



Ref. Number: **SCO/GOGT/BLCO/CIF-2020-mm**

Issues Date: **October 21<sup>th</sup>, 2020**

Expire Date: **October 28<sup>th</sup>, 2020**

To:

We, XXX, **Maritime Inc.** Mercantile Society registered under laws of **United State of America**, acting in our capacity as **Trading Partner**, duly accredited and authorized by **YYYY YYY Investment Ltd.**, Mercantile Society registered under laws of **Nigeria Republic** and XXX **Maritime Inc.**, Mercantile Society registered under laws of **United State of America**; both in their capacity as **Associated Seller**, with full corporate and legal responsibility, under penalty of perjury, issue this **Soft Corporate Offer (SCO)** given the basis terms and condition related to marketing process of **Bonny Light Crude Oil (BLCO)** product of our absolute property and consequently, we are ready for immediate delivery, after subscribing and perfecting the corresponding **Sales and Purchase Agreement (SPA)** according basis terms expressed below:

**1. SELLER'S DATA:**

Company Name: **YYYY YYY Investment Ltd / XXX Maritime Inc.**

City and Country: **Port Harcourt, Nigeria / Delaware State, USA.**

Commercial Office Address:

Name of the Legal representative

CEO of Trading Partner:

E-Mail Address:

Contact's Phone:

**2. INFORMATION RELATED TO THE PRODUCT:**

Commodity: **BONNY LIGHT CRUDE OIL (BLCO)**

Origin: **Nigeria / National Petroleum Corporation (NNPC)**

Quality: **NNPC Export Standard**

Technical Specifications: **As indicated in Annex "A"**

Quantity for Contract: **Minimum 24.000.000 Bbls / Maximum to be Agreed with Seller**

Quantity for Deliveries: **Min/Max 2.000.000 Bbls (+/- 5%) / Other Quantity to be Agreed with Seller**

Frequency for Deliveries: **Monthly / Other Frequency to be Agreed with Seller**

Current Product Location: **On Board at Vessel to be nominated by Seller**

**3. MAIN TERMS AND CONDITIONS:**

INCOTERMS: **CIF / ASWP Edition 2010 with latest amendments.**

Delivery Port: **ISPSBAAA / ASWP to be settled by Buyer.**

Reference Price: **Brent Crude Oil Price.**

Discount Applied: **To be established by mutual agreement between Parties.**

Guarantee Banking Instruments: **SBLC / BG Via SWIFT MT760 and Performance Bond – Two Percent (PB2%)**

Payment Terms: **Via SWIFT MT103 TT**



Quality and Quantity Test:	<i>Q&amp;Q test report will be conducted at the loading port by SGS or Equivalent.</i>
Contract's Period:	<i>Twelve (12) Calendar Months / Another period to be Agreed with Seller</i>
Commission:	<i>Two Dollars of United State of America per Barrel (US \$ 1,00 per Bbl) to be divided as follows: Fifty percent (50%) to Mandate and Facilitators Seller Group (CLOSED) and Fifty percent (50%) to Mandate and Facilitators Buyer Group (OPEN). Commissions shall be paid by Seller, according to instructions at Irrevocable Master Fee Protection Agreement (IMFPA).</i>

#### **4. NOMINATION SHIPMENT & BANKING PROCEDURE: CIF, ASWP:**

- 4.1. After received Buyer's **Letter Intention (LOI)** and Buyer's Company Profile, passports digitalized copy of Legal Representative and banking reference or Proof of Funds issue by Buyer's Bank addressed to Seller. Within three (3) running days, Seller issue **Full Corporate Offer (FCO)** addressed to End Buyer's Company.
- 4.2. Buyer issues **Irrevocable Corporate Purchase Order (ICPO)** including Banking Details, Buyer send to Seller **ICPO** jointly with **FCO** and **ICC Warning Letter**, duly signed and stamped.
- 4.3. Seller prepare and send for Buyer review **Sale and Purchase Agreement (SPA)**. Buyer reviews the document (**SPA**) and returns it to Seller, signed and stamped, within following two (2) running days, counted from date of receipt.
- 4.4. Seller's bank sends to Buyer's Bank the **Sale and Purchase Agreement (SPA)** signed and stamped by both parties, including two percent (2%) non-operational performance-bond sent via interbank, which is activated via Swift upon confirmation of the Buyer's Bank by sending the warranty financial instrument **SBLC via SWIT MT760**. (Note: Seller's Bank must be Internationally recognized Top World 50)
- 4.5. Within following three (3) banking days, Buyer's bank issues and send to Seller's bank an **Irrevocable, Confirmed, Non-Transferable Stand by Letter of Credit (SBLC), via SWIT MT760, Commercial type, Applied Rules ISP98** that covers the entire of Product's total value sold, as a guarantee of commitment. (Note: Buyer's Bank must be Internationally recognized Top World 50).
- 4.6. For first (1<sup>st</sup>) shipment and within three (3) banking days after signed and accepted SPA, Seller send to Buyer exchange the information and documentation following: (Note: This information and documentation's exchange will apply for remaining shipments, as required)
  - 4.6.1. From Seller to Buyer:
    - 4.6.1.1. Commitment Letter to Supply the Product.
    - 4.6.1.2. Copy of Certificate of Origin (Product)
    - 4.6.1.3. Copy of Bill of Landing Now-Negotiable
    - 4.6.1.4. Copy of Q&Q issued by SGS at the Product loading Date.
    - 4.6.1.5. Copy of Cargo Manifest.
    - 4.6.1.6. Copy of Quality Certificate
    - 4.6.1.7. Copy of Quantity Certificate
    - 4.6.1.8. Copy of Authority to Sell Cargo on Board
    - 4.6.1.9. Copy Charter Party Agreement (CPA).
    - 4.6.1.10. Copy of Vessel's Details (Form Q-88)
  - 4.6.2. From Buyer to Seller:
    - 4.6.2.1. Commitment Letter to Receive the Product.
    - 4.6.2.2. Buyer's Tank Farm Storage Facility details and coordinates.
    - 4.6.2.3. Tank Storage Agreement (TSA)
    - 4.6.2.4. Full details and Contact of Maritime Oil Terminal.

- 4.6.2.5. Full details and Contact Unloading Operator`s company.
- 4.6.2.6. Full details and Contact Buyer`s Port Agents at Unloading Port.
- 4.7. Seller orders the enlistment and departure of the vessel to port of discharge established by Buyer and inform by written **Estimate Time Arriving (ETA)** to Discharge Port.
- 4.8. At least, Seventy-Two (72) hours before vessel`s arrive to Discharge Port, Buyer will provide to Seller full details and instructions related with operating plain, from vessel`s arrived until to unloading process, including instruction for **Quality and Quantity Test (Q&Q)** and **Tank Storage Receipt (TSR)**.
- 4.9. After vessel`s arrived at discharge port, Seller issue **Dip Test Authorization (DTA)** valid for 48 running hours, including Saturday, Sunday, and holidays. Buyer coordinates mobilization of the vessel to the unloading terminal and conducts **Quality and Quantity Test (Q&Q)**. All costs related to cargo`s unloading operation and product`s Q&Q test, shall be in Buyer`s account.
- 4.10. Upon completion **Quality and Quantity Test (Q&Q)** Seller issued **Commercial Invoice (CI)** based on Test`s results and Buyer`s bank shall release the one hundred percent (100%) of payment via **SWIFT MT103 / TT** to Seller`s banking account,. After Seller`s bank confirms receipt of the funds for payment of product, Seller will authorize the download operation.
- 4.11. Buyer will execute discharge operation; any Demurrage time, if it is attributable to Buyer or Buyer`s operators, it will be paid by Buyer and calculate according “Demurrage Clause” as provide at Charter Party Agreement (CPA) signed by Seller and Ship-Owners.
- 4.12. After successfully completing the Product`s payment process and the funds are effectively credited to the Seller`s bank account, they will proceed to release and deliver to Buyer all the original documentation related with the Product and to the executed commercial transaction.
- 4.13. At main time, Seller to make the Fee Commissions Payment to beneficiaries as provide at **Irrevocable Master Fee Protection Agreement (IMFPA)**.
- 4.14. Shipment commences as per Lifting and delivery scheduled as provide at **Sale and Purchase Agreement (SPA)**

These above procedures have been approved by the competent authorities of origin`s country, as well as, by producing and exporting Product and serve as a guideline for all transactions involving export of oil products on **Costs and Insurance and Freight (CIF)** basis condition.

The **Letter of Intention (LOI)** must be complete with identification of principal Buyer (KYC/CIS), signed and stamped; issued in Buyer's company letterhead with quantity per month/year, Target Discount to be applied, Contract length, Buyer's own opinion of specification if any and any other relevant details.

The **Letter of Intention (LOI)** must be sent jointly with Buyer Company Profile, Commercial Background related with Oil Product`s transactions and Banking Reference.

Buyer can find in attach “B” **Seller`s Approved 2% Performance Bond** Verbiage to be issued by Seller`s bank and in attach “C” **Standby Letter of Credit (SBLC) Via SWIFT MT760** Verbiage to be issued by Buyer`s bank.

Subject to Seller`s approval, Buyer shall have an option to propose an alternative payment warranty instrument to the one indicated above; in which case, the text message must be included



**ANNEX "A"**  
**TEHCNICAL SPECIFICACIONS**  
*BONNY LIGHT CRUDE OIL (BLCO)*

<b>Specific Gravity:</b>	<b>0.8398</b>	
<b>API at 60° Degrees Fahrenheit (°F):</b>	<b>Min 35.0 - Max 37.00 (+/- 5%)</b>	<b>ASTM D-1298</b>
<b>Water Content by Distillation</b>	<b>0.2%</b>	<b>ASTM D-4006</b>
<b>Cloud Point Degrees Fahrenheit (°F)</b>	<b>Below 40°</b>	<b>ASTM D-97</b>
<b>Sulfur Weight (%)</b>	<b>0.14</b>	<b>ASTM D-139</b>
<b>Salt Content Part per Million (ppm)</b>	<b>3.0</b>	<b>ASTM D-526</b>
<b>Reid Vapor Pressure (P.S.I.G)</b>	<b>6.52</b>	<b>ASTM D-529</b>
<b>Kinematic Viscosity @ 30° Degrees (°C)</b>	<b>2.2</b>	<b>ASTM D-52</b>
<b>Distillation Initial Boiling Point (BP)</b>	<b>35° Degrees Centigrade (°C)</b>	<b>ASTM D-86</b>
<b>Distillation to 75° Degrees (°C) – Volume %</b>	<b>7.0</b>	
<b>Distillation to 175° Degrees (°C) – Volume %</b>	<b>35.5</b>	
<b>Distillation to 250° Degrees (°C) – Volume %</b>	<b>51.5</b>	
<b>Distillation to 300° Degrees (°C) – Volume %</b>	<b>60.5</b>	
<b>Color</b>	<b>Dark Brown</b>	



## **ANNEX "B"**

### **SELLER'S APPROVED 2% PERFORMANCE BOND VERBIAGE**

WE, BANK OF [REDACTED] WITH FULL BANK RESPONSIBILITY AND AUTHORITY HEREBY IRREVOCABLY WITHOUT PROTEST OR NOTIFICATION UNDERTAKE TO PAY AN AMOUNT NOT EXCEEDING USD [REDACTED] ([REDACTED] UNITED STATES DOLLARS ONLY) BEING TWO PER CENT PERFORMANCE BOND ON THE BLOCKED FUNDS, GUARANTEEING EACH SINGLE SHIPMENT OF BONNY LIGHT CRUDE OIL OF USD [REDACTED] ([REDACTED] UNITED STATES DOLLARS) RECEIVED FROM (SELLER NAME AND ADDRESS) AS PER [REDACTED] PRE-ADVISE, HEREIN REFERRED TO AS "SELLER" WITH REFERENCE TO SHIPMENT / LIFTING NUMBER [REDACTED] OF THE CONTRACT NO. [REDACTED] FOR THE SALES AND PURCHASE OF NIGERIAN BONNY LIGHT PETROLEUM PRODUCTS.

THE AMOUNT OF THE PERFORMANCE BOND FOR THE MAIDEN VOYAGE ONLY SHALL BE USD [REDACTED] ([REDACTED] UNITED STATES DOLLARS ONLY) BEING TWO PER CENT (2%) PERFORMANCE BOND ON THE USD [REDACTED] ([REDACTED] UNITED STATES DOLLARS) BLOCKED FUNDS FOR THE VOYAGE NUMBER [REDACTED] AND WHICH PERFORMANCE BOND FROM (STAR DATE) TO (END DATE) SHALL BE ISSUED WITHIN [REDACTED] ([REDACTED]) WORKING DAYS AFTER THE RECEIPT, VERIFICATION AND CONFIRMATION OF THE BUYER'S MT [REDACTED]

WE ON BEHALF OF [REDACTED] (SELLER NAME AND ADDRESS) HEREIN REFERRED TO AS "SELLER" HEREBY GUARANTEE THE GOOD PERFORMANCE OF THE OBLIGATION ASSUMED TOWARD BUYER IN ACCORDANCE WITH THE ABOVE-MENTIONED CONTRACT.

IN CASE THE SELLER FAILS TO CARRY OUT AND FULFILL THEIR OBLIGATION TO SUPPLY THE QUANTITY OF THE NIGERIAN BONNY LIGHT PETROLEUM PRODUCTS ASSUMED UNDER THE SAID CONTRACT FOR THE MAIDEN VOYAGE ON OR BEFORE 60 DAYS AFTER SELLER'S RECEIPT AND CONFIRMATION OF YOUR BANK'S BLOCKED FUNDS, AND FOR THE TERM CONTRACT ON OR BEFORE ONE YEAR AND ONE MONTH AFTER THE RECEIPT AND CONFIRMATION OF YOUR BANK'S BLOCKED FUNDS, WE IRREVOCABLY UNDERTAKE TO HOLD THE SAID AMOUNTS AT YOUR DISPOSAL, FREE OF INTEREST AND FEES, AND SUBJECT TO THE LIMIT OF AN AMOUNT NOT EXCEEDING USD [REDACTED] ([REDACTED] UNITED STATES DOLLARS ONLY) FOR THE MAIDEN VOYAGE AND FOR EACH SINGLE SHIPMENT OF BONNY LIGHT CRUDE OIL, AND TO THE LIMIT OF AN AMOUNT NOT EXCEEDING USD [REDACTED] ([REDACTED] UNITED STATES DOLLARS ONLY) FOR THE TERM CONTRACT, PAYABLE IN CASH TO YOUR NOMINATED BANK ACCOUNT WITHIN FIVE BANKING DAYS ON YOUR FIRST DEMAND BY YOUR BANK SWIFT STATING THAT THE SELLER HAS FAILED TO PERFORM THEIR OBLIGATIONS PURSUANT TO THE CONTRACT NO. [REDACTED] AND NOT WITHSTANDING ANY CONTESTATION BY THE SELLER.

THIS PERFORMANCE BOND SHALL COME INTO FORCE FROM ITS ISSUANCE AND SHALL BE VALID FOR [REDACTED] FROM THE DATE OF OUR RECEIPT AND CONFIRMATION OF YOUR BANK'S BLOCKED FUNDS. CLAIMS, IF ANY, HAVE TO BE RECEIVED BY US ON/OR BEFORE THE MATURITY DAY.

THIS PERFORMANCE BOND SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF (ISSUING COUNTRY).

THIS PERFORMANCE BOND IS SUBJECT TO THE ICC UCP 600 CURRENT VERSION.

FOR AND ON BEHALF OF

AUTHORIZED SIGNATORY:

AUTHORIZED SIGNATOR



## ANNEX "C"

**STANDBY LETTER OF CREDIT (SBLC) VIA SWIFT MT760.**

FOR THE VALUE RECEIVED BY US, WE THE UNDERSIGNED [REDACTED], HEREBY OPEN OUR IRREVOCABLE, CONFIRMED AND TRANSFERABLE STANDBY LETTER OF CREDIT IN FAVOUR OF [REDACTED] FOR THE AMOUNT OF ([REDACTED] UNITED STATES DOLLARS) (USD FIGURES) IN LAWFUL CURRENCY OF THE (ISSUING BANK COUNTRY) UPON PRESENTATION AND SURRENDER OF THIS BANK GUARANTEE AT ANY OF OUR COUNTERS WORLDWIDE NOT LATER THAN FIFTEEN DAYS AFTER DATE OF EXPIRY.

PAYMENT SHALL BE AVAILABLE BY BENEFICIARY'S FIRST WRITTEN DEMAND VIA SWIFT WIRE SYSTEM AND THE DEMAND HEREUNDER MUST BE MARKED, DRAWN UNDER THE BANK GUARANTEE NUMBER:

SUCH PAYMENT SHALL BE MADE WITHOUT SET OFF AND CLEAR OF ANY DEDUCTIONS, OR CHARGES, FEES OR WITHOLDING OF ANY NATURE, NOW OR HEREINAFTER IMPOSED, LEVIED, COLLECTED, WITHELD OR ASSESSED BY THE GOVT. OF USA OR ANY POLITICAL SUBDIVISION OR AUTHORITY THEREOF OR THEREIN:

THIS STANDBY LETTER OF CREDIT IS TRANSFERABLE AND ASSIGNABLE WITHOUT PRESENTATION TO US. THIS STANDBY LETTER OF CREDIT IS SUBJECT TO THIS UNIFORM CUSTOMS AND PRACTICE FOR INTERNATIONAL STANDBY PRACTICES ISP98 STABLISHED BY BCHAMBER OF COMMERCE, PARIS FRANCE, EFECTIVE FROM JANUARY 1th, 1999.

WE CONFIRM THAT THE FUNDS BEHIND THIS STANDBY LETTER OF CREDIT NO: [REDACTED] ARE GOOD, CLEAN, CLEAR FUND AND FROM NON-CRIMINAL ORIGIN, AND HAS BEEN BLOCKED IN FAVOUR OF ([REDACTED]).

PLEASE CONFIRM VIA SWIFT, YOUR READINESS TO RECEIVE THE ABOVE-MENTIONED INSTRUMENT VIA SWIFT MT760 IN FAVOR OF ABOVE-MENTIONED BENEFICIARY.

BANK OFFICER NAME: \_\_\_\_\_

ISSUER BANK:

DESIGNATION:

OFFICER CODE:

BANK OFFICER NAME: \_\_\_\_\_

ISSUER BANK:

DESIGNATION:

OFFICER CODE