

QuinnOil Terms of Sale for Marine Fuels.

1. APPLICATION

These TERMS OF SALE are designed for use in transactions where **Quinn Oil Company Ltd.** or an affiliate has agree to sell marine fuels to a party which has agree to purchase marine fuel (the "Buyer"). They form an integral part of the agreement (the "Special Terms") to which they are attached or in which they are incorporated by reference except to the extent that they contradict the Special Term or are inconsistent with them. To that extent only, the Special Terms shall prevail over these Standard Terms. For purposes of this agreement, "affiliate" shall mean any entity controlling, controlled by or under common control with QuinnOil Company Ltd.

2. MARINE FUEL QUALITY

The Marine Fuel to be sold shall be the grades of Bunker Fuel Oil, Intermediate Bunker Fuels, Marine Diesel Oil, Light Marine Diesel Oil, and/or Marine Gas Oil (collectively "Marine Fuel") offered at the time and place of delivery by Seller or other Supplying/Delivering Company (the "Supplier,") referred to in Section 3. Buyer shall have sole responsibility for selection and acceptance of Marine Fuel, including determination of compatibility with Marine Fuel already on board the vessel, for use in the vessel to which it is delivered. Buyer may inspect the Marine Fuel before it is pumped out of Supplier's shore tank or barge. Unless otherwise indicated to Buyer in writing by Seller or Supplier, any information provided to Buyer regarding the characteristics of Marine Fuel at any delivery location shall not be construed as specifications of the Marine Fuel to be delivered hereunder, but only as indications of the characteristics of the Marine Fuel available at that location from time to time. THERE ARE NO GUARANTEES OR WARRANTIES, EXPRESS OR IMPLIED, AS TO THE SATISFACTORY QUALITY, MERCHANTABILITY, FITNESS OR SUITABILITY OF THE MARINE FUEL FOR ANY PARTICULAR PURPOSE OR OTHERWISE, WHICH EXTEND BEYOND THE DESCRIPTION IN THIS SECTION.

3. QUANTITIES AND AVAILABILITY

The quantities shall be those quantities, subject to availability and confirmation of supplies, Buyer orders from time to time for delivery at the ports, and by the Suppliers, referred to in Seller's "International Supply List for Marine Fuel Delivered as Ships' Bunkers" (the "Seller's Supply List") as revised from time to time. The quantity of Marine Fuel delivered shall be determined from the official gauge of the barge effecting delivery or by gauging in Supplier's shore tank or oil meter at Supplier's election. Except where government regulations or local authorities determine otherwise, adjustment in volume owing to difference in temperature shall be made in accordance with API/ASTM-IP Petroleum Measurement Standards for Generalized Products (Table 6B, 24B or 54B depending on port location). In the measurement of Marine Fuel, Supplier shall make allowance for all water and non-petroleum sediment in excess of one per cent (1%). Buyer may be present or represented by properly accredited agent when such measurements are taken, but if Buyer is not present or represented, then Supplier's determination of quantities shall be deemed to be correct. Anything herein contained to the contrary notwithstanding, Seller's obligation to make any delivery hereunder is subject to the availability to Seller or Supplier at the port at which delivery is requested, of the particular grade of Marine Fuel requested by Buyer.

4. PRICE, OTHER CHARGES AND PARTIES OBLIGATIONS

Unless a different price is agreed in writing by Seller or Supplier, the price of Marine Fuel delivered hereunder shall be the established selling price effective for the time and place of delivery by Seller or Supplier, as the case may be, for the grade of Marine Fuel delivered. Buyer shall be liable for all costs, expenses and/or charges incurred by the Seller or Supplier on account of the Buyer's failure, breach and/or non-compliance with its obligations under any agreed Nomination as set out in Clause 6 herein.

Buyer shall also pay all applicable duties, taxes, fees and other costs including, without limitation, those imposed by government and authorities, and barging and other delivery charges, all of which shall be included in Seller's invoices to Buyer.

Should Marine Fuels be ordered by an agent, then such agent, as well as the principal, shall be bound by, and liable for, all obligations as fully and as completely as if the agent were itself the principal, whether such principal be disclosed or undisclosed, and whether or not such agent purports to contract as agent only. Both principal and shall each be deemed to be a Buyer for purposes of this agreement.

Deliveries of Marine Fuels made hereunder, if sold on a credit basis, are delivered not only on the credit of Buyer, but also on credit of the Vessel and Buyer warrants that Seller will have and may assert a lien against the Vessel for the amount of the purchase of said Marine Fuels.

5. DELIVERIES

Vessels, including tankers, will be bunkered in turn as promptly as circumstances permit but neither Seller nor Supplier shall be liable for demurrage or for any loss due to congestion at the terminal or to prior commitments of available barges, or when in Supplier's opinion clear and safe berth is unavailable. Delivery shall be made based on "first come first serve" at the Panama Canal area. If a government permit is required for deliveries, no deliveries shall be made until the permit has been issued to Buyer or Supplier, as applicable.

At ports where barging facilities are available to Supplier at current rates and on reasonable terms, delivery of Marine Fuel hereunder shall be made by barge provided by Supplier to Buyer's vessel within normal harbor limits as established by Supplier. When deliveries are made by barge, Buyer shall pay the applicable barging charges plus transportation taxes, if any (subject to minimum delivery provision), at port of loading and shall provide steam or pay for tug pumping charges if required to effect delivery. If in Supplier's judgment the making of a barge delivery will cause a labor dispute with, or a strike by, its employees, Seller or Supplier may refuse to make such deliveries and Buyer shall be required to provide its own barges. At all ports barging provided by Supplier shall be charged on not less than ninety per cent (90%) of the quantity ordered or tendered, whichever is less; and Buyer shall also be charged for all additional expenses incurred by Supplier in connection with Buyer's failure to take delivery of the full quantity ordered by Buyer. In the event Buyer fails to take delivery of the full amount ordered or tendered, whichever is less, of Marine Fuel either ex barge or ex terminal, Seller will charge Buyer the amount of loss sustained by having to sell the fuel in down-graded form and/or at a lower price than that at which it was ordered. If Buyer causes delays to Supplier's facilities in effecting deliveries, Buyer shall pay demurrage at Supplier's established rates, and reimburse Seller or Supplier for all other expenses in connection therewith.

6. NOMINATION AND SHIPMENT

Buyer shall give Seller, unless otherwise requested by Seller, at least seven (7) days prior notice of deliveries required, specifying the name of the vessel, vessel's agents, and approximate date of delivery, location and method of delivery and grade and quantity of Marine Fuel. Buyer or vessel's local agents shall give to Seller or Supplier at least forty-eight (48) hours (excluding non-business days) advance notice (unless otherwise stated in Seller's Supply List), of the vessel name, exact quantity and type of Marine Fuel required and exact location and time at which delivery is required. Buyer agrees to reimburse Seller or Supplier for overtime and/or other additional expenses incurred due to the failure of Buyer, its servants or vessel's local agents to provide Seller or Supplier with sufficient prior notice of amendments of delivery time, quantity changes or cancellations. Buyer shall make all connections and disconnections between the delivery hose and vessel's intake pipe, and shall render all other necessary assistance and provide sufficient tankage and equipment to receive promptly all deliveries hereunder. At Buyer's request, deliveries will be made alongside Supplier's dock if facilities for such deliveries are shown to be available in Seller's Supply List. In no case shall Seller or Supplier be liable for any damage or delay resulting from causes beyond their control or

avoidable by due care on the part of the Buyer or its vessel. Seller may elect to discontinue operations at any delivery location for any reason without obligation to Buyer.

7. TITLE AND RISK OF LOSS

All deliveries shall be deemed to be complete and title and risk shall pass to Buyer when the Marine Fuel has reached the flange connecting the delivery facilities provided by Supplier with the receiving facilities provided by Buyer at which point Seller's or Supplier's responsibility shall cease and Buyer shall assume all risk of loss, damage, deterioration or evaporation as to the Marine Fuel so delivered. The Marine Fuel shall be pumped at the risk and peril of Seller or Supplier up to that flange only and thereafter Seller and Supplier shall not be responsible for any loss or damage.

8. INDEMNITY

Buyer shall hold harmless and indemnify Seller and/or Supplier against all claim(s), loss(s), damage(s) and liability(s) arising from or in consequence of any acts and/or omissions of Buyer's and/or its employee(s), servant(s), ships' officer(s), agent(s), representative(s) and/or crew(s) in connection with the delivery of Marine Fuel to which these TERMS OF SALE apply.

9. PAYMENT

Unless government regulations require otherwise, Seller shall have the right to invoice Buyer for deliveries of Marine Fuel based upon telex, facsimile, electronic advice or other tele-typewritten communication of delivery details in lieu of delivery documents. Delivery documents may be provided to Buyer if requested, but payment shall not be conditional upon Buyer's receipt of such documents. Payment shall be made in U.S. dollars without discount, deduction or setoff within thirty (30) days from date of delivery, against presentation of Seller's or Supplier's invoice, by electronic transfer of funds to a bank in accordance with Seller's written instructions, for each delivery of Marine Fuel to any vessel upon any order (or notice) given by or on behalf of Buyer in which event such orders shall at all times be deemed to be orders from the Buyer.

Seller reserves the right to modify or terminate credit arrangements upon notice to Buyer, and to require immediate payment for Marine Fuel already delivered and prepayment and/or other financial security acceptable to Seller for further deliveries, including orders pending. Seller may also at its option be entitled to apply, in satisfaction of any obligation owing hereunder by Buyer, the amount of any monies which may then or thereafter become owing from Seller or Supplier to Buyer.

Seller also reserves the right to collect from Buyer a late payment charge at 18% pro rata from the payment due date to the date payment is received.

Payment shall be deemed to have been made on the date cleared funds are first available for use in the Seller's account at its designated bank. If payment falls on a non-business day, that is, a weekend or other day on which Buyer's or Seller's bank is closed, then payment shall be made on or before the nearest business day to the due date. If the preceding and succeeding business days are equally near the due date, payment shall be made on or before the preceding business day.

10. CLAIMS

Buyer's rights in respect of any claim, including but not limited to claims relating to quantity, quality, and price, are conditional on written notice being given to Seller promptly after the circumstances giving rise to the claim are discovered, but in no event later than thirty (30) days following the date of delivery. Buyer's submission of any claim does not relieve it of responsibility to make payment in full as required under Section 9. Claims as to quality must be based on tests made as soon as possible by an independent laboratory from retained samples taken at time of delivery from the shore tank or barge from which delivery was made. Should

any timely claim submitted by Buyer not be settled to Buyer's satisfaction, any legal action brought by it thereon shall be time-barred unless commenced within six (6) months after delivery or other event, action, inaction or omission from which such claim arises. This provision shall survive any termination of the contract arising between Seller or Supplier and Buyer.

11. COLLECTION

Deliveries of Marine Fuel hereunder are made not only on the credit of the Buyer but also on the faith and credit of the vessel which uses the Marine Fuel and it is agreed that Seller and Supplier will have and may assert a lien against such vessel for the amount of the delivered price of said Marine Fuel. Additionally, the Seller and Supplier will have and may assert a lien for the said amount of the delivered price against such vessel, should the laws applicable at the place of Seller's address which is set forth in the beginning of these TERMS OF SALE, at the place of delivery of the Marine Fuel and/or at the place of seizure of such vessel, grant or recognize a lien for Marine Fuel delivered to a vessel. All costs associated with the seizure of the vessel shall be for the Buyer's account. Taking of any additional security measures by Seller or Supplier shall not operate as a waiver of this provision. If at any time a price provided under these TERMS OF SALE shall not then conform to the applicable laws, regulations or orders of a Government or other competent authority, appropriate price adjustments will be made. For the avoidance of doubt, the Buyer shall not be entitled to cancel the effect of the lien by wording on the delivery ticket or otherwise.

12. FORCE MAJEURE

In addition to any other excuses (arising out of the same or other causes) provided by law, no failure or omission by either party to carry out or observe any of the provisions or conditions of these TERMS OF SALE or of any contract into which it is incorporated shall give rise to any claim against that party, or be deemed to be a breach of contract, if the same shall arise out of causes not reasonably within the control of that party, whether or not foreseen, including (without limitation) such causes as labor disputes, strikes, governmental intervention, or Seller's response to the insistence or request of any governmental instrumentality or person purporting to act therefore, wars, civil commotion, fire, flood, accident, storm or any act of God; and the term "party" when used with reference to Seller shall also include Supplier, **Quinn Oil Company Ltd.** and its subsidiary and affiliated companies. Under no circumstances, however, shall Buyer be excused from its obligation to pay all amounts due for Marine Fuel actually delivered. A party affected by events described in this Section 12 shall give prompt notice to the other party describing in sufficient detail the events and the estimated scope of such disability.

13. SHORTAGE OF MARINE FUEL

If, as a result of any of the events, matter or things referred to in Section 12, or any other foreseeable or non-foreseeable event, including contractual changes relating to the supply of crude oil and/or petroleum products from which Marine Fuel of the type to be sold hereunder is derived, supplies of Marine Fuel are curtailed, or are available to Seller or Supplier only under conditions which, in Seller's or Supplier's sole judgment are deemed unacceptable, Seller may allocate, on any fair and reasonable basis according to its own discretion its available supplies of Marine Fuel to meet its own requirements and those of its subsidiaries and affiliated companies and other customers, including Buyer and, at Seller's or Supplier's option, other customers; and Seller and Supplier shall not be required to increase supplies from some other source of supply or to purchase Marine Fuel to replace the supplies so curtailed.

No party affected by any cause(s) described in Sections 12 and 13 herein shall be required to remove such cause(s) if doing so would cause any additional expense. Seller or Supplier shall not be obligated to purchase additional supplies of Marine Fuel or to make up deliveries omitted during the period of disruption, nor will the term of the agreement be extended due to the causes set out in Sections 12 and 13 herein.

14. ENVIRONMENTAL PROTECTION

If an escape, spillage or discharge of Marine Fuel "Spill") occurs while Marine Fuel is being delivered to Buyer hereunder, Buyer will promptly take such action as is reasonably necessary to remove the Marine Fuel and mitigate the effects of such Spill. However, notwithstanding the cause of such Spill, Seller and Supplier are each hereby authorized, at their option, upon notice to Buyer, or Buyer's operator of, or agent for, the receiving vessel, to take such measures, either in co-operation with Buyer, or exclusively as the sole party, and incur such expenses (whether by employing its own resources or by contracting with others) as are reasonably necessary, in the judgment of Seller or Supplier, to remove the Marine Fuel and mitigate the effects of such Spill.

If Seller or Supplier has exercised its option to remove the Marine Fuel and mitigate the effect of such Spill, Buyer agrees to cooperate and render such assistance as is required by Seller or Supplier in the course of such action. Any expenses, damages, costs, fines and penalties arising from escape, spillage, discharge or pollution of Marine Fuel shall be paid by the party that caused or contributed to the Spill by negligent act(s) and/or omission(s). If both parties have acted negligently, any expenses, disbursement(s) and/or costs in respect of actions to remove the effects of such spill shall be divided between the parties in accordance with the respective degree of negligence and culpability. Each party agrees to indemnify the other party and to hold it harmless against all expenses, cost(s) and/or disbursements which under this Section 14 which are stated to be for the account of the indemnifying party. Buyer also agrees to give, or cause to be given, to Seller or Supplier, all such documents, and other information concerning any Spill, or any program for the prevention thereof, which are requested by Seller or Supplier, or required by law or regulation applicable at the time and place where Supplier delivers Marine Fuel to Buyer.

15. GOVERNING LAW AND SUBMISSION TO JURISDICTION

Except as otherwise agreed between the parties, These TERMS OF SALE and any contract into which they are incorporated, shall be governed by the laws applicable at the Seller's address which is set of at the beginning of these TERMS OF SALE, without prejudice to Seller's right to enforce maritime liens in any appropriate jurisdiction. Each party expressly submits itself to the jurisdiction of the courts pertaining to the Seller's address (Republic of Panama). Each of the parties hereby irrevocably waives actual personal service of process in connection with any action initiated in any court to whose jurisdiction the parties have by contract submitted, relating to matters described in the preceding provisions in this Section 15, and agrees to accept in lieu of personal service, written notice of such action given by the modes described in Section 17(a) below.

The United Nations Convention on Contracts for the International Sale of Goods shall not apply.

16. TERMINATION

The Seller shall have the right to terminate this Contract in the event of a material breach (including without limitation anticipatory breach) by the Buyer of any of its terms and conditions of this Contract and/or in the event the Buyer is threatened with or is in the process of liquidation, winding-up and/or receivership.

17 ADDITIONAL PROVISIONS

(a) Notices hereunder shall be sent to Seller at the address first above given. Unless otherwise indicated by Buyer in writing, notices hereunder shall be sent to Buyer at the address designated by Buyer for invoicing. Either party may change its address by giving fifteen (15) days' prior written notice of its new address to the other party. Unless otherwise provided in this TERMS OF SALE, Notices shall be delivered by hand, by pre-paid first class mail or by facsimile transmission with hard copy to follow by hand or pre-paid first class post, and shall be deemed given at the expiration of the normal delivery time.

(b) No waiver by either party of any breach of any of the covenants or conditions herein succeeding breach of the same or any other covenant or condition contained to be performed by the other party shall be construed as a waiver of any.

(c) Assignment of any right or delegation of any obligation hereunder by Buyer without Seller's prior written consent shall be void.

(d) NO CLAIM SHALL BE MADE AND NO RECOVERY SHALL BE HAD HEREUNDER FOR ANY INDIRECT, SPECIAL, PUNITIVE, EXEMPLARY, INCIDENTAL OR CONSEQUENTIAL DAMAGES, OF FOR LOSS OF PROSPECTIVE PROFITS, ANTICIPATED COST SAVINGS, CONTRACTS OR FINANCIAL OR ECONOMIC LOSS.

(e) There is no implied warranty of workmanlike performance with respect to these TERMS OF SALE other than services provided by employees of Seller or Supplier in conjunction with the delivery of Marine Fuel as provided for in these TERMS OF SALE.

(f) THIS INSTRUMENT CONTAINS THE ENTIRE AGREEMENT OF THE PARTIES WITH RESPECT TO THE SUBJECT MATTER HEREOF AND THERE ARE NO OTHER PROMISES, REPRESENTATIONS OR WARRANTIES AFFECTING IT. This instrument shall not be modified or amended in any way except in writing by the parties.

(g) If any order shall be placed by an agent for a principal as Buyer hereunder, then such agent shall be liable not only as agent but also for the performance of all obligations of the principal hereunder

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