

Seller's Letter Head

SALES & PURCHASE AGREEMENT

**SUPPLY OF TWO MILLION BARREL OF BONNY LIGHT
CRUDE OIL (BLCO)
TANKER TAKE OVER (TTO)
West Africa waters**

TRANSACTION CODE:

This CRUDE OIL SALE AND PURCHASE AGREEMENT (the "Agreement") is made this
_____ 2018.

BETWEEN

SELLER

A Company incorporated under the laws of the Federal Republic of Nigeria and whose office is located atNigeria, W/Africa, herein known as the SELLER/SUPPLIER, which expression, where the context so admits, shall include its staff, successors and assigns on the one part.

AND

BUYER

***Name and Co-ordinates of Buyer
Represented By***

A Company incorporated under the laws of theand whose office is located atherein known as the BUYER, which expression,

where the context so admits, shall include its heirs, successors-in-title and assigns on the one part.

This Agreement covering the sale and delivery by and the purchase and receipt by of the hereinafter specified oil is entered into in accordance with terms and conditions indicated herein.

WHEREAS, the Buyer agrees to buy/pay, and seller agrees to sell/deliver the cargo on the conditions herein (including the transaction procedures accompanying this agreement). Whereas, the parties mutually accept to refer to the General Terms and Definitions, as set out by the INCOTERMS, Edition 2000 with latest amendments, having the following terminology fully understood and accepted:

DEFINITIONS:

US BARREL: One barrel of Crude at standard temperature of 60 degrees Fahrenheit is equals to 42 US Gallons, with each gallon containing approximately 4.5 litres.

GALLON: A unit of volume equivalent to 231 cubic inches or 0.3785 cubic meters, all measured at degrees F.

Metric Ton: A measure of weight equivalent to one-thousand-kilogram mass (1,000kg).

Commodity: Referred to as being “BLCO” elsewhere in The Agreement also referred to as BLCO” which specifications, as specified by NNPC

Day: Means a calendar day, unless differently specified.

Month: Means a Gregorian calendar month.

Bill of Lading: The official document, issued at the load port after completion of the loaded quantity, expressed in cubic meters (3) and in Metric Tons (MT) or barrels per the definitions herein. This document has to be signed in original by the ship’s master and made out in accordance without the instruction hereinafter specified in the agreement.

Loading Date: The date mutually accepted by both the Seller and the Buyer as the date on which the nominated international surveyor Company has ascertained the quantity and quality of the product pumped into the Buyer’s designated vessel.

PLATT’S: Platt’s McGraw Hill London is the organization, internationally recognized and accepted, who publish official market scan of petroleum products Mediterranean on a daily basis.

Execution Date: The date on which the Seller and the Buyer receive their respective faxed copies of his agreement or as may be indicated otherwise in The Agreement.

API/ASTM: API/ASTM Standards referenced in this Agreement are those in effect as at July 1st, 1993. In the event that such Standards are subsequently revised or modified, or new Standards are issued, the new, revised or modified Standards will apply. Whereas, the parties mutually desire to execute The Agreement, which shall be binding upon and to the benefit of the parties, successors and assigns, in accordance with the Jurisdictional law of the negotiated and fully executed contract with terms and provisions hereunder agreed upon

CLAUSE 1: SCOPE OF THE CONTRACT.

1.1 The Seller and the Buyer, under full corporate authority and responsibility respectively represent that the Seller is a lawful owner of the commodity, in quantity and quality as hereunder specified, and the Buyer has the full capability to purchase the said commodity.

1.2 The Buyer desires to purchase Crude Oil (hereinafter called "Product") of Nigerian Origin. The Seller has the independent capacity and ability to provide the crude oil from the appropriate authorities to the Buyer and the Buyer has accepted to take delivery of products from and make payments to the seller for crude oil received, in pursuance of the objectives of this Agreement.

CLAUSE 2: QUANTITY: 2.000,000.00 BARRELS

2.1 The total contractual quantity of the commodity sold and purchased under this Agreement is 2.000.000 barrels with +/-10% variation.

CLAUSE 3: DELIVERY TERMS: TTO

3.1 The contracted quantity is 2,000,000 BARRELS +/-10% (plus/minus ten percent) shall be delivered as a spot deal.

CLAUSE 4: TIME PERIOD: SPOT.

This is a spot transaction, and can be repeated by an agreement by both parties.

CLAUSE 5: QUALITY: NNPC STANDARD.

The Seller guarantees that the quality of the product sold will conform to the guaranteed specifications of NNPC for BLCO

CLAUSE 6: PRICE

**PAYMENT SCHEDULE: THIS SHALL BE TOTALLY DOLLARS
TRANSACTION: CURRENCY OF UNITED STATE OF AMERICA.**

*** GROSS DISCOUNT SHALL BE \$12.00 CENT BELLOW BRENT PER BARREL.**

*** BUYER TAKES HOME: \$08:00 CENT.**

*** DISCOUNT: \$04:00 CENT PER BARREL TO BE SHARED AS FOLLOWS:**

*** BUYERS AGENTS/FACILITATORS: \$02:00 CENT PER BARREL.**

*** SELLER AGENTS/FACILITATORS: \$02:00 CENT PER BARREL.**

The price of each barrel of Bonny Light Crude Oil loaded into vessel and payment shall be based on the out turned delivered based on standard World Market Crude Oil price as in the Platt's Oil Gram Report.

CLAUSE 7: PAYMENT TERMS:

- a. The payment will be US Dollars and made by SWIFT transfer in line with to Uniform Rules for Collections, ICC rules), upon receipt of invoice, quality certificate, certificate of origin, certificate of title assigned to the Buyer as beneficiary from a prime bank in favour of the SELLER, in the amount US Dollars corresponding to the total value of shipment. The payment will be secured by the Standby Letter of Credit (SBLC) MT103 as per Annex "D" issued by the Buyer's prime bank to the name of the Seller in format as agreed bank to bank after receipt and verification of POP documents as per clause of this SPA Contract.
- b. The quantity, as assessed at the discharge port by an Independent Inspection Company, and price as determined as per Clause 10 of this agreement, will be used to compute the Seller's invoice.
- c. Any shortage of payment relative to the Seller's commercial invoice shall be settled by means of Debit Notes or supplementary Invoice as the case may be, and the amount settled must be paid immediately.
- d. Payment for **the** Cargo shall be made within three (3) **banking** days after the Independent Inspector or Surveyor Company confirmed at sight the Quality and Quantity of the product, and the paying documents, have been accepted by the paying bank.
- e. The Buyer shall instruct its bank to advise Seller's bank by SWIFT quoting the value date of the transfer, the amount, the invoice number and the clearing bank, if any. Such advise is to be sent in due time so as to enable Seller's bank to credit Seller with value on due date.
- f. The Standby Letter of Credit shall be in the form accepted by the Seller and meeting international standard requirements.
- g. The Seller and the Buyer shall be responsible for their own bank charges and fees.

8. TRANSACTION PROCEDURE

PROCEDURE:

TTT- TRANSACTION PROCEDURE NIGERIA - GHANA WATERS:

- ❖ **SELLER AND BUYER SIGN, SEAL SALES/PURCHASE AGREEMENT WITH FULL BANKING DETAILS INCLUDING THEIR BROKERS BANKING DETAILS BOTH PARTIES FORWARD A COPY OF THIS SIGNED SPA/CONTRACT TO THEIR RESPECTIVE BANKS AND IS LEGALLY ENFORCEABLE. BUYER RETURNS THE SIGNED SPA ALONG WITH CHARTER PARTY AGREEMENT (CPA), Q88, INVOICE AND AUTHORITY TO LOAD (ATL), INCLUDING THE BUYER INTERNATIONAL PASSPORT.**

- ❖ **BUYER'S BANK WRITES TO SELLER'S BANK THAT UPON RECEIVING MNOR AND CARGO DOCUMENTS FOR VERIFICATION, BUYER'S BANK WILL SEND A BANK GUARANTEE OR MT 760 FOR THE FULL CARGO.**

- ❖ **UPON RECEIPT OF THE LETTER BY THE SELLER'S BANK, SELLER GIVE MNOR AND RELEASES THE FOLLOWING DOCUMENTS TO THE BUYER:**
 - **ATS**
 - **BILL OF LADING**
 - **CARGO MANIFEST**
 - **CERIFICATE OF ORIGIN**
 - **CERIFICATE OF QUALITY**
 - **CERTIFICATE OF QUANTITY**
 - **TANK ULAGE REPORT**
 - **DOCUMENTATION RECEIPT**
 - **MASTER'S RECEIPT OF SAMPLES**
 - **MASTER'S RECEIPT FOR DOCUMENTATION**
 - **VESSEL Q88**

- ❖ **UPON POSITIVE VERIFICATION OF DOCUMENTS AND CONFIRMATION OF NOR BUYER ISSUES BANK GUARANTEE OR MT760 (As applicable)FOR THE FULL CARGO.**

- ❖ **SELLER THROUGH NNPC BONNY TERMINAL CLEARS THE LOADED VESSEL TO ISSUE ETA AND SAIL TO THE AGREED TO TANKER TO TANKER TRANSHIPMENT AND Q&Q POINT 12 TO 15 NAUTICAL MILES OFF GHANA.**

- ❖ **UPON ARRIVAL AT THE AGREED POINT, CAPTAIN ISSUES MATB ALLOWING BUYER'S INSPECTORS ONBOARD THE VESSEL FOR Q&Q INSPECTION.**

- ❖ **BASED ON THE Q&Q REPORT, BUYER RELEASES \$500,000.00 TO THE SELLER FOR DOCUMENTATION AND SELLER ISSUES TO BUYER THE FINAL COMMERCIAL INVOICE AND ALL CARGO DOCUMENTS AND BUYER INSTRUCTS HIS BANK TO ISSUE SWIFT MT-103 CONDITIONAL LESS THE \$500,000.00 TO SELLER'S NOMINATED ACCOUNT**
- ❖ **SELLER MAKES INTRODUCTION TO THE VESSEL OPERATORS TO ENABLE RE-CHARTER OF THE VESSEL IN BUYERS NAME.**
- ❖ **ONCE THIS IS COMPLETED, BUYER'S BANK RELEASES THE MT103 FOR FULL CARGO PAYMENT**
- ❖ **UPON CONFIRMATION OF BUYER'S FULL PAYMENT, HARD COPIES OF THE CARGO AND TITLE DOCUMENTS IN THE BUYER'S NAME ARE SENT TO BUYER VIA COURIER, AND THE VESSEL SAILS UNDER BUYER'S INSTRUCTIONS.**

CLAUSE 9: INSPECTION – QUANTITY & QUALITY DETERMINATION.

- 9.1. The Parties mutually agree that an internationally recognized first class Independent Inspection Company shall be appointed at the designated Tanker Take Over (preferably Ghana Waters) to assess the quality and quantity of the cargo according to the provisions herein stated. The Buyer will pay the inspection fee as per the inspector's invoice.
- 9.2. Quantity and quality assessments, conducted by the appointed Surveyor Company shall be in accordance with methods and procedure usually used in the oil industry practice and shall at all times strictly comply with the revised ASTM/IP International Standards and procedures in force, on the date of compliance. This assessed quantity shall be used for computing the amount to be paid to the seller, applying the price as per clause 6 in the contract.
- 9.3. Sampling of cargo for Quantity and Quality shall be carried out as mutually agreed by both Buyer and the Seller, in accordance with ASRM (10) standard.

CLAUSE 10: APPLICABLE LAW

The English law shall govern all matters relating to the validity, interpretation or performance of the Agreement.

CLAUSE 11: BREACHES

Notwithstanding Clause 13 herein, in case of failure of the seller or the buyer to comply with any of the obligations set forth in The Agreement, said non-compliance shall entitle the other

Party, without prejudice to any other recourse(s) available to them to consider such failure as a breach of this contract and to terminate the same, or to unilaterally suspend its performance until such failure is corrected, and in both cases, may claim direct damages for the breach of this contract, to the extent allowed by the terms and conditions of the Agreement

CLAUSE 12: ARBITRATION

All Disputes arising in connection with The Agreement shall firstly be settled amicably. Should no agreement be reached by the Parties, then the case shall be brought for final settlement under the rules of conciliation and Arbitration of the international Chamber of Commerce London, England. In the event of Arbitration each party shall appoint one arbitrator with a third appointed by an independent party. Nothing in the Agreement shall be construed to prevent any Court having jurisdiction from issuing injunctions, attachment orders or orders for other similar relief in aid of any arbitration commenced (or to be commenced) pursuant to this section. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction hereof. Neither Party shall fail to comply in a timely way with the obligations of this part to be performed in pursuance to the Agreement although a dispute has arisen and proceeded to arbitration. Findings as assessed by arbitration will be final and binding on both parties, without any possibility of recourse.

CLAUSE 13: SPECIAL CONDITIONS

The parties having exerted and continue to exert their best effort to avoid any action which might be in any manner detrimental to the interest of either party in the negotiation, execution and performance of the Agreement. The Parties hereby agree that any conditions that might arise which are not specifically stated in the agreement will be referred to the general rules of the ICC INCOTERMS Edition 2000 with latest amendments. The delivery schedule must include the dates of shipments, name of the vessel and the quantity of the commodity to be loaded.

CLAUSE 14: DOCUMENTS.

Master receipt and discharge certificate shall be provided by the seller to the buyer.

CLAUSE 15: RISK OF TITLE.

Delivery shall be deemed completed and title or Cargo shall pass to the Buyer immediately after tanker-take-over loading and vessels are disengaged. At this point, the seller's responsibility shall cease and the Buyer shall assume all risk of losses.

CLAUSE 16: FORCE MAJEURE

Neither party of this contract shall be responsible for breach of contract caused by acts of GOD, insurrection, civil war, and military operations, national or local emergencies. The parties hereby accept the international provision of force majeure and hardships published by International Chamber of Commerce (ICC).

CLAUSE 17: AUTHORITIES TO EXECUTE THIS CONTRACT:

Each of the parties hereto has full corporate legal authority to execute this contract and accordingly, by fully bound by the terms and conditions therein. INCOTERMS 200 rules the Contract and EDT (Electronic Document Transmission) is legally binding. The Terms shall apply and be deemed to be valid and enforceable by either party and be in a position to request a hard copy of the Contract of any previous electronically transmitted copy.

CLAUSE 18: INDEMNITY

Seller expressly declares and warrants that all products sold and delivered to the Buyer under this Agreement are free from all encumbrances, and not derived from illegal/Criminal source. Also, buyer expressly declares and warrants that failure to pay for products after certified QnQ in Ghana waters on agreed payment instruments as agreed in this SPA will amount to non-performance buyer unconditionally hereby indemnifies Seller by the spot payment of a penalty of \$250,000 (Two hundred and fifty Thousand United State Dollar) by this undertaking. Similarly, seller's failure to provide the agreed product (BLCO) after receiving buyer's instrument shall be deemed as non-performance and shall indemnify buyer as above.

CLAUSE 19: CONCLUSIONS AND DECLARATION.

IN WITNESS WHEREOF, the parties have understood all of the terms and conditions of this sales agreement hereby agree to honor all clauses with the privileges, right and immunities pertaining therein, making this sales/purchase Agreement effective on and as of the effective date upon signing by all parties.

This Agreement is executed in multiple counterparts. Facsimile copies of the signed Sales/Purchase Agreement are hereby accepted as originals and will be deemed to be called and effective for all purposes. The parties will distribute the original copies among themselves promptly. The Agreement is compiled in three originals of 09 pages, plus 1 (Product Description – Bonny Light Crude, totaling 10pages. The parties agree that the signed and stamped Electronic Data Transfer copies of This Agreement will be in full force and effect until hard copies can be exchanged

PAYMENT SCHEDULE

DISCOUNT SHALL BE: \$12:00 USD GROSS BELOW BRENT DISCOUNT OF \$04:00 C PER BARREL TO BE SHARED FINALLY AS FOLLOWS:

*** BUYER GROSS DISCOUNT TAKE-HOME: \$08:00 CENT PER BARREL.**

*** SELLER'S AGENTS/FACILITATORS: \$02:00 CENT PER BARREL.**

*** BUYER'S AGENTS/FACILATATORS: \$02:00/CENT PER BARREL.**

***FINAL PRODUCT PAYMENT DETERMINATION: THREE DAY'S INTERVAL ON THE WORLD MARKET PRICING WINDOW.**

(A) SELLERS ACCOUNT DETAILS TO RECEIVE FINAL PAYMENT VIA MT 103.

CORRESPONDENCE BANK:	
FOREIGN SWIFT CODE	
RECEIVING BANK NAME:	
LOCAL SWIFT:	
LOCAL BANK ACC. No,	
ROUTING NUMBER:	
FOR FURTHER CREDIT TO:	
DOM. ACCOUNT NO:	
ACCOUNT OFFICER'S NAME:	
ACCOUNT OFFICER'S TEL. NO:	
ACCOUNT OFFICER'S E-MAIL	

(B). SELLER'S AGENT BANKING DETAILS TO RECEIVE \$01:45 CENT PER BARREL. WITH MOU CLOSED

BANK NAME	
BANK ADDRESS	
SWIFT CODE	
ACCT. NAME	<u>Same as Seller</u>
ACCT. NUMBER	
ACCT. OFFICER NAME	
TEEPHONE	
BANK EMAIL	
REQUIRED MESSAGE	ALL TRANSFER INSTRUCTIONS SHALL STATE: "FUNDS ARE CLEAN AND CLEAR OF NON-CRIMINAL ORIGIN AND ARE PAYABLE IN CASH IMMEDIATELY UPON RECEIPT BY BENEFICIARY'S BANK.

* SELLERS AGENTS AND PRINCIPAL FACILITATORS \$00:30CENT PER BARREL (CLOSED)

BANK NAME	
BANK ADDRESS	
SWIFT CODE	
ACCT. NAME	
ACCT. NUMBER	
ACCT. OFFICER NAME	
TEEPHONE	
BANK EMAIL	
REQUIRED MESSAGE	ALL TRANSFER INSTRUCTIONS SHALL STATE: "FUNDS ARE CLEAN AND CLEAR OF NON-CRIMINAL ORIGIN AND ARE PAYABLE IN CASH IMMEDIATELY UPON RECEIPT BY BENEFICIARY'S BANK.

SELLERS AGENTS \$00:25 CENT PER BARREL CLOSED

BANK NAME:	
ADDRESS:	

COUNTRY:	
BIC:	
BANK SORT CODE:	
ACCOUNT NUMBER:	
ACCOUNT NAME:	
IBAN:	
REQUIRED MESSAGE:	ALL TRANSFER INSTRUCTIONS SHALL STATE: "FUNDS ARE CLEAN AND CLEAR OF NON-CRIMINAL ORIGIN AND ARE PAYABLE IN CASH IMMEDIATELY UPON RECEIPT BY BENEFICIARY'S BANK.

BUYER'S SIDES FULL BANKING DETAILS FINALLY AS FOLLOWS:

BUYER'S FULL BANKING DETAILS TO PAY FULL PRODUCT MONEY (\$12:00CENT) BELOW BRENT WITH DISCOUNT BROKERAGE OF \$04:00 CENT PER BARREL.

CORRESPONDENCE BANK:	
FOREIGN SWIFT CODE	
RECEIVING BANK NAME:	
LOCAL SWIFT:	
LOCAL BANK ACC. No,	
ROUTING NUMBER:	
FOR FURTHER CREDIT TO:	
DOM. ACCOUNT NO:	
ACCOUNT OFFICER'S NAME:	
ACCOUNT OFFICER'S TEL. NO:	
ACCOUNT OFFICER'S E-MAIL	

BUYER'S MANDATE BANKING DETAILS TO TAKE \$01:75 CENT PER BARREL. (OPEN)

BANK NAME	
BANK ADDRESS	
SWIFT CODE	
ACCT. NAME	
ACCT. NUMBER	
ACCT. OFFICER NAME	
TEEPHONE	
BANK EMAIL	
REQUIRED MESSAGE	ALL TRANSFER INSTRUCTIONS SHALL STATE: "FUNDS ARE CLEAN AND CLEAR OF NON-CRIMINAL ORIGIN AND ARE PAYABLE IN CASH IMMEDIATELY UPON RECEIPT BY BENEFICIARY'S BANK.

BUYER'S AGENT BANKING DETAILS TO TAKE \$00:25 CENT PER BARREL. (OPEN)

BANK NAME	
BANK ADDRESS	
SWIFT CODE	
ACCT. NAME	
ACCT. NUMBER	
ACCT. OFFICER NAME	
TEEPHONE	

BANK EMAIL	
REQUIRED MESSAGE	ALL TRANSFER INSTRUCTIONS SHALL STATE: "FUNDS ARE CLEAN AND CLEAR OF NON-CRIMINAL ORIGIN AND ARE PAYABLE IN CASH IMMEDIATELY UPON RECEIPT BY BENEFICIARY'S BANK."

IN WITNESS WHEREOF, the parties hereto have caused their respective common seals affixed here on with their hands and signature and date first above written.

SIGNED, SEALED AND DELIVERED

ON BEHALF OF SELLER/SUPPLIER:

COMPANY:

POSITION: MD/CEO.

DATE:2018.

We (BUYER) hereby with full corporate responsibility and with the power vested in its Officer, accept, confirm and agree to abide by this Contract.

SIGNED, SEALED AND DELIVERED

ON BEHALF OF BUYER:

COMPANY:

POSITION:

SIGN/DATE: