

Oil & Gas Trading Start format

LOI & SCO

First, the seller announces the sales procedure in an informal letter, stating the reasons for ownership of the cargo, the quantity and type of sale assigned, along with a supporting document, and requests a formal LOI request from the buyers.

the Pre-SCO / Initial Offer Notification — a non-binding letter issued by the seller *before* receiving the buyer's LOI, intended to inform and prepare the buyer for a potential transaction.

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Initial Offer Notification / Pre-SCO

[To be issued on the Seller's Official Letterhead]

Date: [DD/MM/YYYY]

To: [Buyer's Company Name]

Attn: [Buyer's Representative Name]

Subject: Initial Notification for Petroleum Product Offer

Dear Sir/Madam,

We, [Seller's Company Name], duly registered under the laws of [Country], with registration number [Company Registration Number] and office located at [Full Address], hereby express our preliminary interest in entering into a commercial agreement with your esteemed company for the sale of petroleum products.

This letter is issued for your information only and to evaluate the possibility of a future collaboration. It is non-binding and subject to final documentation.

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1. Product Details

- Product: [e.g., EN590, Mazut M100, LNG, D2, SN500, etc.]
- Specification: As per international standards or seller's specification sheet
- Origin: [e.g., Iran, Russia, UAE, Oman, etc.]

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2. Quantity & Delivery Terms

- Quantity Offered: [e.g., 50,000 MT per month × 12 months]
- Delivery Terms: CIF / FOB [Port Name, Country]

- Contract Duration: 12 months (extendable upon performance)
- Pricing: Market-based, subject to negotiation and official offer (SCO)

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3. Proposed Payment Terms

- Confirmed, Irrevocable Letter of Credit (LC) or
- Standby Letter of Credit (SBLC) from a Top 50 international bank
- Full payment upon submission of official shipping documents

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4. Next Step to Proceed

Should you be interested in moving forward, we kindly request the following initial documents:

1. Letter of Intent (LOI) issued on your official company letterhead
2. Company Profile
3. Authorized Representative Contact Details
4. Target Quantity and Destination Port Details

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Disclaimer

This document is for informational purposes only and does not constitute a binding offer or agreement. All specific terms, prices, and procedures will be confirmed in the official SCO upon receipt of a valid LOI from the buyer.

We look forward to hearing from you and potentially establishing a fruitful business relationship.

Best regards,

[Full Name]

Position: [e.g., International Sales Director / CEO]

Company: [Seller's Company Name]

Email: [Business Email]

Phone: [Business Phone]

Company Stamp & Signature

LETTER OF INTENT (LOI) format

[Printed on Buyer's Official Letterhead]

Date: [DD/MM/YYYY]

To: [Seller's Company Name]

Attn: [Seller's Representative Name]

Subject: Expression of Intent to Purchase [Product Name]

Dear Sir/Madam,

We, [Buyer's Company Name], registered under the laws of [Country], with registration number [Company Reg. No.], located at [Full Address], hereby express our genuine interest to enter into a contract for the purchase of the following commodity:

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1. Product Specification

- Product: [e.g. LNG, EN590, D2, etc.]
- Specification: As per international standards or seller's specification sheet
- Origin: [Optional, e.g. Iran, Russia, etc.]

2. Quantity and Delivery Terms

- Quantity: [e.g. 50,000 MT per month]
- Contract Period: [e.g. 12 months with possible extension]
- Delivery Term: CIF [Port], In coterms 2020
- Destination Port: [e.g. Chittagong Port, Bangladesh]
- First Delivery: [Within X days after LC issuance]

3. Pricing and Payment

- Price: [e.g. USD XXX per MT – final as per SCO and contract]
- Currency: United States Dollars (USD)

- Payment Terms: Confirmed, irrevocable, transferable Documentary Letter of Credit (DLC) or Standby Letter of Credit (SBLC) issued by a top-tier bank.

4. Banking Details

- Upon receipt of the seller's SCO and draft contract, full company profile and buyer's banking details will be provided.

5. Buyer's Readiness

We confirm that we have the financial capability and are fully prepared to proceed with the transaction under the agreed commercial terms. We also understand that this document is not a binding purchase agreement but a formal expression of our intent to proceed upon receipt and review of your SCO and contract.

We hereby request that you issue the official SCO and draft sales contract at your earliest convenience.

Sincerely,

[Signature]

Name: [Authorized Person's Full Name]

Position: [e.g. CEO / Director]

Company: [Buyer's Company Name]

Email: [Business Email Address]

Phone: [Business Phone Number]

Website: [If applicable]

Company Stamp & Signature

Note : Documents required with LOI (from the buyer)

1. LOI on the official company letterhead, with signature and seal.
2. Copy of the company registration certificate or Certificate of Incorporation.
3. Business card or any relevant business document (if available).
4. Passport or national ID card of the CEO or official representative of the company (optional but recommended for identification).

Note : After the seller approves the buyer's LOI, the seller converts the SCO into this format and sends it to the buyer to issue an ICPO

Soft Corporate Offer (SCO) Format

[To be printed on the seller's official letterhead]

Date: [DD/MM/YYYY]

To: [Buyer's Company Name]

Attn: [Buyer's Representative Name]

Subject: Soft Corporate Offer for the Sale of [Product Name]

Dear Sir/Madam,

We, [Seller's Company Name], registered under the laws of [Country], with company registration number [Registration Number], and office located at [Full Address], hereby issue this Soft Corporate Offer (SCO) as a formal expression of our intent to sell the following product under the stated terms and conditions:

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1. Product Details

- Product Name: [e.g., EN590 10ppm, LNG, Mazut M100, D2, etc.]
- Specification: [e.g., EN590 standard, ASTM D975]
- Origin: [e.g., Iran, Russia, UAE, etc.]
- Packing: [If applicable]

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2. Quantity & Delivery Terms

- Total Quantity: [e.g., 50,000 MT per month × 12 months]
- Contract Duration: [e.g., 12 months with extension option]
- First Delivery: [e.g., within 30 days after LC issuance]
- Delivery Terms: CIF / FOB – [Port Name and Country]

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3. Pricing & Payment Terms

- Price: USD [XXX] per MT – subject to final agreement
- Currency: United States Dollars (USD)
- Payment Terms:

- Confirmed, Irrevocable, Transferable Documentary Letter of Credit (DLC), or
- Standby Letter of Credit (SBLC) issued by a top-tier international bank
- Full payment upon submission of shipping documents

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4. Shipping Documents Provided by Seller

- Commercial Invoice
- Bill of Lading (B/L)
- Certificate of Origin
- Quality and Quantity Certificate (SGS or equivalent)
- Insurance Certificate
- Packing List

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5. Validity of Offer

This SCO is valid for [e.g., 7 business days] from the date of issuance.

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6. Required Documents from Buyer to Proceed

To proceed with this transaction, we kindly request the following documents from the buyer:

1. Official ICPO on company letterhead
2. Full company profile
3. Certificate of incorporation or business license
4. Passport copy of company owner or authorized signatory
5. Proof of funds (POF) – required only after contract is signed

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We look forward to your prompt response and receiving the ICPO to proceed with the next steps.

Sincerely,

[Full Name]

Title: [e.g., Export Manager / CEO]

Company: [Seller's Company Name]

Email: [Business Email]

Phone: [Business Phone Number]

Company Stamp & Signature