE ON SPECIFICATIONS.

- 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 THE SUCCESSFUL SUPPLIER/ BIDDER SHALL LOAD THE CARGO COMPLYING WITH CEYPETCO TENDER SPECIFICATION AT THEIR OWN RISK.
- 2.9.1.9 IN THE EVENT PRODUCT IS LOADED FROM DIFFERENT SHORE TANKS, INDEPENDENT INSPECTOR SHALL PROVIDE QUALITY CERTIFICATES IN RESPECT OF EACH AND EVERY SHORE TANK.
- 2.9.1.10 THE COST OF INSPECTION AT LOAD PORT SHALL BE SHARED EQUALLY BETWEEN CEYPETCO AND THE SUCCESSFUL SUPPLIER/ BIDDER.
- 2.9.1.11 QUANTITIES MENTIONED IN THE BILLS OF LADINGS (B/Ls) AT RESPECTIVE LOAD PORTS SHALL BE BINDING ON BOTH PARTIES.
- 2.9.1.12 IN THE EVENT THAT THE SUCCESSFUL SUPPLIER/ BIDDER DOES NOT AGREE TO THE NOMINATED INDEPENDENT INSPECTOR BY CEYPETCO AS PER THE **SUB CLAUSE 2.9.1.1** ABOVE THE SUCCESSFUL SUPPLIER/ BIDDER IS PERMITTED TO NOMINATE AN ALTERNATIVE INDEPENDENT INSPECTOR FROM COMPANIES LISTED UNDER THE SAID CLAUSE. UNDER NO CIRCUMSTANCES THE SUCCESSFUL SUPPLIER/ BIDDER SHALL BE PERMITTED TO CHANGE SUCH ALTERNATIVE NOMINATION THEREAFTER.
- 2.9.1.13 INDEPENDENT INSPECTOR SO APPOINTED SHALL BE BOUND TO PROVIDE A TANK CLEANLINESS & DRY CERTIFICATE ENSURING DRY AND CLEANLINESS OF THE VESSEL'S TANKS BEFORE LOADING AND VESSEL'S TANKS FACILITIES SUCH AS PIPELINES, PUMPS AND STRAINERS TO BE CLEANED, DRY AND SUITABLE FOR LOADING OF OR FUEL OIL 180 CST (MAX. 1.8% SULPHUR) .
- 2.9.1.14 IT IS EXTREMELY IMPORTANT TO SUBMIT THE ABOVE CERTIFICATE TO CEYPETCO BY THE INDEPENDENT INSPECTOR PRIOR TO COMMENCEMENT OF LOADING. THE SUCCESSFUL SUPPLIER/ BIDDER SHALL BE RESPONSIBLE TO LOAD THE CARGO INTO THE CLEAN AND DRY TANKS OF THE VESSEL AS CERTIFIED BY THE INDEPENDENT INSPECTOR.

2.9.2 INSPECTION AT DISCHARGE PORT

2.9.2.1 DISCHARGE PORT INDEPENDENT INSPECTOR SHALL BE DIFFERENT TO THAT AT THE LOAD PORT.

2.9.2.2 THE QUALITY AT DISCHARGE PORT COLOMBO;

2.9.2.2.1 FUEL OIL 180 CST (MAX. 1.8% SULPHUR)

THE QUALITY OF THE **FUEL OIL 180 CST (MAX. 1.8% SULPHUR)** AT DISCHARGE PORT COLOMBO SHALL BE DETERMINED BOTH;

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

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

AND

- ii. BY THE CEYPETCO OIL REFINERY LABORATORY BASED ON THE CERTIFICATE OF QUALITY ISSUED BY SUCH LABORATORY.

CARGO SHALL ONLY BE ACCEPTED AND THE VESSEL SHALL BE ALLOWED TO DISCHARGE ONLY IF BOTH OF THE ABOVE i. AND ii. ARE ACCEPTABLE TO CEYPETCO AND WEST COAST POWER (PVT) LTD RESPECTIVELY. IF ONE OF THE ABOVE CERTIFICATES IS NOT ACCEPTED BY CEYPETCO OR WEST COAST POWER (PVT) LTD OR BOTH OF THE ABOVE, CEYPETCO RESERVE THE RIGHT TO REJECT THE CARGO SUBJECT TO PROVISSIONS GIVEN UNDER SUB CLAUSE 2.9.2.5 & 2.9.2.6.

2.9.2.3 A SHIP TANK COMPOSITE SAMPLE FOR PRODUCT **FUEL OIL 180 CST (MAX. 1.8% SULPHUR)** IN SUFFICIENT QUANTITIES SHALL BE DRAWN FROM THE SHIP'S TANKS ACCORDING TO ASTM D STANDARD METHOD OF SAMPLING BY A MUTUALLY AGREED INDEPENDENT INSPECTOR AT DISCHARGE PORT WITNESSED BY CEYPETCO / CPSTL REPRESENTATIVES AND REPRESENTATIVE IF NOMINATED BY THE SUCCESSFUL SUPPLIER/BIDDER.

- i. ONE SUCH SAMPLE FROM PRODUCT **FUEL OIL 180 CST (MAX. 1.8% SULPHUR)** WILL BE ANALYZED AT THE CEYLON STORAGE TERMINALS LIMITED (CPSTL) LABORATORY ACCORDING TO CONTRACTUAL SPECIFICATION AND SHALL BE WITNESSED BY THE MUTUALLY AGREED INDEPENDENT INSPECTOR.

AND

- ii. ONE SUCH SAMPLE FROM PRODUCT **FUEL OIL 180 CST (MAX. 1.8% SULPHUR)** SHOULD BE HANDED OVER TO CEYPETCO REFINERY REPRESENTATIVE THROUGH MUTUALLY APPOINTED INSPECTORS TO BE ANALYZED IN THE CEYPETCO OIL REFINERY LABORATORY.

THE RESULT OF THE ANALYSIS MENTIONED UNDER i. AND ii. ABOVE SHALL BE THE RECOGNIZED CARGO ANALYSIS AND SHALL BE BINDING ON BOTH PARTIES.

2.9.2.4 THE SUCCESSFUL SUPPLIER/BIDDER SHALL DECLARE IN THE BID THAT THE CERTIFICATE OF THE QUALITY AT DISCHARGE PORT SHALL BE

- i. ON THE BASIS OF SHIP TANK COMPOSITE SAMPLE TAKEN ON ARRIVAL OF THE VESSEL AT DISCHARGE PORT AS PER THE SUB CLAUSE 2.9.2.3 i.
AND
- ii. ON THE BASIS OF SHIP TANK COMPOSITE SAMPLE TAKEN ON ARRIVAL OF THE VESSEL AT DISCHARGE PORT AS PER CLAUSE 2.9.2.3 ii.

2.9.2.5 HOWEVER, IN THE EVENT;

- i. THE FIRST INDIVIDUAL COMPOSITE SAMPLE DRAWN OF THE PRODUCT [**FUEL OIL 180 CST (MAX. 1.8% SULPHUR)**] ANALYSED/TESTED EITHER AT CPSTL LABORATORY OR CEYPETCO OIL REFINERY LABORATORY [**FUEL OIL 180 CST (MAX. 1.8% SULPHUR)**] DOES NOT MEET THE CONTRACTUAL SPECIFICATIONS, THE INDEPENDENT INSPECTOR WILL BE REQUESTED TO DRAW TWO SETS OF SAMPLES OF PRODUCT IN SUFFICIENT QUANTITIES FROM VESSEL'S INDIVIDUAL TANKS IN THE PRESENCE OF REPRESENTATIVES FROM CEYPETCO/CPSTL, A REPRESENTATIVE FROM THE SUCCESSFUL SUPPLIER/ BIDDER'S CARGO INSURER, TWO REPRESENTATIVES FROM THE SUCCESSFUL SUPPLIER/ BIDDER AND ONE REPRESENTATIVE FROM THE PROTECTION & INDEMNITY INSURANCE (P & I CLUB).
 - a. ONE SET OF SUCH INDIVIDUAL SAMPLE WILL BE ANALYZED AT THE CEYLON STORAGE TERMINALS LIMITED (CPSTL) LABORATORY ACCORDING TO CONTRACTUAL SPECIFICATIONS AND SHALL BE WITNESSED BY THE MUTUALLY AGREED INDEPENDENT INSPECTOR AND THE REPRESENTATIVES MENTIONED HEREUNDER.

AND
 - b. SECOND SET OF SUCH INDIVIDUAL SAMPLES FOR THE PRODUCT [**FUEL OIL 180 CST (MAX. 1.8% SULPHUR)**] SHOULD BE HANDED OVER TO CEYPETCO OIL REFINERY REPRESENTATIVE THROUGH MUTUALLY APPOINTED INSPECTORS TO BE ANALYSED IN THE CEYPETCO OIL REFINERY LABORATORY.

THE RESULT OF THE ANALYSIS MENTIONED UNDER ABOVE SHALL BE THE RECOGNIZED CARGO ANALYSIS AND SHALL BE BINDING ON BOTH PARTIES.

THE RESULTS OF THESE ANALYSIS MENTIONED UNDER a. & b. ABOVE, BASED ON THE SAMPLES DRAWN FROM VESSEL'S INDIVIDUAL TANKS FOR PRODUCT SHALL BE DEEMED TO BE CONSIDERED AS THE RECOGNIZED CARGO ANALYSIS AND SHALL BE BINDING ON BOTH PARTIES. ALL REPRESENTATIVES WITNESS THIS TEST REQUIRED TO BE SIGNED EACH OF THE FULL TEST CERTIFICATES ISSUED BY CPSTL LABORATORY.

2.9.2.6 CEYPETCO RESERVES THE RIGHT TO REJECT THE FULL CARGO OF **FUEL OIL 180 CST (MAX. 1.8% SULPHUR)**;

- i. IF THE TEST RESULTS OF THE PRODUCT TESTED EITHER AT THE CPSTL LABORATORY ARE DEVIATED FROM THE CEYPETCO STANDARD SPECIFICATIONS

OR

ii. IF THE TEST RESULTS OF THE CEYPETCO OIL REFINERY LABORATORY ARE NOT ACCEPTABLE TO THE WEST COAST POWER (PVT) LTD.

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

2.9.2.8 UNDER NO CIRCUMSTANCES, ANY TESTING RESULTS FROM ANY OTHER LABORATORY OTHER THAN THE CPSTL LABORATORY AND THE CEYPETCO OIL REFINERY LABORATORY SHALL NOT BE ENTERTAINED FOR FINAL DETERMINATION OF THE QUALITY OF THE SUBJECT CARGO.

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

2.9.2.10 DISCHARGE OF FUEL OIL 180 CST (MAX. 1.8% SULPHUR) SHALL COMMENCE ONLY AFTER THE ISSUANCE AND ACCEPTANCE OF FOLLOWING TWO QUALITY CERTIFICATES BY CEYPETCO.

i. CERTIFICATE OF QUALITY AT DISCHARGE PORT REPORT ISSUED BY INDEPENDENT INSPECTOR BASED ON THE TEST RESULTS OF CPSTL LABORATORY, COUNTERSIGNED BY CEYPETCO'S REPRESENTATIVE IS IN THE POSSESSION OF THE SUCCESSFUL SUPPLIER/ BIDDER.

AND

ii. CERTIFICATE OF QUALITY ISSUED BY THE CEYPETCO OIL REFINERY LABORATORY.

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

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

2.9.2.12 IN THE EVENT THE OUT-TURN LOSS IS PROVED TO BE DUE TO CEYPETCO'S FAULT INCLUDING BUT NOT LIMITED TO DISCHARGING PIPE LINE LEAKAGE, CAUSING AND OUTTURN LOSS IN EXCESS OF 0.5%, SUCH EXCESS LOSS SHALL NOT BE DEDUCTED FROM THE B/L QUANTITY FOR INVOICE PURPOSES.

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

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

2.10.1 IF THE QUALITY OF THE PRODUCT AT THE DISCHARGE PORT DOES NOT MEET/COMPLY WITH THE CONTRACTUAL SPECIFICATIONS SPECIFIED UNDER **ANNEX - 'C'** WITH RESPECT TO ANY OF THE PARAMETERS INDICATED THEREIN, SUBJECT TO **CLAUSE 2.9.2.5. & 2.9.2.6.** CEYPETCO RESERVES THE RIGHT TO REJECT THE FULL CONSIGNMENT ON BOARD THE VESSEL OR PART OF THE CONSIGNMENT AS THE CASE MAY BE.

2.10.2 IN SUCH A CASE THE SELLER IS OBLIGED TO PROVIDE A REPLACEMENT CARGO AT THE REQUEST OF CEYPETCO WITHOUT ANY ADDITIONAL COST TO THE CEYPETCO WITHIN THE FIRST TWENTY (20) DAYS FROM THE DATE OF THE REJECTION OF THE ORIGINAL CARGO NO ADDITIONAL COST WILL BE CHARGED BY CEYPETCO FROM THE SUPPLIER/BIDDER. DETERMINATION OF THE NEW LAYCAN WILL BE AT THE DISCRETION OF CEYPETCO. HOWEVER, THE CEYPETCO SHALL NOT UNREASONABLY DELAY THE ALLOCATION OF AN ALTERNATIVE DELIVERY LAYCAN.

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

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

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

2.10.4 THE PRICING OF THE REPLACEMENT CARGO SHALL BE DETERMINED AS PER THE FIVE DAY AVERAGE PRICE AROUND THE FIRST DAY OF THE TWO DAY DELIVERY LAYCAN OF THE REPLACEMENT CARGO AT COLOMBO PLUS PREMIUM / DISCOUNT. THE

CALCULATION OF THE VALUE OF THE REPLACEMENT CARGO SHALL BE AS PER THE CLAUSE 2.12., UNDER THE HEADING OF "PRICE / PAYMENT" OF THIS PROCUREMENT DOCUMENT.

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

2.10.6 FOR THE REPLACEMENT CARGO, THE SAME TERMS AND CONDITIONS OF THIS TENDER SHALL BE APPLICABLE IN ALL ASPECTS INCLUDING QUALITY, DELIVERY AND RECOVERY OF DAMAGES OR LOSSES FOR CEYPETCO.

2.10.7 IN THE EVENT THE CEYPETCO DECIDING, AT ITS SOLE DISCRETION, NOT TO REQUEST A REPLACEMENT CARGO FOR THE PRODUCT NO ANY RECOVERY OF DAMAGES OR LOSSES FOR CEYPETCO FROM THE SUCCESSFUL BIDDER/SUPPLIER.

2.11. OUT-TURN LOSS

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

2.12. PRICE / PAYMENT

2.12.1. PAYMENT PROIR TO THE DATE OF QUANTITY DRAWN – (100% EX-STORAGE MODALITY) OPTION 1

2.12.1.1. DAP COLOMBO PRICE FOR **FUEL OIL 180 CST (MAX. 1.8% SULPHUR)** SHALL BE CALCULATED AS FOLLOWS:

PRICE OFFERED FOR FUEL OIL 180 CST (MAX. 1.8% SULPHUR) IN USD PER METRIC TON ON DAP COLOMBO BASIS (INCOTERMS 2010) SHALL BE THE AVERAGE OF THE **MIDS OF FOB SINGAPORE PRICE OF FO 180 CST 2.0% S (PUAXS00)** PUBLISHED IN PLATTS MARKET SCAN UNDER THE HEADING "**PLATTS ASIA AND MIDDLE EAST FUEL OIL ASSESSMENTS**", ON THE FIRST DAY OF THE TWO DAY DELIVERY LAYCAN, TWO DAYS IMMEDIATELY BEFORE AND TWO DAYS IMMEDIATELY AFTER THE FIRST DAY OF THE TWO DAY DELIVERY LAYCAN (IF THERE IS NO PUBLICATION ON THE FIRST DAY OF THE TWO DAY DELIVERY LAYCAN THEN TWO DAYS IMMEDIATELY BEFORE AND TWO DAYS IMMEDIATELY AFTER THE FIRST DAY OF THE TWO DAY DELIVERY LAYCAN ARE TO BE TAKEN INTO ACCOUNT) PLUS A FIXED PREMIUM/DISCOUNT PER MT.

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

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 METRIC TON (MT), THE UNIT PRICE IN **UNITED STATES DOLLARS (USD) PER METRIC TON (MT)** AND THE SUBTOTAL OF THE RESPECTIVE INVOICE.

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

- 2.12.1.3. 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.
- 2.12.1.4. TELEGRAPHIC TRANSFER (TT) TO BE MADE BY THE CEYPETCO THROUGH ITS BANKERS BY BANK OF CEYLON BASED ON THE TERMS AND CONDITIONS ACCEPTABLE TO BOTH SUCCESSFUL SUPPLIER/BIDDER AND CEYPETCO.
- 2.12.1.5. THE SUCCESSFUL SUPPLIER/BIDDER SHALL BE RESPONSIBLE TO TRACE AND VERIFY THE RECEIPT OF THE PAYMENT THROUGH THEIR CORRESPONDING BANK. THE SUCCESSFUL SUPPLIER/BIDDER SHALL BE RESPONSIBLE TO SEND ALL REQUIRED DETAILS FOR THE PAYMENT THROUGH TELEGRAPHIC TRANSFER BY CEYPETCO WITHIN THREE (03) BUSINESS DAYS AFTER THE ACCEPTANCE OF THE BID.
- 2.12.1.6. IF THE PAYMENT DUE DATE FALLS ON A SATURDAY OR NON-MONDAY BANK HOLIDAY IN NEW YORK, USA, PAYMENT SHALL BE EFFECTED ON THE LAST PRECEDING BANKING DAY IN NEW YORK, USA. IF THE PAYMENT DUE DATE FALLS ON A SUNDAY OR MONDAY BANK HOLIDAY IN NEW YORK, USA, PAYMENT SHALL BE EFFECTED ON THE FIRST FOLLOWING BANKING DAY IN NEW YORK, USA.
- 2.12.1.7. 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.
- 2.12.1.8. PAYMENT TO BE MADE THROUGH TELEGRAPHIC TRANSFER (TT) BY CEYPETCO WILL CALL FOR THE FOLLOWING ORIGINAL DOCUMENTS.
- a) MANUALLY SIGNED ORIGINAL COMMERCIAL INVOICE BASED ON THE B/L QUANTITY IN METRIC TON (IN AIR).
 - b) FULL SET OF 3/3 ORIGINAL 'CLEAN ON BOARD' BILL OF LADING ISSUED OR ENDORSED TO THE ORDER OF BANK OF CEYLON COLOMBO AND NOTIFY 'CEYLON PETROLEUM CORPORATION' AND SHOWING FREIGHT PAYABLE AS PER THE CHARTER PARTY. EACH ORIGINAL B/L TO BE MANUALLY SIGNED BY THE MASTER OF THE VESSEL OR OWNERS OR SIGNED ON BEHALF OF THE MASTER'S AGENTS.

- c) CERTIFICATE OF QUALITY EX SHORE TANKS AT LOAD PORT ISSUED OR ENDORSED BY THE INDEPENDENT INSPECTOR, CONFIRMING THAT THE PRODUCTS SHIPPED CONFORMS TO THE CONTRACTUAL SPECIFICATIONS.
- d) CERTIFICATE OF QUANTITY EX SHORE TANKS AT LOAD PORT ISSUED OR ENDORSED BY THE INDEPENDENT INSPECTOR.
- e) CERTIFICATE OF ORIGIN ISSUED BY SELLER OR TERMINAL OR ANY AUTHORITY OR LOCAL BODY OR CHAMBER OF COMMERCE SUCH CERTIFICATE SHALL NOT BE ISSUED BY COUNTRIES WHICH COMES UNDER SANCTION IMPOSED BY UNITED STATES / UNITED NATIONS/ EUROPEAN UNION.
- f) TANK CLEANLINESS & DRY CERTIFICATE ISSUED BY THE INDEPENDENT INSPECTOR, CONFIRMING THAT THE SHIP'S TANKS ARE CLEAN AND DRY PRIOR TO LOADING.
- g) CERTIFICATE OF QUALITY AT DISCHARGE PORT, COLOMBO ISSUED OR ENDORSED BY THE INDEPENDENT INSPECTOR BASED ON THE REPORT OF TESTS CEYLON PETROLEUM STORAGE TERMINALS LIMITED (CPSTL) LABORATORY, CONFIRMING THAT THE PRODUCTS SHIPPED CONFORM TO THE CONTRACTUAL SPECIFICATIONS.
- h) CERTIFICATE OF SHIP ARRIVAL QUANTITY AND OUT-TURN QUANTITY AT DISCHARGE PORT, COLOMBO ISSUED OR ENDORSED BY THE INDEPENDENT INSPECTOR.

2.12.2. PAYMENT IN THIRTY (30) DAYS LC AFTER THE FIRST DAY OF THE TWO-DAY DELIVERY LAYCAN –OPTION -2

2.12.2.1. DAP COLOMBO PRICE FOR **FUEL OIL 180 CST (MAX. 1.8% SULPHUR)** SHALL BE CALCULATED AS FOLLOWS:

PRICE OFFERED FOR FUEL OIL 180 CST (MAX. 1.8% SULPHUR) IN USD PER METRIC TON ON DAP COLOMBO BASIS (INCOTERMS 2010) SHALL BE THE AVERAGE OF THE **MEAN OF PLATTS SINGAPORE PRICE OF (MOPS) (PUAXS00) FO 180 CST 2.0% S** PUBLISHED IN PLATTS MARKETSCAN UNDER THE HEADING **“PLATTS ASIA AND MIDDLE EAST FUEL OIL ASSESSMENTS”**, ON THE FIRST DAY OF THE TWO DAY DELIVERY LAYCAN, TWO DAYS IMMEDIATELY BEFORE AND TWO DAYS IMMEDIATELY AFTER THE FIRST DAY OF THE TWO DAY DELIVERY LAYCAN (IF THERE IS NO PUBLICATION ON THE FIRST DAY OF THE TWO DAY DELIVERY LAYCAN THEN TWO DAYS IMMEDIATELY BEFORE AND TWODAYS IMMEDIATELY AFTER THE FIRST DAY OF THE TWO DAY DELIVERY LAYCAN ARE TO BE TAKEN INTO ACCOUNT) PLUS A FIXED PREMIUM/DISCOUNT PER MT.

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

- 2.12.2.2. PAYMENT WILL BE MADE THIRTY (30) DAYS UNDER (OPTION -2) AFTER THE FIRST DAY OF THE TWO-DAY DELIVERY LAYCAN [FIRST DAY OF THE TWO DAY DELIVERY LAYCAN IS TO COUNT AS DAY ZERO (0)] BY AN IRREVOCABLE, NON-ASSIGNABLE, NON- TRANSFERABLE & UNCONFIRMED DOCUMENTARY LETTER OF CREDIT (L/C) ESTABLISHED THROUGH BANK OF CEYLON, COLOMBO. ALL BANK CHARGES OUT SIDE SRI LANKA, IF ANY, WILL BE TO THE ACCOUNT OF THE SUCCESSFUL SUPPLIER / BIDDER. CONFIRMATION CHARGES OF L/C SHALL BE TO THE BENEFICIARY'S ACCOUNT.
- 2.12.2.3. LETTER OF CREDIT (L/C) TO BE ESTABLISHED BY THE CEYPETCO THROUGH ITS BANKERS BY **BANK OF CEYLON** BASED ON THE TERMS AND CONDITIONS ACCEPTABLE TO BOTH SUCCESSFUL SUPPLIER/BIDDER AND CEYPETCO, **AT LEAST TWELVE (12) CALENDAR DAYS** FOR ANY NON-SANCTIONED PORT IN MIDDLE EAST OR FAR EAST AND AT LEAST FORTY (40) CALENDAR DAYS FOR ANY NON-SANCTIONED PORT IN EUROPE OR RUSSIA PRIOR TO THE FIRST DAY OF THE TWO DAY DELIVERY LAYCAN AT COLOMBO (ELEVATION WILL BE BASED ON THE LONGEST SAILING TIME AS INDICATED IN ELEVATION FORMULA).
- 2.12.2.4. THE SUCCESSFUL SUPPLIER / BIDDER SHALL BE RESPONSIBLE TO TRACE AND VERIFY THE RECEIPT OF THE L/C THROUGH THEIR CORRESPONDING BANK. THE SUCCESSFUL SUPPLIER / BIDDER SHALL BE RESPONSIBLE TO SEND ALL REQUIRED DETAILS INCLUDING PERFORMA INVOICE FOR THE ESTABLISHMENT OF THE L/C BY CEYPETCO WITHIN THREE BUSINESS DAYS AFTER RECEIPT OF THE ACCEPTANCE OF THE BID TO THE SUCCESSFUL SUPPLIER / BIDDER.
- 2.12.2.5. IF THE PAYMENT DUE DATE FALLS ON A SATURDAY OR NON-MONDAY BANK HOLIDAY IN NEW YORK, USA, PAYMENT SHALL BE EFFECTED ON THE LAST PRECEDING BANKING DAY IN NEW YORK, USA. IF THE PAYMENT DUE DATE FALLS ON A SUNDAY OR MONDAY BANK HOLIDAY IN NEW YORK, USA, PAYMENT SHALL BE EFFECTED ON THE FIRST FOLLOWING BANKING DAY IN NEW YORK, USA.
- 2.12.2.6. FINAL UNIT PRICE FOR THE PRODUCT SHALL BE EXPRESSED TO THREE DECIMAL PLACES BY ROUNDING UP THE THIRD DECIMAL PLACE IF THE FOURTH DECIMAL PLACE IS FIVE (5) OR GREATER.
- 2.12.2.7. L/C ESTABLISHED BY CEYPETCO WILL CALL FOR THE FOLLOWING ORIGINAL DOCUMENTS.
- a) MANUALLY SIGNED ORIGINAL COMMERCIAL INVOICE BASED ON THE CORRESPONDING QUANTITY IN BARRELS AND METRIC TON IN AIR.
 - b) FULL SET OF 3/3 ORIGINAL 'CLEAN ON BOARD' BILL OF LADING ISSUED OR ENDORSED TO THE ORDER OF BANK OF CEYLON, COLOMBO AND NOTIFY 'CEYLON PETROLEUM CORPORATION' AND SHOWING FREIGHT PAYABLE AS PER THE CHARTER PARTY. EACH ORIGINAL B/L TO BE MANUALLY SIGNED BY THE MASTER OF THE VESSEL OR OWNERS SIGNED ON BEHALF OF THE MASTER AS AGENTS.
 - c) CERTIFICATE OF QUALITY EX SHORE TANKS AT LOAD PORT ISSUED OR ENDORSED BY THE INDEPENDENT INSPECTOR, CONFIRMING THAT THE PRODUCTS SHIPPED CONFORMS TO THE CONTRACTUAL SPECIFICATIONS.

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

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

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

2.12.3.1. DAP COLOMBO PRICE FOR **FUEL OIL 180 CST (MAX. 1.8% SULPHUR)** SHALL BE CALCULATED AS FOLLOWS:

PRICE OFFERED FOR FUEL OIL 180 CST (MAX. 1.8% SULPHUR) IN USD PER METRIC TON ON DAP COLOMBO BASIS (INCOTERMS 2010) SHALL BE THE AVERAGE OF THE **MEAN OF PLATTS SINGAPORE PRICE OF (MOPS) (PUAXS00) FO 180 CST 2.0% S** PUBLISHED IN PLATTS MARKETSCAN UNDER THE HEADING **“PLATTS ASIA AND MIDDLE EAST FUEL OIL ASSESSMENTS”**, ON THE FIRST DAY OF THE TWO DAY

DELIVERY LAYCAN, TWO DAYS IMMEDIATELY BEFORE AND TWO DAYS IMMEDIATELY AFTER THE FIRST DAY OF THE TWO DAY DELIVERY LAYCAN (IF THERE IS NO PUBLICATION ON THE FIRST DAY OF THE TWO DAY DELIVERY LAYCAN THEN TWO DAYS IMMEDIATELY BEFORE AND TWODAYS IMMEDIATELY AFTER THE FIRST DAY OF THE TWO DAY DELIVERY LAYCAN ARE TO BE TAKEN INTO ACCOUNT) PLUS A FIXED PREMIUM/DISCOUNT PER MT.

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

- 2.12.3.2. PAYMENT WILL BE MADE THIRTY (30) DAYS UNDER (OPTION -3) AFTER THE FIRST DAY OF THE TWO-DAY DELIVERY LAYCAN [FIRST DAY OF THE TWO DAY DELIVERY LAYCAN IS TO COUNT AS DAY ZERO (0)] BY AN IRREVOCABLE, NON-ASSIGNABLE, NON- TRANSFERABLE & UNCONFIRMED DOCUMENTARY LETTER OF CREDIT (L/C) ESTABLISHED THROUGH SAMPATH BANK, COLOMBO. ALL BANK CHARGES OUT SIDE SRI LANKA, IF ANY, WILL BE TO THE ACCOUNT OF THE SUCCESSFUL SUPPLIER / BIDDER. CONFIRMATION CHARGES OF L/C SHALL BE TO THE BENEFICIARY'S ACCOUNT.
- 2.12.3.3. LETTER OF CREDIT (L/C) TO BE ESTABLISHED BY THE CEYPETCO THROUGH ITS BANKERS BY **SAMPATH BANK** BASED ON THE TERMS AND CONDITIONS ACCEPTABLE TO BOTH SUCCESSFUL SUPPLIER/BIDDER AND CEYPETCO, **AT LEAST TWELVE (12) CALENDAR DAYS** FOR ANY NON-SANCTIONED PORT IN MIDDLE EAST OR FAR EAST AND AT LEAST FORTY (40) CALENDAR DAYS FOR ANY NON-SANCTIONED PORT IN EUROPE OR RUSSIA PRIOR TO THE FIRST DAY OF THE TWO DAY DELIVERY LAYCAN AT COLOMBO (ELEVATION WILL BE BASED ON THE LONGEST SAILING TIME AS INDICATED IN ELEVATION FORMULA).
- 2.12.3.4. THE SUCCESSFUL SUPPLIER / BIDDER SHALL BE RESPONSIBLE TO TRACE AND VERIFY THE RECEIPT OF THE L/C THROUGH THEIR CORRESPONDING BANK. THE SUCCESSFUL SUPPLIER / BIDDER SHALL BE RESPONSIBLE TO SEND ALL REQUIRED DETAILS INCLUDING PERFORMA INVOICE FOR THE ESTABLISHMENT OF THE L/C BY CEYPETCO WITHIN THREE BUSINESS DAYS AFTER RECEIPT OF THE ACCEPTANCE OF THE BID TO THE SUCCESSFUL SUPPLIER / BIDDER.
- 2.12.3.5. IF THE PAYMENT DUE DATE FALLS ON A SATURDAY OR NON-MONDAY BANK HOLIDAY IN NEW YORK, USA, PAYMENT SHALL BE EFFECTED ON THE LAST PRECEDING BANKING DAY IN NEW YORK, USA. IF THE PAYMENT DUE DATE FALLS ON A SUNDAY OR MONDAY BANK HOLIDAY IN NEW YORK, USA, PAYMENT SHALL BE EFFECTED ON THE FIRST FOLLOWING BANKING DAY IN NEW YORK, USA.
- 2.12.3.6. FINAL UNIT PRICE FOR THE PRODUCT SHALL BE EXPRESSED TO THREE DECIMAL PLACES BY ROUNDING UP THE THIRD DECIMAL PLACE IF THE FOURTH DECIMAL PLACE IS FIVE (5) OR GREATER.
- 2.12.3.7. L/C ESTABLISHED BY CEYPETCO WILL CALL FOR THE FOLLOWING ORIGINAL DOCUMENTS.
- a) MANUALLY SIGNED ORIGINAL COMMERCIAL INVOICE BASED ON THE CORRESPONDING QUANTITY IN BARRELS AND METRIC TON IN AIR.

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

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

2.13. PCA3 FORM, AGENT, REPRESENTATIVE OR NOMINEE FOR OR ON BEHALF OF ANY TENDERER & 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,

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

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

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

2.14. TITLE AND RISK

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

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

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 CEYLON PETROLEUM CORPORATION OF THE ACCEPTANCE OF HIS OFFER, SHALL FURNISH AT HIS OWN EXPENSE A PERFORMANCE SECURITY GUARANTEE AFTER THE DATE OF AWARD OF THE BID TO THE SUCCESSFUL TENDERER, WITHIN SEVEN (7) WORKING DAYS BY A LICENCED COMMERCIAL BANK IN SRI LANKA IN FAVOR OF CEYLON PETROLEUM CORPORATION AND PAYABLE TO THE CEYLON PETROLEUM CORPORATION ON DEMAND TO THE VALUE OF **UNITED STATES DOLLARS ONE MILLION (USD 1,000,000/=)**.
- 2.15.2 THE PERFORMANCE SECURITY GUARANTEE SHOULD BE VALID FOR 30 DAYS FROM THE SCHEDULED CONTRACT COMPLETION DATE.
- 2.15.3 THE SUCCESSFUL SUPPLIER / BIDDER SHOULD STRICTLY ADHERE TO **THE FORMAT OF PERFORMANCE SECURITY GUARANTEE WHICH IS ANNEXED HERETO AS ANNEX - 'D'**.
- 2.15.4 **THE SUCCESSFUL SUPPLIER / BIDDER SHOULD ENSURE AND CLEARLY INDICATE IN ITS OFFER THAT WILL BE PROVIDED A PERFORMANCE SECURITY GUARANTEE UPON THE AWARD. FAILURE TO COMPLY WITH 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 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 HIS FAILURE TO FURNISH THE PERFORMANCE SECURITY AS REQUIRED UNDER THIS PROCUREMENT DOCUMENT, SHALL BE LIABLE FOR ANY LOSSES, COSTS, EXPENSES AND DAMAGES, WHICH CEYPETCO MAY SUSTAIN IN CONSEQUENCE OF SUCH FAILURE AND THE BID SECURITY GUARANTEE, SHALL BE FORFEITED.
- 2.15.7 THE LETTER OF CREDIT (L/C) UNDER PAYMENT OPTION 2 & 3 FOR THE SHIPMENT WILL BE OPENED ONLY AFTER THE RECEIPT OF PERFORMANCE SECURITY GUARANTEE. THE PERFORMANCE SECURITY GUARANTEE SHALL BE IN FAVOUR OF CEYLON PETROLEUM CORPORATION.

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

- 2.16.2 EVERY ENDEAVOUR SHALL BE MADE TO SETTLE ANY DIFFERENCE OR DISPUTE BETWEEN CEYPETCO AND THE SUCCESSFUL SUPPLIER/ BIDDER ARISING FROM ANY TRANSACTION BY MUTUAL NEGOTIATIONS, FAILING WHICH SUCH DIFFERENCES OR DISPUTES SHALL BE SETTLED BY ARBITRATION.
- 2.16.3 THE VENUE OF ARBITRATION SHALL BE **COLOMBO, SRI LANKA**.
- 2.16.4 THE ARBITRATION SHALL FOLLOW UNITED NATIONS COMMISSION ON INTERNATIONAL TRADE LAW (**UNCITRAL**) PROCEDURES.
- 2.16.5 THIS TENDER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF SRI LANKA EXCLUDING ANY CONFLICT OF LAWS AND RULES.**
- 2.16.6 THE LANGUAGE OF ARBITRATION SHALL BE ENGLISH. THE ARBITRATION TRIBUNAL SHALL CONSIST OF THREE ARBITRATORS, ONE TO BE APPOINTED BY THE SUCCESSFUL SUPPLIER/ BIDDER, ONE BY CEYPETCO AND THE TWO ARBITRATORS THUS APPOINTED SHALL CHOOSE THE THIRD ARBITRATOR.
- 2.16.7 ARBITRATION SHALL BE A CONDITION PRECEDENT TO THE INSTITUTION OF ANY LEGAL ACTION BY EITHER PARTY AGAINST THE OTHER.
- 2.16.8 THE SUCCESSFUL SUPPLIER/ BIDDER IS FULLY RESPONSIBLE TO DELIVER THE CARGO WITHIN THE AGREED UPON DELIVERY DATE /LAYCAN. FAILURE TO COMPLY WITH THE AGREED UPON DELIVERY DATE /LAYCAN WILL MAKE THE SUCCESSFUL SUPPLIER/BIDDER LIABLE FOR LIQUIDATED DAMAGES OF **ZERO POINT TWO FIVE PERCENT (0.25%)** OF THE DAP VALUE PER DAY PRO-RATA FOR EACH DAY OF DELAY AFTER 2400 HRS. OF THE LAST DAY OF THE DELIVERY LAYCAN UNTIL VESSEL TENDER NOR AT DISCHARGE PORT AT COLOMBO. IF THE DELAY EXCEEDS SIX (6) DAYS AFTER THE LAST DATE OF THE AGREED DELIVERY LAYCAN WITHOUT OBTAINING PRIOR APPROVAL, CEYPETCO WILL RESERVE RIGHT TO TERMINATE THE CONTRACT.
- 2.16.9 THE SUCCESSFUL SUPPLIER/ BIDDER IS FULLY RESPONSIBLE TO DELIVER THE AGREED QUANTITY OF CARGO UNDER THE SHIPMENT. IN THE EVENT OF FAILURE TO DELIVER THE AGREED QUANTITY BELOW PLUS/MINUS FIVE PERCENT (+/-5%) (CONTRACTUAL PER SHIPMENT QUANTITY VS. B/L QUANTITY) AS PER IN **ANNEX-'B'** THE SUCCESSFUL SUPPLIER/ BIDDER WILL BE HELD LIABLE FOR THE PAYMENT OF DAMAGES OR LOSSES TO CEYPETCO AT THE RATE OF USD 10,000 PER EACH 1,000 MT OF SHORT LOADED QUANTITY OR PART THERE OF ON PRO-RATA BASIS.
- 2.16.10 IN THE EVENT THE SUCCESSFUL SUPPLIER/BIDDER IS LIABLE FOR A LATE DELIVERY, PENALTY AND/OR A SHORT LOADING PENALTY AS SPECIFIED IN (2.16.8) AND/OR (2.16.9) 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 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.
- 2.16.11 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 DOCUMENT OR TO REJECT ANY PART OF THE PROCUREMENT DOCUMENT OR REJECT THE PROCUREMENT DOCUMENT WITHOUT ASSIGNING ANY REASON WHATSOEVER. IN SUCH AN EVENT CEYPETCO SHALL NOT BE LIABLE TO ANY COMPENSATION OR DAMAGES ARISING THEREFROM.
- 2.17.2 SHLPC RESERVES THE RIGHT TO DETERMINE THE SELECTION OF THE PAYMENT OPTION/S 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 BID IS ACCEPTED SUCH ACCEPTANCE SHALL BE IN ACCORDANCE WITH THESE TERMS AND CONDITIONS NOTWITHSTANDING ANY VARIATION IN THE OFFER THEREFROM UNLESS EXPRESSLY AND SPECIFICALLY PROVIDED FOR OTHERWISE IN THE COMMUNICATION OF THE ACCEPTANCE.
- 2.17.5 THE SUCCESSFUL SUPPLIER / BIDDER, ON THE RECEIPT OF THE LETTER OF ACCEPTANCE, 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 COLOMBO

2.18.1 LAYTIME FOR DISCHARGE AT DOLPHIN TANKER BERTH, COLOMBO

LAYTIME FOR THE DISCHARGE OF TOTAL CARGO OF 30,000 MT PLUS/MINUS 5 PCT OF FUEL OIL 180 CST (MAX.1.8% SULPHUR) AT DOLPHIN TANKER BERTH, COLOMBO SHALL BE **144 HRS**. THE COMMENCEMENT OF LAYTIME SHALL BE DETERMINED IN THE FOLLOWING MANNER.

- 2.18.1.1 NOR SHOULD BE TENDERED BETWEEN 0700 AND 1700 HRS OF THE TWO DAY DELIVERY LAYCAN . IF NOR IS TENDERED AFTER 1700 HRS, FOR ALL PURPOSES IT WILL BE CONSIDERED THAT NOR HAS BEEN TENDERED AT 0700 HRS ON THE FOLLOWING DAY AND LAYTIME SHALL COMMENCE 06 HRS THEREAFTER OR AT THE TIME OF BERTHING, WHICHEVER IS EARLIER.
- 2.18.1.2 IF NOR IS TENDERED BEFORE THE COMMENCEMENT OF THE TWO DAY DELIVERY LAYCAN, IT WILL BE CONSIDERED THAT NOR HAS BEEN TENDERED AT 0700 HRS ON THE FIRST DAY OF THE DELIVERY LAYCAN. LAYTIME SHALL IN SUCH CASE COMMENCE 06 HRS THEREAFTER OR AT THE TIME OF BERTHING, WHICHEVER IS EARLIER.
- 2.18.1.3 IF THE VESSEL IS BERTHED PRIOR TO THE TWO DAY DELIVERY LAYCAN, AT THE REQUEST OF THE SELLER LAYTIME SHALL COMMENCE AT 0700 HRS ON THE FIRST DAY OF THE DELIVERY LAYCAN.

2.18.1.4 IF NOR IS TENDERED **AFTER 1700 HRS** OF THE SECOND DAY OF THE DELIVERY LAYCAN AGREED UPON, FOR ALL PURPOSES IT WILL BE CONSIDERED THAT NOR HAS BEEN TENDERED AT 0700 HRS ON THE FOLLOWING DAY AND THE LAYTIME SHALL COMMENCE SIX (6) HRS THEREAFTER OR AT THE TIME OF MOORING, WHICHEVER IS EARLIER.

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

2.19. NOTICE OF ARRIVAL AT COLOMBO

MASTER OF VESSEL SHOULD ADVISE ESTIMATED TIME OF ARRIVAL (ETA) AT COLOMBO 3/2/1 DAYS IN ADVANCE TO THE COMMERCIAL MANAGER, CEYLON PETROLEUM CORPORATION
TEL NOS.94-11-7296115/7296123/FAX NO.94-11-2106768 E-MAIL:
Mgr.commercial@ceypetco.gov.lk / dmgr.commercial@ceypetco.gov.lk / THE MANAGER (SHIPPING) CEYLON PETROLEUM CORPORATION TEL NO. +94-11-7296300 FAX NOS. +94-11-2106768 E-MAIL: mgr.shipping@ceypetco.gov.lk, THE DEPUTY MANAGER (OPERATIONS), CEYLON PETROLEUM CORPORATION FAX NO. +94-117296432 E-MAIL:
dgm.ts@ceypetco.gov.lk, THE MANAGER (OPERATIONS) AT OIL FACILITIES OFFICE, CPSTL, COLOMBO TEL NO. 94-11-2422388/FAX 94- 11-2434273, THE OPERATIONS MANAGER (BULK MOVEMENTS AND BULK PRODUCTS), CPSTL, COLOMBO TELE/FAX NO. +9411-2572324 AND THE MANAGER (OPERATIONS), MUTHURAJAWELA TELE 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 DOLPHIN TANKER BERTH, COLOMBO

TANKER NOMINATED

2.20.1.1 SHOULD MEET FOLLOWING RESTRICTIONS AT DOLPHIN PIER, COLOMBO:

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

2.20.1.2 SHALL NOT EXCEED 20 YEARS OF AGE. HOWEVER CEYPETCO MAY AT ITS' SOLE

DISCRETION ACCEPT VESSELS UP TO MAX AGE OF 25 YEARS ON CONDITION THAT THE ADDITIONAL INSURANCE PREMIUM ON CARGO DUE TO OVERAGE OF VESSEL SHALL BE TO THE SELLER'S ACCOUNT. UNDER NO CIRCUMSTANCES VESSELS OVER 25 YEARS OF AGE WILL BE ACCEPTED. ACCEPTABLE CAP RATING OF THE VESSEL IS 0 OR 1 FOR HULL AND MACHINERY.

- 2.20.1.3 SHOULD BE A CLEAN TANKER, WHICH HAS CARRIED FUEL OIL ON THE LAST THREE VOYAGES (OBO CARRIERS ARE NOT ACCEPTABLE).
- 2.20.1.4 SHOULD BE EQUIPPED WITH HEATING COILS WHICH ARE OPERATIONAL WHILST DISCHARGING FOR MAINTAINING THE CARGO TEMPERATURE AT 45 °C – 50 °C.
- 2.20.1.5 SHOULD BE CAPABLE OF DISCHARGING FUEL OIL 180 CST (MAX. 1.8 % SULPHUR) AT A MINIMUM DISCHARGING RATE OF 350 MT PER HOUR. WHILE MAINTAINING PRESSURE AT VESSEL'S MANIFOLDS FROM 7.5 TO 15.0 KG/SQCM. ONE NO. MANIFOLD CONNECTION WILL BE PROVIDED FOR THE DISCHARGE OF PRODUCT THROUGH SIX INCH DISCHARGING ARM. CEYPETCO SHORE TANKS ARE LOCATED ABOUT 5 MILES AWAY FROM THE PORT.
- 2.20.1.6 AVAILABILITY OF CONTINUOUS PRESSURE MONITORING AND RECORDING / REPORTING FACILITIES SHALL BE PREFERRED.
- 2.20.1.7 THE VESSEL SHOULD HAVE ALL VALID CERTIFICATES REQUIRED UNDER THE INTERNATIONAL AND NATIONAL RULES AND REGULATIONS APPLICABLE AND SHOULD BE ISM CODE CERTIFIED OR WHOSE OWNERS OR OPERATORS SHOULD HOLD AN ISM CODE DOCUMENT OF COMPLIANCE.
- 2.20.1.8 SHOULD HAVE CARGO TANKS/ PIPE LINES/ PUMPS/ STRAINERS CLEAN AND DRY PRIOR TO COMMENCEMENT OF LOADING.
- 2.20.1.9 THE CRANE ON BOARD THE VESSEL SHOULD COMPLY THE FOLLOWING REQUIREMENTS;
 - 2.20.1.9.1 MINIMUM OUTREACH OF CRANE SHOULD BE SIX METERS (06 M)
 - 2.20.1.9.2 MINIMUM SWL OF CRANE SHOULD BE TEN METRIC TONS (10 MT)
- 2.20.1.10 ACCOMMODATION/MEALS
 - 2.20.1.10.1 FOLLOWING PERSONNEL WOULD STAY ON BOARD THROUGHOUT THE PERIOD OF TANKER MADE FAST AT DOLPHIN TANKER BERTH.
 - 2.20.1.10.1.1 TWO LOADING MASTERS
 - 2.20.1.10.1.2 ONE SAMPLE COLLECTOR (CREW)
 - 2.20.1.10.1.3 ONE INDEPENDENT INSPECTOR (JUNIOR OFFICER)
 - 2.20.1.10.1.4 ONE INTERNAL AUDITOR FROM CPSTL

- 2.20.1.10.2 PROPER ACCOMMODATION ON OFFICERS' DECK SHOULD BE ARRANGED FOR LOADING MASTERS, INDEPENDENT INSPECTOR AND INTERNAL AUDITOR.
- 2.20.1.10.3 MEALS FOR LOADING MASTERS, INTERNAL AUDITOR AND INDEPENDENT INSPECTOR SHOULD BE SERVED IN OFFICERS' DINING SALOON.
- 2.20.1.10.4 THERE SHALL BE NO INSPECTION / SURVEY ON BOARD WHILE DISCHARGING.
- 2.20.1.11 AFTER ACCEPTANCE OF THE NOMINATED VESSEL BY CEYPETCO, A CERTIFIED COPY OF THE APPLICABLE CHARTER PARTY OR A CERTIFIED COPY OF THE SIGNED FIXTURE NOTE / FIXTURE RECAP INCLUDING THE RATE OF DEMURRAGE SHALL BE SUBMITTED BY THE SUCCESSFUL SUPPLIER/ BIDDER.
- 2.20.1.12 A DOCUMENT FROM VESSEL OWNERS CONFIRMING THAT THE VESSEL COMPLIES WITH ALL THE ABOVE REQUIREMENTS AND THE LATEST UPDATED QUESTIONNAIRE 88 SHOULD BE FURNISHED AT THE TIME OF VESSEL NOMINATION.
- 2.20.1.13 IN THE EVENT OF A DELAY IN DISCHARGING THE CARGO AT COLOMBO DUE TO VESSEL'S NON-COMPLIANCE WITH THE ABOVE REQUIREMENTS, THE SUCCESSFUL SUPPLIER / BIDDER WILL BE HELD LIABLE FOR ALL CONSEQUENTIAL LOSSES.

2.21. DEMURRAGE

- 2.21.1 ALL CLAIMS FOR DEMURRAGE SHALL BE ACCOMPANIED BY THE RESPECTIVE CHARTER PARTY. OR A CERTIFIED COPY OF THE SIGNED FIXTURE NOTE / FIXTURE RECAP. CEYPETCO SHALL NOT BE BOUND BY THE TERMS AND CONDITIONS OF THE CHARTER PARTY OR A CERTIFIED COPY OF THE SIGNED FIXTURE NOTE / FIXTURE RECAP EXCEPT TO THE EXTENT SUCH TERMS AND CONDITIONS HAVE BEEN COMMUNICATED TO CEYPETCO AND EXPRESSLY AGREED TO BY CEYPETCO IN WRITING.
- 2.21.2 IN CASE OF VESSEL ARRIVING OUTSIDE LAYCAN AGREED UPON, LAYTIME TO START COUNTING FROM THE TIME OF BERTHING AS PER **CLAUSE 2.18**.
- 2.21.3 IF THE TOTAL LAYTIME TO COMPLETE THE ENTIRE CARGO DISCHARGE EXCEEDS THE LAYTIME ALLOWED AS PER **CLAUSE 2.18**, CEYPETCO WILL BE LIABLE TO PAY THE DEMURRAGE TO THE SUCCESSFUL SUPPLIER / BIDDER.
- 2.21.4 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 UNBERTHED (WAITING TIME SHALL NOT BE COUNTED AS USED LAYTIME) TO ACCOMMODATE THE VESSEL OR VESSELS ARRIVING ON SCHEDULE OR CONTINUE TO DISCHARGE THE CARGO OF SUCCESSFUL SUPPLIER'S / BIDDER'S VESSEL PROVIDED THAT THE SUCCESSFUL SUPPLIER / BIDDER SHALL AGREE TO BEAR THE DEMURRAGE ON THE SUBSEQUENT THREE VESSELS THAT ARRIVE ON SCHEDULE AND GETS DELAYED DUE TO PRESENCE OF SUCCESSFUL SUPPLIER'S / BIDDER'S VESSEL ON BERTH. LIABILITY FOR DEMURRAGES ON SUBSEQUENT VESSELS MENTIONED HERE IN ARE IN ADDITION TO THE RECOVERY OF DAMAGES OR LOSSES FOR CEYPETCO CHARGED UNDER **CLAUSE 2.16**.

(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 PIER AVAILABILITY BASIS AND BASED ON THE REQUIREMENT FOR THE PRODUCTS IN THE COUNTRY. FURTHERMORE **CEYPETCO SHALL NOT BE RESPONSIBLE FOR ANY DEMURRAGES INCURRED BY THE SUPPLIER'S VESSEL ARRIVING OUTSIDE THE CONTRACTUAL LAYCAN.** CEYPETCO SHALL TAKE EVERY ENDEAVOUR TO MINIMIZE THE OVERALL COMMERCIAL LOSS TO ALL PARTIES.

IN THE EVENT THE SUCCESSFUL SUPPLIER / BIDDER DOES NOT AGREE TO BEAR THE SUBSEQUENT DEMURRAGES (IF INCURRED) AND IN THE EVENT IF THE SUBJECT VESSEL COULD NOT COMPLETE THE DISCHARGING BEFORE THE ARRIVAL OF SUBSEQUENT VESSEL/S, CEYPETCO RESERVES THE RIGHT TO REMOVE THE SUBJECT VESSEL FROM THE BERTH IN ORDER TO ACCOMMODATE THE SUBSEQUENT VESSEL/S OF OTHER SUPPLIERS. IN SUCH A CASE, THE SUBJECT VESSEL WILL BE REBIRTHED ONLY AFTER THE COMPLETION OF THE DISCHARGING OF THE SUBSEQUENT VESSEL/S AND/OR ON THE PIER AVAILABILITY BASIS.

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

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.

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

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

2.22. FORCE MAJEURE

THE SUCCESSFUL SUPPLIER/ BIDDER OR THE CEYPETCO SHALL NOT BE LIABLE FOR ANY LOSS, CLAIM OR DEMANDS OF ANY NATURE WHATSOEVER, OR BE DEEMED TO BE IN A BREACH OF THIS AGREEMENT BECAUSE OF ANY DELAYS OR FAILURE IN OBSERVING OR PERFORMING ANY OF THE CONDITIONS OR PROVISIONS HEREOF IF SUCH DELAY OR FAILURE WAS CAUSED BY OR AROSE OUT OF ANY CIRCUMSTANCES WHATSOEVER BEYOND THE SUCCESSFUL SUPPLIER'S/ BIDDER'S OR CEYPETCO'S CONTROL INCLUDING (BUT WITHOUT LIMITING THE GENERALITY OF THE FOREGOING) DECLARED OR UNDECLARED WAR, SABOTAGE, BLOCKADE, PIRACY OR PIRATICAL SEIZURE OF VESSEL, REVOLUTION, POLICE ACTION, RIOT OR DISORDER, EMBARGO OR TRADE RESTRICTION OF ANY SORT GOVERNMENT OR QUASI GOVERNMENT

ACTION, ACT OF GOD, FIRE, FLOOD, EARTHQUAKE, STORM, TIDE OR TIDAL WAVE, EXPLOSION, ACCIDENT, RADIATION, STRIKE, LOCKOUT OR OTHER LABOUR DISPUTE.

2.23. OTHER REQUIREMENTS

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

2.24. SUBMISSION OF BIDS

- 2.24.1 IT IS MANDATORY TO SUBMIT THE FOLLOWING DOCUMENTS ALONG WITH THE BID WHICH SHALL BE PROPERLY SEALED/STAMPED AND INITIALED BY THE AUTHORIZED PERSON OR PERSONS SIGNING THE BID IN EACH PAGE;
- 2.24.1.1. FORM OF BID (ANNEX – ‘E’) DULY COMPLETED AND SIGNED BY THE AUTHORIZED PERSON INDICATING NAME OF AUTHORIZED PERSON WITH THE OFFICIAL SEAL OF THE BIDDER
 - 2.24.1.2. DULY FILLED ANNEX – ‘C-1’ FOR FUEL OIL 180 CST (MAX. 1.8% SULPHUR)
 - 2.24.1.3. BID SECURITY GUARANTEE (ANNEX – ‘A’, SPECIMEN FORM ATTACHED) OR SLIP OF THE CASH DEPOSIT
 - 2.24.1.4. 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. THE AUTHORIZATION SHALL BE FOR THE PARTICULAR BID OR FOR A DEFINITE PERIOD COVERING THE DATE OF SIGNING THE BID.
 - 2.24.1.5. 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.
 - 2.24.1.6. PCA 3 FORM FURNISHED UNDER SECTION 6. OF PUBLIC CONTRACT ACT NO. 3 OF 1987
- 2.24.2. BIDDER SHALL SUBMIT BID AS PER THE SPECIFIED “FORM OF BID” GIVEN IN ANNEX - ‘E’ OF THIS PROCUREMENT DOCUMENT AND SHALL STATE THE COMPLIANCE TO THE TERMS & CONDITIONS OF THE PROCUREMENT DOCUMENT LISTED UNDER THE HEADING **B. TERMS & CONDITIONS** THEREIN. FURTHERMORE, BIDDER SHALL STATE THE COMPLIANCE TO THE SPECIFICATIONS IN FILLED ANNEX – ‘C-1’ FOR FUEL OIL 180 CST (MAX. 1.8% SULPHUR)
- 2.24.3. BIDDERS ARE REQUESTED TO INDICATE AUTHORIZED SIGNATURE ON EACH PAGE OF THE BID.

2.24.4. A “DUPLICATE” OF THE BID, WHICH CONTAINS ONE SET OF COPIES OF ALL THE ORIGINAL DOCUMENTS OF THE “ORIGINAL” BID SHALL ALSO BE SUBMITTED. THE “ORIGINAL” AND THE “DUPLICATE” OF THE BIDS SHALL BE SEALED IN SEPARATE ENVELOPES, DULY MARKING THE ENVELOPES AS “ORIGINAL” AND “DUPLICATE” AND SHALL BE MARKED **REF: BK/36/2026** ON EACH ENVELOPES. THE ENVELOPES SHALL THEN BE SEALED IN AN OUTER ENVELOPE AND SHALL BE MARKED **REF: BK/36/2026**.

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

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

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

2.24.8. THE ENVELOPE SEALED AS ABOVE AND ADDRESSED TO THE CHAIRMAN, STANDING HIGH LEVEL PROCUREMENT COMMITTEE (SHLPC), COMMERCIAL FUNCTION BID OPENING ROOM, 4TH 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 19TH MAY 2026**.

2.25. VALIDITY OF THE OFFER

OFFERS CLOSE AT 1200 HRS, SRI LANKA TIME ON **19TH MAY 2026** AND SHOULD BE HELD VALID FOR **FORTY EIGHT (48) HRS** THEREFROM.

2.26. AGREEMENT FOR EX-STORAGE MODALITY

2.26.1. 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’.

2.26.2. IN THE EVENT THERE IS NO INDICATION IN THE OFFER THAT THE BIDDER IS IN AGREEMENT TO ANNEX - ‘G’ NO CLARIFICATIONS WILL BE MADE AFTER THE TENDER OPENING AND THEIR OFFER WILL BE REJECTED AS IT IS CONSIDERED TO BE A MAJOR DEVIATION.

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

2.26.4. 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

1. BIDDERS ARE REQUESTED TO INDICATE AUTHORISED SIGNATURE ON EACH PAGE OF OFFERS.
2. 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.
3. PLEASE ALSO NOTE THAT ONLY THOSE WHO HAVE SUBMITTED OFFERS (OR THEIR LOCAL AGENTS) COULD BE PRESENT AT THE TIME OF OPENING OF TENDERS. NO LOCAL AGENT IS PERMITTED TO BRING MOBILE PHONES.



[Handwritten Signature]
COMMERCIAL MANAGER
08TH MAY 2026 08/05/2026

FORMAT FOR BID SECURITY GUARANTEE

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

Beneficiary : CEYLON PETROLEUM CORPORATION

Date.....*[insert (by issuing agency) date]*

BID GUARANTEE NO.....*[insert (by issuing agency) number]*

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

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

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

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

This Guarantee shall expire: (a) if the Bidder is the successful bidder, upon our receipt of copies of the Contract signed by the Bidder and of the Performance Security issued to you by the Bidder; or (b) if the Bidder is not the successful bidder, upon the earlier of (i) our receipt of a copy of your notification to the Bidder that the Bidder was unsuccessful, otherwise it will remain in force up to *[insert date]*, thirty (30) days from the date of closing of the bid]

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

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

ANNEX - 'B'

PRODUCT	TOTAL CONTRACTUAL QUANTITIES
FUEL OIL 180 CST (MAX. 1.8% SULPHUR)	30,000 MT PLUS/MINUS 5 PCT

NOTE:

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

SPECIFICATIONS FOR FUEL OIL 180 CST (MAX. 1.8% SULPHUR)

ANNEX - 'C'

SPECIFICATIONS / DATA SHEET OF FUEL OIL 180 CST (MAX 1.8% Sulphur)			
PROPERTY / TEST	TEST METHOD IP	ASTM D	CEYPETCO SPECS
DENSITY @ 15 DEG C kg/m ³	160	1298/4052	900-970
FLASH POINT PM CC, DEG C	34	93	MIN 60
POUR POINT DEG C	15	97/5949/5950	MAX 24
TOTAL SULPHUR CONTENT % (w/w)	61	4294/2622	MAX 1.8
VISCOSITY KINEMATIC @ 50 DEG C, cSt	71	445	90-175
WATER CONTENT % (v/v)	74	95	MAX 0.5
ASH % (w/w)	4	482	MAX 0.1
CARBON RESIDUE % (w/w)	398	189/ 4530/524	MAX 12
SEDIMENT BY EXTRACTION % wt	53	473	MAX 0.1
ASPHALTENES m/m %	143	6560	MAX 4.0
TOTAL SEDIMENT POTENTIAL % wt	375	4870	MAX 0.1
CALORIFIC VALUE GROSS, Kcal/kg	12	240	MIN 10,300
ACID NUMBER KOH mg/g	1	974/664	MAX 2.5
STRONG ACID KOH mg/g	1	974 /664	NIL
HYDROGEN SULFIDE (H ₂ S), mg/kg	570	-	MAX 2.00
METAL CONTAMINANTS			
VANADIUM (V), mg/kg	288/501	3605	MAX 65 ppm
LEAD (Pb), mg/kg		3605	MAX 1 ppm
ALUMINIUM (Al) + SILICON (Si), mg/kg	501/377		MAX 80 ppm
SODIUM (Na) + POTASSIUM (K), mg/kg	501	3605	MAX 30 ppm
ZINC (Zn), mg/kg	501/470	-	MAX 15 ppm
CALCIUM (Ca), mg/kg	501/470	-	MAX 10 ppm
PHOSPHORUS (P), mg/kg	501/500	-	MAX 15 ppm
IRON (Fe), mg/kg	501	3605	Max 30 ppm
VANADIUM (V) : SODIUM (Na) RATIO	By Calculation		Less than 2.5 or Greater than 3.5

NOTES:

- (i) THE FUEL SHALL NOT INCLUDE ANY ADDED SUBSTANCES OR CHEMICAL WASTE, WHICH JEOPARDIZE THE SAFETY OF INSTALLATIONS OR ADVERSELY AFFECTS THE PERFORMANCES OF THE MACHINES OR IS HARMFUL TO PERSONNEL OR CONTRIBUTES OVERALL TO AIR POLLUTION.
- (ii) THIS FUEL IS USED IN POWER PLANTS HAVING HEAVY DUTY GAS TURBINES WHICH ARE CONNECTED TO THE NATIONAL GRID OF COUNTRY'S ELECTRICITY SUPPLY. AS SUCH THE SELLER MUST TAKE EVERY PRECAUTION TO SUPPLY FUEL OIL 180 CST.(1.8% SULPHUR) AS PER THE TENDER SPECIFICATIONS AND IS RESPONSIBLE TO SUPPLY MERCHANTABLE GRADE OF PRODUCTS.
- (iii) THE PRODUCT SHOULD BE LOADED FROM SHORE TANKS TO MEET THE SAID SPECIFICATIONS, PREFERABLE EX-REFINERY AND SHOULD ALWAYS AVOID SHIP TO SHIP TRANSFERS OR OTHER TYPE OF FUEL OIL BLENDING, TO AVOID BLENDING WITH CONDENSATE.
- (iv) SELLER IS HEREBY MADE RESPONSIBLE FOR THE QUALITY OF FUEL OIL 180 CST (MAX 1.8% SULPHUR) CARGO PURCHASED FROM OTHER SUPPLIERS AND SUPPLIED TO CEYPETCO.
- (v) THE INDEPENDENT INSPECTOR MUTUALLY APPOINTED BY THE SELLER AND THE BUYER SHOULD CERTIFY THAT THE PRODUCT LOADED IS FREE FROM USED LUBRICATING OIL ((ULO) AS DESCRIBED IN ANNEX. H OF THE ISO 8217:2005 (E) STANDARDS FOR PETROLEUM PRODUCTS – FUELS (CLASS F) – SPECIFICATIONS OF MARINE FUELS.
- (vi) THE INDEPENDENT INSPECTOR MUTUALLY APPOINTED BY THE SELLER AND THE BUYER SHALL FORWARD THE ANALYSIS REPORT AND THE TANK INSPECTION CERTIFICATE BEFORE LOADING, TO BOTH PARTIES.
- (vii) UNDER NO CIRCUMSTANCES THE CARGO SHOULD BE LOADED TO THE VESSEL WITHOUT OBTAINING THE PRIOR APPROVAL FROM CEYPETCO FOR QUALITY AND SHIP TANK INSPECTION REPORT.
- (viii) THE PRESENCE OF FUEL CONTAMINANTS SPECIFIED IN TABLE 01 OF ASTM D 7845 STANDARD SHALL NOT EXCEED THE QUANTITATION LIMITS DEFINED THEREIN AND THE CUMULATIVE TRACE AMOUNTS OF FUEL CONTAMINANTS SHALL BE LIMITED TO 100 PPM, TO GUARANTEE THE SAFETY OF INSTALLATIONS, NOT TO ADVERSELY AFFECT THE PERFORMANCES OF THE MACHINES, NOT TO BE HARMFUL TO PERSONNEL AND NOT TO CONTRIBUTE TO AIR POLLUTION, WHICH SHALL ONLY BE DETERMINED BY THE GC/MS EXTENDED HEADSPACE AT THE LOAD PORT.

FORMAT FOR PERFORMANCE SECURITY GUARANTEE

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

Beneficiary : **CEYLON PETROLEUM CORPORATION**
Date :

PERFORMANCE SECURITY GUARANTEE NO :

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

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

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

This guarantee shall expire, no later than the day of, 20.... *[insert date, thirty (30) days beyond the scheduled contract completion date]* and any demand for payment under it must be received by us at this office on or before that date.

.....
[Signature(s)]

FORM OF BID

The Chairman, Standing High Level Procurement Committee,
Commercial Function Bid Opening Room, 4th Floor
Ceylon Petroleum Corporation, No. 609,
Dr. Danister De Silva Mawatha,
Colombo 09, Sri Lanka.
Dear Sir,

Dear Sir,

BIDDING FOR THE SUPPLY OF A SINGLE CARGO OF 30,000 MT +/- 5% OF FUEL OIL 180 CST (MAX. 1.8% SULPHUR) FOR SINGLE BERTH DISCHARGE AT DOLPHIN TANKER BERTH, COLOMBO DURING LAYCAN 22-23/06/2026 (TENDER REF: BK/36/2026)

I/We the undersigned read and fully acquainted myself / ourselves with the contents of the Conditions of the terms and Contract and all other Conditions pertaining to the above Bid do hereby undertake to supply the Petroleum Products with the specifications and quantities as specified in the tender.

A. PRODUCT / PRICE

Product	Price Base	Premium / Discount on (USD per MT)			
		FOB basis	DAP Colombo basis		
			Payment prior to the date of quantity drawn (100% Ex-Storage Modality)	Payment in 30 days after the first day of the two day delivery laycan through Bank of Ceylon L/C	Payment in 30 days after the first day of the two day delivery laycan through Sampath Bank L/C
		Option – 1	Option – 2	Option – 3	
Fuel Oil 180 Cst (Max. 1.8% Sulphur)	FOB Singapore Price (MOPS) (PUAXS00)				
	Compliance				
	Contractual cargo quantity	30,000 MT +/-5%	Comply / Not comply		
Agent, representative or nominee for or on behalf of any tenderer and Local Agency Commission (USD) (if any)					

B. TERMS & CONDITIONS

BID DOCUMENT CLAUSE REFERENCE	COMPLIANCE
1.1 Two day delivery laycan – 22-23/06/2026	Comply / Not comply
1.8. Bid Security (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 (Compliance to each parameter and notes in Annex – ‘C-1’ is mandatory)	Comply /Not comply
2.7. Source of supply	Comply /Not comply
2.8. Mode of loading / port of loading	Comply /Not comply
2.9.1. Inspection at Load port	Comply /Not comply
2.9.2. Inspection at Discharge port	Comply /Not comply
2.10. Recovery of damages or losses for CEYPETCO due to unacceptable quality	Comply /Not comply
2.11. Out-turn loss	Comply /Not comply
2.12. Price / Payment	Comply /Not comply
2.12.1 Payment prior to the date of quantity drawn (100% Ex Storage Modality) Option 1	Comply /Not comply
2.12.1.1 DAP Colombo price for FUEL OIL 180 CST (MAX. 1.8% SULPHUR) calculation method	Comply /Not comply
2.12.1.2 Invoicing for payment under the Ex-Storage Payment Mechanism	Comply /Not comply
2.12.2. Payment in thirty (30) days after the first day of the two day delivery laycan through BOC LC Option 2	Comply /Not comply
2.12.2.1. DAP Colombo price for FUEL OIL 180 CST (MAX. 1.8% SULPHUR) calculation method	Comply /Not comply
2.12.3. Payment in thirty (30) days after the first day of the two day delivery laycan through Sampath Bank LC Option 3	Comply /Not comply
2.12.3.1. DAP Colombo price for FUEL OIL 180 CST (MAX. 1.8% SULPHUR) calculation method	Comply /Not comply
2.13. PCA3 form, agent, representative or nominee for or on behalf of any tenderer & 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 and recovery of damages or losses for CEYPETCO by late delivery and delivery of lesser quantity than agreed	Comply /Not comply
2.17. Acceptance of the Bid	Comply /Not comply
2.18.1 Laytime for discharge at Dolphin Tanker Berth, Colombo	Comply /Not comply
2.19. Notice of arrival at Colombo	Comply /Not comply

2.20.1. Requirements of tankers for discharging of product via Dolphin Tanker Berth, Colombo	Comply /Not comply
2.21. Demurrage	Comply /Not comply
2.22. Force Majeure	Comply /Not comply
2.23. Other requirements	Comply /Not comply
2.24 Submission of Bids	Comply /Not comply
2.24.1.1 & 2.24.1.2. Submission of ANNEX - 'E' & ANNEX – 'C-1'	Comply /Not comply
2.24.1.4. Submission of a Board resolution authorizing the person who signs the bid or a documented decision of the partners in a partnership as the case may be	Comply / Not Comply
2.24.1.5. Proper authority to the officer who signs the bids (authorized officer) from the respective bidder or the principal for signing all documents related to the bid	Comply / Not Comply
2.25. Validity of the offer	Comply /Not comply
2.26. Agreement for EX-Storage Modality (ANNEX – 'G')	Comply /Not comply
Agreement to 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 undertake to deliver the quantity of Petroleum products referred to above.

Yours Faithfully,

Name of the Authorized person for signature :

Authorized signature & the official seal of the Bidder :

Name of the Bidder :

Address

Telephone No.....

Fax No.:

E-mail.....

Date:.....

SPECIFICATIONS FOR FUEL OIL 180 Cst (MAX. 1.8% SULPHUR)

ANNEX – ‘C-1’

PROPERTY / TEST	TEST METHOD IP	ASTM D	CEYPETCO SPECS	COMPLIANCE
DENSITY @ 15 DEG C kg/m ³	160	1298/4052	900 - 970	Comply / Not comply
FLASH POINT PM CC, DEG C	34	93	MIN 60	Comply / Not comply
POUR POINT DEG C	15	97/5949/5950	MAX 24	Comply / Not comply
TOTAL SULPHUR CONTENT % (w/w)	61	4294/ 2622	MAX 1.8	Comply / Not comply
VISCOSITY KINEMATIC @ 50 DEG C, cSt	71	445	90 – 175	Comply / Not comply
WATER CONTENT % (v/v)	74	95	MAX 0.5	Comply / Not comply
ASH % (w/w)	4	482	MAX 0.1	Comply / Not comply
CARBON RESIDUE % (w/w)	398	189/4530/524	MAX 12	Comply / Not comply
SEDIMENT BY EXTRACTION % wt	53	473	MAX 0.1	Comply / Not comply
ASPHALTENES m/m %	143	6560	MAX 4.0	Comply / Not comply
TOTAL SEDIMENT POTENTIAL % m/m	375	4870	MAX 0.1	Comply / Not comply
CALORIFIC VALUE GROSS, Kcal/kg	12	240	MIN 10,300	Comply / Not comply
ACID NUMBER KOH mg/g	1	974/664	MAX 2.5	Comply / Not comply
STRONG ACID KOH mg/g	1	974 /664	NIL	Comply / Not comply
HYDROGEN SULFIDE (H ₂ S), mg/kg	570	-	MAX 2.0	Comply / Not comply
METAL CONTAMINANTS				Comply / Not comply
VANADIUM (V), mg/kg	288/501	3605	MAX 65 ppm	Comply / Not comply
LEAD (Pb), mg/kg		3605	MAX 1 ppm	Comply / Not comply
ALUMINIUM (Al) + SILICON (Si), mg/kg	501/377		MAX 80 ppm	Comply / Not comply
SODIUM (Na) + POTASSIUM (K), mg/kg	501	3605	MAX 30 ppm	Comply / Not comply
ZINC (Zn), mg/kg	501/470	-	MAX 15 ppm	Comply / Not comply
CALCIUM (Ca), mg/kg	501/470	-	MAX 10 ppm	Comply / Not comply
PHOSPHORUS (P), mg/kg	501/500	-	MAX 15 ppm	Comply / Not comply
IRON (Fe), mg/kg	501	3605	MAX 30 ppm	Comply / Not comply
VANADIUM (V) : SODIUM (Na) RATIO	By Calculation		Less than 2.5 or Greater than 3.5	Comply / Not comply

NOTE:

		COMPLIANCE
I	THE FUEL SHALL NOT INCLUDE ANY ADDED SUBSTANCES OR CHEMICAL WASTE, WHICH JEOPARDIZE THE SAFETY OF INSTALLATIONS OR ADVERSELY AFFECTS THE PERFORMANCES OF THE MACHINES OR IS HARMFUL TO PERSONNEL OR CONTRIBUTES OVERALL TO AIR POLLUTION.	Comply / Not Comply
II	THIS FUEL IS USED IN POWER PLANTS HAVING HEAVY DUTY GAS TURBINES WHICH ARE CONNECTED TO THE NATIONAL GRID OF THE COUNTRY'S ELECTRICITY SUPPLY. AS SUCH THE SELLER MUST TAKE EVERY PRECAUTION TO SUPPLY FUEL OIL 180 CST. (MAX.1.8% SULPHUR) AS PER THE TENDER SPECIFICATIONS AND HE IS RESPONSIBLE TO SUPPLY MERCHANTABLE GRADE OF PRODUCTS.	Comply / Not Comply
III	THE PRODUCT SHOULD BE LOADED FROM SHORE TANKS TO MEET THE SAID SPECIFICATIONS, PREFERABLE EX-REFINERY AND SHOULD ALWAYS AVOID SHIP TO SHIP TRANSFERS OR OTHER TYPE OF FUEL OIL BLENDING, TO AVOID BLENDING WITH CONDENSATE.	Comply / Not Comply
IV	SELLER IS HEREBY MADE RESPONSIBLE FOR THE QUALITY OF FUEL OIL 180 CST (MAX 1.8% SULPHUR) CARGO PURCHASED FROM OTHER SUPPLIERS AND SUPPLIED TO CEYPETCO.	Comply / Not Comply
V	THE INDEPENDENT INSPECTOR MUTUALLY APPOINTED BY THE SELLER AND THE BUYER SHOULD CERTIFY THAT THE PRODUCT LOADED IS FREE FROM USED LUBRICATING OIL ((ULO) AS DESCRIBED IN ANNEX. H OF THE ISO 8217:2005 (E) STANDARDS FOR PETROLEUM PRODUCTS – FUELS (CLASS F) – SPECIFICATIONS OF MARINE FUELS.	Comply / Not Comply
VI	THE INDEPENDENT INSPECTOR MUTUALLY APPOINTED BY THE SELLER AND THE BUYER SHALL FORWARD THE ANALYSIS REPORT AND THE TANK INSPECTION CERTIFICATE BEFORE LOADING, TO BOTH PARTIES.	Comply / Not Comply
VII	UNDER NO CIRCUMSTANCES THE CARGO SHOULD BE LOADED TO THE VESSEL WITHOUT OBTAINING THE PRIOR APPROVAL FROM CEYPETCO FOR QUALITY AND SHIP TANK INSPECTION REPORT.	Comply / Not Comply
VIII	THE PRESENCE OF FUEL CONTAMINANTS SPECIFIED IN TABLE 01 OF ASTM D 7845 STANDARD SHALL NOT EXCEED THE QUANTITATION LIMITS DEFINED THEREIN AND THE CUMULATIVE TRACE AMOUNTS OF FUEL CONTAMINANTS SHALL BE LIMITED TO 10 PPM, TO GUARANTEE THE SAFETY OF INSTALLATIONS, NOT TO ADVERSELY AFFECT THE PERFORMANCES OF THE MACHINES, NOT TO BE HARMFUL TO PERSONNEL AND NOT TO CONTRIBUTE TO AIR POLLUTION, WHICH SHALL ONLY BE DETERMINED BY THE GC/MS EXTENDED HEADSPACE AT THE LOAD PORT.	Comply / Not Comply

FORMULA FOR SELECTION OF THE MOST VIABLE PRICING OPTION

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

P: Ranking Score (lower the better)

A: FOB + Premium

B: LC Opening Commission [i.e. 0.0525% per quarter and part of there on (on value) for payment Option -2 & 0.0% for payment Option -03]

C: Bank Acceptance rate [i.e. 0.0375% on value (one time) for usance bills for payment Option -2 & 0.0% for payment Option -03]

D: LC Payment Commission

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

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

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

E: Bank Interest – 7.5%

F: Credit period as declared in below Note1 & 2

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 – 1.
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 TWO-DAY DELIVERY LAYCAN - OPTION -2 & Option -3

DEED OF PLEDGE

DATE:

THIS DEED OF PLEDGE IS MADE BETWEEN:

[NAME OF THE SUPPLIER]

[REG.NUMBER +ADDRESS]

AND

CEYLON PETROLEUM CORPORATION (CPC)

[REG.NUMBER +ADDRESS]

WHEREAS CPC AND [NAME OF THE SUPPLIER] ENTERED INTO AN AGREEMENT DATED FOR THE SUPPLY BY [NAME OF THE SUPPLIER] TO CPC OF MT OF FUEL OIL 180 CST (MAX. 1.8% SULPHUR) WITHIN THE PERIOD _____ ON DAP PORT COLOMBO TERMS (THE “**AGREEMENT**”); AND

WHEREAS ACCORDING TO THE AGREEMENT THE FUEL OIL 180 CST (MAX. 1.8% SULPHUR) IS STORED AT STORAGE FACILITIES OWNED AND OPERATED BY THE CPSTL AT THE OIL TERMINALS LOCATED AT KOLONNAWA (“STORAGE FACILITIES”) AT (ADDRESSES _____); AND

WHEREAS THE CONSIGNEE OF FUEL OIL 180 CST (MAX. 1.8% SULPHUR) UNDER THE AGREEMENT IS CPC AND CPC OBTAINS THE TITLE TO FUEL OIL 180 CST (MAX. 1.8% SULPHUR) UPON ITS DISCHARGE AT THE COLOMBO PORT; AND

WHEREAS AS A COLLATERAL FOR THE PAYMENT FOR FUEL OIL 180 CST (MAX. 1.8% SULPHUR), [NAME OF THE SUPPLIER] AND CPC AGREED THAT THE TITLE TO THE FUEL OIL 180 CST (MAX. 1.8% SULPHUR) DISCHARGED AT COLOMBO PORT AND STORED AT THE STORAGE FACILITIES SHALL BE PLEDGED IN FAVOR OF [NAME OF THE SUPPLIER] UNTIL SUCH TIME WHEN [NAME OF THE SUPPLIER] RECEIVES PAYMENT IN FULL FOR THE DISCHARGE OF FUELOIL 180CST (MAX. 1.8% SULPHUR) FROM THE COLOMBO PORT BY CPC;

NOW THEREFORE, THE PARTIES HAVE AGREED AS FOLLOWS:

PLEDGE

AS A GENERAL AND CONTINUING COLLATERAL SECURITY FOR THE PAYMENT BY CPC TO [NAME OF THE SUPPLIER] OF THE PURCHASE PRICE FOR THE FUELOIL 180 CST (MAX. 1.8% SULPHUR) UNDER THE AGREEMENT, CPC HEREBY IN ACCORDANCE WITH THE PROVISIONS OF THE LAWS OF SRI LANKA DOES HEREBY PLEDGE AND CHARGE TO AND IN FAVOR OF [NAME OF THE SUPPLIER], HEREUNTO PRESENT AND ACCEPTING THE TITLE AND PROPERTY TO THE FUEL OIL 180 CST (MAX. 1.8% SULPHUR) DELIVERED BY [NAME OF THE SUPPLIER] TO CPC UNDER THE AGREEMENT AS DEFINED HEREBY.

FUEL OIL 180 CST (MAX. 1.8% SULPHUR) IS PHYSICALLY LOCATED AT THE STORAGE FACILITIES AT THE FOLLOWING ADDRESSES:

_____ TANK # _____, SRI LANKA.

_____ TANK # _____, SRI LANKA.

CPC HEREBY UNDERTAKES:

1. TO HOLD THE FUELOIL 180 CST (MAX. 1.8% SULPHUR) [IN TRUST] FOR THE ORDER OF [NAME OF THE SUPPLIER] AND NOT TO RELEASE, SELL OR OTHERWISE DISPOSE FUEL OIL 180 CST (MAX. 1.8% SULPHUR) TO ANY THIRD PARTY AND NOT TO ISSUE OR SURRENDER ANY STORAGE WARRANT OR OTHER (NEGOTIABLE) INSTRUMENT IN RESPECT OF FUEL OIL 180 CST (MAX. 1.8% SULPHUR) WITHOUT A PRIOR WRITTEN INSTRUCTION OF CORAL ENERGY DMCC. INSTRUCTIONS SHALL BE SENT VIA FAX OR EMAIL: _____; AND
2. NOT TO CREATE ANY PLEDGE, CHARGE OR OTHER KIND OF ENCUMBRANCE OVER FUELOIL 180 CST (MAX. 1.8% SULPHUR); AND
3. TO COMPENSATE [NAME OF THE SUPPLIER] FOR ALL THE DAMAGES RELATED TO CPC'S NON-PERFORMANCE OR UNDUE PERFORMANCE OF ITS UNDERTAKINGS SET OUT HEREIN UPON SUPPLIER'S WRITTEN REQUEST AND THE SUPPORTING DOCUMENTS.

THE PLEDGE WILL BE LIFTED UPON RECEIPT BY [NAME OF THE SUPPLIER] OF THE PAYMENT IN FULL OF THE PURCHASE PRICE FROM CPC TO SUPPLIER'S BANK ACCOUNT FOR THE QUANTITY OF THE RESPECTIVE B/L(S). THE VALUE OF THE PLEDGE WILL REDUCE AS AND WHEN PAYMENTS ARE MADE BY CPC FOR EACH WITHDRAWAL OF FUEL OIL 180 CST (MAX. 1.8% SULPHUR) 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

AGREEMENT

THIS AGREEMENT is made and entered into at Colombo in the Democratic Socialist Republic of Sri Lanka on this day of May Two Thousand and Twenty-Six (.../05/2026) (hereinafter referred to as the “Agreement”)

BETWEEN

.....Supplier’s Company Name....., ...Country..... a company incorporated under the laws of bearing company registration number and having its registered office atAddress.....,Country..... (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 Supplier’s Company Name, ...Country 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 Head office at No. 609. Dr. Danister De Silva Mawatha, Colombo 09, Sri Lanka. (hereinafter referred to as the 'CPC' which term or expression as herein used shall where the context requires or admits mean and include the said Ceylon Petroleum Corporation, its successors and permitted assigns) hereinafter referred to as the Second Party.

WITNESSETH

WHEREAS:

- A. CPC is a corporation established by the Ceylon Petroleum Corporation Act, No. 28 of 1961 as amended which provides exclusive rights to CPC to import export, sell, supply or distribute petrol, kerosene, diesel oil, jet a-1 and furnace oil etc.
- B. The Seller has represented to CPC that it has the requisite expertise and capacity to supply the Product as per the terms of this agreement.
- C. Considering the scarcity of the forex and the difficulty to make the 100% prepayment by CPC before discharge the vessel at discharge port Colombo, the seller has agreed to supply the Product (as defined below) and store such Product at the storage facilities of Ceylon Petroleum Storage Terminals Limited (CPSTL) at the Oil Terminals located at Muthurajawela and/or Kolonnawa (Under Ex-storage modality)

D. With the recommendation of STEC and the approval of SHLPC, the contract Ref.....has been awarded to M/s under the shipment ref **BK/36/2026** for the supply of 30,000 MT +/-5% of Fuel Oil . with the Payment prior to the date of quantity drawn – (100% ex-storage modality) on DAP Colombo basis (Incoterms 2010) based on the offer submitted on and subsequent correspondences as well as Award Letter dated

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

IT IS HEREBY AGREED as follows:

1. DEFINITIONS/ INTERPRETATIONS

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

Agreement / this Agreement	Shall mean and include this Agreement, read together with tender terms and conditions under tender ref: BK/36/2026 & subsequent award letter/s 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 tender terms and conditions & Letter of Award thereto, the former shall prevail.
Shipment Ref.	<ul style="list-style-type: none"> • BK/36/2026 • Supplier • Letter of award dated
CPC	Shall mean and include Ceylon Petroleum Corporation established by Ceylon Petroleum Corporation Act, No. 28 of 1961 as amended its successors and permitted assigns
CPSTL	Ceylon Petroleum Storage Terminal a company duly incorporate under Companies Act No. 07 of 2007, in terms of section 2(1) of the Conversion of Public Corporations or Government owned Business Undertakings into Public Companies Act, No. 23 of 1987, more fully described in the government Gazette Extraordinary bearing No. 1310/8 dated 13 th October 2003 having it registered business place at Oil Installation, Kolonnawa, Wellampitiya in the Democratic Socialist Republic of Sri Lanka.

<i>Storage Facility</i>	Storage facilities owned and operated by the CPSTL at the Oil Terminals located at Muthurajawela and/or Kolonnawa
<i>Independent Inspector</i>	A globally reputed independent inspecting company which will be jointly appointed by the seller and buyer to monitor the stock & discharging of total cargo from the vessel & partial quantities from time to time from CPSTL storage tanks strictly as per this agreement and to issue the quality report at the discharge port.
<i>Seller</i>	.....Supplier's Company Name....., (Seller), a company incorporated under the laws of having its registered head office at .....Address.....bearing company registration number and its successors.Heeren, Singapore 238855.
<i>Party/Parties</i>	shall mean CPC and the Seller and their respective successors and permitted assigns when referred to herein in plural and shall mean either CPC or Seller when herein referred in the singular as the context may require.
<i>Month/Calendar Month</i>	Month Shall mean any consecutive period of 30 day whilst "Calendar Month" shall mean a consecutive period of 30 days which immediately follows the 1 st day of any month in the Calendar.
<i>MOPS</i>	Shall mean Mean of Platt's Singapore
<i>USD</i>	United States Dollars
<i>LKR</i>	Sri Lankan Rupees
<i>Year/Calendar Year</i>	"Year" shall mean any consecutive period of 365 day whilst "Calendar Year" shall mean a consecutive period of 365 days immediately from the 1 st day of the month of January in any year to the 31 st day of December in that year inclusive of both days

<i>Term</i>	Shall mean the term commencing from the date of the entering in to this agreement until making the payment of the total DAP value of the Product quantity discharged to Oil Terminals belongs to CPSTL located at Muthurajawela and/or Kolonnawa equivalent to the out turn quantity declared in the out turn quantity report issued by the mutually agreed Independent inspector at the time of discharging the cargo from the imported vessel under shipment ref. No. BK/36/2026
<i>Product</i>	Shall mean the .....cargo arrived under shipment ref. No. BK/36/2026
<i>Quality Test Report</i>	Shall mean all laboratory tests conducted by the Independent inspector at CPC/ CPSTL to ascertain the quality of the Product.
<i>Business Day</i>	Shall mean a day in which banks are open for business in Colombo, Sri Lanka and excludes a Saturday, Sunday and all public holidays in Colombo, Sri Lanka

2. TERMS

Shall mean the term commencing from the date of entering in to this agreement until making the payment of the total DAP Colombo value (Incoterms 2010) of the Product quantity discharged to Oil Terminals located at Muthurajawela and/or Kolonnawa equivalent to the out turn quantity declared in the out turn quantity report issued by the mutually agreed Independent Inspector at the time of discharging the cargo from the imported vessel under shipments reference **BK/36/2026**.

3. PRINCIPLE & CONSIDERATION

- 3.1 Product will be imported to Sri Lanka by CPC as the consignee as per the terms and conditions of the contract reference **BK/36/2026** with testing of the cargo being carried out both at the load port and the discharge port and the cargo supplied on DAP Colombo basis (Incoterms 2010). CPC shall be liable for the additional cost incurred by the seller subject to the terms and condition in the tender ref: BK/36/2026 & Letter of Award. CPC shall not be liable for the delays occurred due to negotiation of the signed Standard Ex-Storage Modality Agreement provided to the seller by CPC for discharge of cargo under Ex-Storage Modality.
- 3.2 The Seller shall provide the Product cargo at the MOPS plus Premium of USD per MT as agreed under the contract reference **BK/36/2026** which is more fully described in clause 8 of this agreement and it shall be considered as the cost of the consignment. CPC will pay all regulatory levies and other port and customs payments at discharged port related to the Product as shipment is consigned to CPC.

- 3.3 The Payment entitled to the Seller shall be limited to the value in United States Dollars (USD) based on corresponding Invoicing Quantity. Invoicing quantity will be limited to the quantity in the out-turn report at the discharge port issued by the mutually appointed Independent Inspector.
- 3.4 Upon discharge of the Product at Colombo Port;
- a) The title to the Product and all associated risks, including but not limited to the risk of any loss or damage to the Product shall pass to CPC; and
 - b) The CPC shall forthwith execute a mortgage in the form annexed herewith as Exhibit-C, pledging the Product to the Seller until such time that payment of DAP Colombo (Incoterms 2010) price calculated as per clause no. 3 & 8 of this agreement is made in full.
 - c) Pledging agreement shall be signed by CPC within 5 (five) working days following the date when the Outturn Quantity Certificate is issued by the independent Inspector,
- 3.5 The quantity of the Product discharged at the Colombo Port shall be certified by the mutually appointed Independent Inspector and shall there upon be stored at the storage facilities owned and operated by the CPSTL at the Oil Terminals located at Muthurajawela and/or Kolonnawa (“Storage Facility”) and will be discharged adopting the usual distribution and operational procedures of CPSTL/CPC subject to the adherence of usual quantity measurement and other regular standards applicable during terminal operations used in the current supply chain. For the avoidance of doubt each withdrawal of the Product from the Storage Facility shall be subject to Clause 3.6 and shall require the prior written approval of the mutually appointed Independent Inspector **and the Seller**.
- 3.6 Prior to withdrawing the Product from the Storage Facility, CPC shall inform the Seller of the quantity which would be withdrawn and effect payment in full in respect of the said quantity of withdrawal in US Dollars by way of Telegraphic Transfer to the below mentioned bank account of the Seller.

Bank:

Beneficiary:.....

Account No. :.....

SWIFT Code.....

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

- 3.7 The Payment entitled to the Seller shall be limited to the value in USD based on corresponding Invoicing Quantity. Invoicing quantity will be the quantity in the original Bill of Lading/s (B/Ls) shall be binding on both parties.
- 3.8 Outturn quantity will be reported by the Independent inspector in the Certificate of Quantity issued at the Discharge Port. Such Payment shall be made prior to any quantity been discharged from the storage.

4. PRODUCT

- 4.1. The Product shall be as per the specification.
- 4.2. CPC shall hold the custody of the Product received from the Seller at the Storage Facility owned by the CPSTL at its cost until sales are completed and will not transfer the nominated quantity to any other storage facility unless received written official permission from the Seller.
- 4.3 CPC shall be responsible for the Seller for any loss or damage to the Product cargo while in CPSTL storage tanks until the agreement will be terminated as per the terms in this agreement.

5. QUALITY AND DELIVERY

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

6. RIGHTS AND OBLIGATIONS OF BUYER

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

- i. Obtain the necessary provisions/approvals to discharge and store the relevant product/s in the "Storage Facility".
- ii. Store the Product received from the Seller in accordance with Clause 4.2 and be responsible for any loss or damage to the Product cargo while in CPSTL/CPC storage tanks until the agreement will be terminated as per any of the provisions as per the terms in this agreement.
- iii. Maintain, on its own account, an inventory of the Product at levels which are appropriate and adequate for CPC to meet all deliveries and service requirements in relation to the Product.
- iv. Allow the Seller to access only for the records maintained for the Product stock and sales.
- v. Subject to the availability of space / ullage in the storage tanks, the Buyer has the right to store same respective Product type imported/purchased on its own in the same storage tanks as and when required.
- vi. Buyer has the right to store Fuel Oil Imported /purchased from any third-party sellers in the same storage tanks as and when required.
- vii. Buyer shall draw the quantity of the product from the storage tanks upon (1) receipt of the payment on the Seller's nominated bank account of the value equivalent to the quantity to be drawn and (2) written approval by email from the Seller.

- viii. The buyer has the right to draw the quantity of products up to the quantity declared in the out-turn quantity report issued/produced by the mutually agreed independent inspector after discharging of the Product from the imported onboard the respective vessel.
- ix. Buyer has no obligation to pay any value exceeding the total DAP Colombo (Incoterm 2010) value of the respective Product quantity discharged to “Storage Facility” equivalent to the out-turn quantity declared in the out turn quantity report issued by the mutually agreed Independent inspector at the time of discharging the cargo from the imported vessel.
- x. Carry out lab tests of the Product at CPSTL and/or CPC laboratory in the presence of the Independent Inspector before the unloading of the cargo at the Colombo Port and to make available the test results to the seller without any delay.
- xi. Buyer shall have the right to reject the full consignment or part of the consignment on Board the vessel as the case may be, if the Quality of the Product at the Discharge Port does not meet/comply with the specifications.
- xii. CPC is not allowed to create or cause to be created any other liens/ pledges/ mortgages or other encumbrances over the Product pertaining to ref. **BK/36/2026** in favor of any third party including CPSTL apart those created in favor of the Seller hereunder.
- xiii. CPC shall indemnify the Seller for all damages and costs incurred by the latter due to the loss and/or damage to the Product while it is in transit or at the Storage Facility as well as any loss resulting from the undue performance or omission by CPC to the extent of the value of the remaining portion the cargo during the fulfillment of its obligations under this Agreement.

7. RIGHTS AND OBLIGATIONS OF THE SELLER

The Seller shall;

- i. Undertake to discharge the Product as per the quality standards in Exhibit A requested by CPC reference to **BK /36/2026**.
- ii. Make available Seller’s representative at the Storage Facility with the approval of CPC when measurements are taken of the storage tanks before and after storing of the Product & drawing a quantity by buyer. A prior written approval of CPC to be sent to terminal before the discharge of the cargo at the terminal.

Seller agreed to release the quantity of Product equivalent to the value of the payment made to the seller and receipt at the Seller’s nominated bank account based on the price agreed in the contract soon after the transmission of the buyer’s bank confirmation to the seller.

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

- iv. Seller has no authority to claim any value exceeding the total DAP Colombo (Incoterms 2010) value of the Product quantity discharged to “Storage Facility” equivalent to the out-turn quantity declared in the out-turn quantity report issued by the mutually agreed Independent inspector at the time of discharging the cargo from the imported vessel.
- v. Seller has the obligation to import the agreed quantity of the product as per the Letter of Award issued by CPC and the terms entered into with CPC and make available the tanker at Colombo clearing the agreed date range/ laycan to discharge to discharge to the storage tanks at CPC/CPSTL.

8. PAYMENT & INVOICING

8.1 Price of the Product

Price offered for Fuel Oil 180 Cst (Max. 1.8% Sulphur) in USD per MT on **DAP Colombo basis (Incoterms 2010)** shall be the average of the Mids of FOB Singapore price of FO 180 Cst 2.0% published in Platts market scan under the heading “**Platts Asia And Middle East Fuel Oil Assessments**”, on the first day of the two day delivery laycan, two days immediately before and two days immediately after the first day of the two day delivery laycan (if there is no publication on the first day of the two day delivery laycan then two days immediately before and two days immediately after the first day of the two day delivery laycan are to be taken into account) plus a fixed premium/discount.

8.2 Invoicing

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

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

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

9. NOTICES

- 9.1. Any communications (including without limitation statements of account) by either Party to the other shall, unless otherwise provided herein, be sufficiently made if sent by post (which shall be by airmail where airmail is possible), postage paid by telegraph, transmission to the address hereinafter specified and shall, unless otherwise provided herein, be deemed to have been given to the other Party on the day on which such communications ought to have been delivered in due course of e-mail, postal, telegraphic, telex or facsimile communication.
- 9.2. Unless otherwise specified by not less than 15 days' notice in writing by the party in question, the addresses to which communication shall be sent:

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

To Buyer Ceylon Petroleum Corporation
609 Dr. Danister De Silva Mawatha Colombo 09,
Sri Lanka
By Phone +94117296115/ +94117296123
By Facsimile +942106768
By Email
mgr.commercial@ceypetco.gov.lk

10. ASSIGNMENT

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

11. FORCE MAJEURE

The Seller or CPC shall not be liable for any loss, claim or demands of any nature whatsoever, or be deemed to be in a breach of this Agreement because of any delays or failure in observing or performing any of the conditions or provisions hereof, if such delay or failure was caused by or arose out of any circumstances whatsoever beyond the Seller's or CPC's control including (but without limiting the generality of the foregoing) declared or undeclared war, sabotage, blockade, piracy or piratical seizure of vessel, revolution, police action, riot or disorder, embargo or trade restriction of any sort government or quasi government action, act of God, fire, flood, earthquake, storm, tide or tidal wave, explosion, accident, radiation, strike, lockout or other labour dispute.

12. AMENDMENTS

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

13. SEVERABILITY

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

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

14. NON-WAIVER

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

15. CONFIDENTIALITY

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

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

16. WARRANTY BY THE SELLER

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

17. GOVERNING LAW AND DISPUTE RESOLUTION

- 17.1 The agreement shall be governed by and interpreted pursuant to the laws of Sri Lanka.
- 17.2 Any claim whatsoever arising between the Seller and CPC to this Agreement, under the terms of this Agreement shall be lodged in writing within ninety (90) days of receipt of the Product by CPC and in the event the cargo is not delivered to CPC within ninety (90) days of the last date of two-day delivery laycan as notified by CPC. Otherwise any such claim shall be deemed to have been waived.
- 17.3 Every endeavor shall be made to settle any difference or dispute between CPC and Seller arising from any transaction here under by mutual negotiations, failing which such differences or disputes shall be settled by arbitration.
- 17.4 In the event of the failure to amicably settle any difference or dispute, the Parties shall refer all differences or disputes arising out of or in connection with this Agreement for final settlement by arbitration to be conducted under the rules of arbitration of the United Nations Commission on International Trade Law (UNCITRAL). The arbitral tribunal shall consist of three arbitrators. The seat of arbitration shall be Colombo, Sri Lanka and the language of arbitration shall be English.
- 17.5 In the event that either Party deems it necessary to seek injunctive relief, such should be obtained from a court of competent jurisdiction pending the constitution and/or determination of the Arbitrators in accordance with Clause 17.4.
- 17.6 Terms of this agreement supersedes and replaces all other prior letters. Arrangements and /or agreements between the parties hereto.

18. TERMINATION

This agreement will terminate;

- a) By mutual consent of both parties (buyer and seller)
- b) Automatically once the total quantity equivalent to the out-turn quantity will be withdrawn by CPC from the storage tanks "Storage Facility".
- c) Automatically, once the total DAP value of the Product quantity discharged to "Storage Facility" equivalent to the out turn quantity declared in the out turn quantity report issued by the mutually agreed Independent inspector at the time of discharging the cargo from the imported vessel is paid to the seller by CPC.
- d) The Seller shall be entitled to unilaterally early terminate this Agreement with a 20-day written notice to CPC in case the delivered Product is not paid by CPC within four (4) months from the day of its discharge at port Colombo, Sri Lanka. And the Seller will be entitled to collect the entire balance amount owed by CPC for the Product unsold by CPC within 15 days from the date of issuing the final settlement invoice.

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..... Two Thousand and Twenty-Six.

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

1.NAME	:	.....	1. NAME	:	.....
DESIGNATION	:	.....	DESIGNATION	:	.....
SIGNATURE	:	.....	SIGNATURE	:	.....

2.NAME	:	.....	2. NAME	:	.....
DESIGNATION	:	.....	DESIGNATION	:	.....
SIGNATURE	:	.....	SIGNATURE	:	.....

WITNESSED BY

WITNESSED BY

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