

1 GENERAL

- 1.1 This is a statement of terms and conditions on which Stena Oil AB of Gothenburg, Sweden ("Seller") will sell Marine Fuels. No variation of these Terms of Sale shall be valid unless expressly agreed in writing by Seller.
- 1.2 "Buyer" when used herein means the person or company placing the order with Seller as well as the owner of the vessel bunkered or to be bunkered, bareboat charterer or manager of such vessel or anybody else for the account of whom the vessel is bunkered.

2 QUALITY

- 2.1 The Marine Fuels to be delivered hereunder shall be Seller's or Seller's supplier's commercial grades of Marine Fuels as currently offered generally to its customers for similar use at the time and place of delivery.
- 2.2 Information regarding the typical characteristics of the Marine Fuels at any delivery location shall only be indicative of the Marine Fuels that have been made available at that location and shall not form part of the specification of Marine Fuels to be delivered.
- 2.3 Buyer shall have the sole responsibility for selection and fitness for any particular purpose of the Marine Fuels. The Seller shall assume no responsibility whatsoever for the compliance by Buyer of any requirement regarding the quality, sulphur content or other characteristics of the Marine Fuels. All warranties regarding the satisfactory quality, merchantability, fitness for purpose, description or otherwise, are hereby excluded.

3 PRICE

- 3.1 Any offer or price quotation in respect of Marine Fuels shall, unless otherwise agreed by Seller, be valid until 17.00 hours local time of the day the offer or price quotation was given.

4 DELIVERY AND TRANSFER OF TITLE

- 4.1 Seller shall not be required to deliver Marine Fuels into any of the vessel's tanks which are not regularly used for bunkers, and shall not be required to deliver any fuel for the export of which a Government permit is required and has not been obtained.
- 4.2 Vessel shall be bunkered as promptly as prevailing circumstances permit having regard to congestion affecting the delivery facilities of Seller, its suppliers or agents and to prior commitments of barges. Seller shall not be liable for any consequences or any time lost due to Buyer's vessel having to wait for berth for bunkering or for completion of bunkering. Seller shall not be obligated to deliver Marine Fuels prior to the nominated delivery time.
- 4.3 Delivery shall be made in bunker lots at wharf or at store terminals of Seller or Seller's supplier or by barge where barging facilities are available.
- 4.4 In the event of delivery by barge, Buyer shall provide free of cost a clear and safe berth for the barge(s) alongside the vessel's receiving lines.
- 4.5 Buyer shall make connection between the pipelines or delivery hoses and vessel's intake lines, and shall render all other necessary assistance and provide sufficient tankage and equipment to receive promptly all deliveries hereunder.
- 4.6 Delivery shall be deemed to take place when the Marine Fuels reach the flange connecting the pipelines or delivery hoses with the intake line of the vessel, at which point Seller's responsibility shall cease and Buyer shall assume all risks, including loss, damage, deterioration, depreciation, evaporation or shrinkage as to the Marine Fuels so delivered. Title to the Marine Fuels shall pass to Buyer only upon payment for the value of the Marine Fuels, pursuant to the terms of Clause 7 hereof.
- 4.7 If Buyer fails to receive or rejects any amount of the full quantity ordered and tendered, Buyer shall be liable for all expenses and loss incurred by Seller and arising out of such failure or rejection by Buyer including any loss incurred by having to transport the fuel back to the storage or by having to sell the fuel in a degraded form at a price lower than that applicable to the grade originally nominated by Buyer without prejudice to Seller's other remedies.
- 4.8 Work in connection with delivery outside normal working hours or on public holidays or Saturdays, or Sundays or outside normal harbour limits shall be paid for by Buyer at the rates then applicable for such work in addition to the price.
- 4.9 Buyer shall pay Seller for delivery services at the rates applicable on the date of delivery and for all additional charges incurred in connection with the delivery, including but not limited to, port dues, wharfage, mooring and unmooring, barge hire, demurrage, provision of additional hose in excess of that normally available and the use of all oil pollution control equipment required to effect delivery. The Buyer further agrees to pay and indemnify against all claims and expenses for any loss, damage or delay caused by Buyer's vessel to the barge.

5 MEASURE AND SAMPLING

- 5.1 The quantity of the Marine Fuels delivered hereunder shall be determined from gauge of Seller's or Seller's supplier's shore tanks or barge effecting delivery or Seller's or Seller's supplier's oil meter, at Seller's or Seller's supplier's option. Seller's measurements of quantity shall be accepted as conclusive of the amount delivered, but Buyer is at liberty to be represented at the measuring.
- 5.2 Seller shall take samples of the Marine Fuels delivered. Seller shall take two samples in accordance with its normal sampling procedures at the port in question. One sample shall be retained by Seller and one sample shall be passed to Buyer or its representative for its retention.

6 CLAIMS

- 6.1 Any dispute as to shortage in quantity must be noted at the time of delivery on the bunker receipt or in a letter of protest. Any claims as to short delivery shall be presented by Buyers in writing within twenty (20) days from the date of delivery, failing which any such claim shall be deemed to be waived and barred. Any changes by Buyer or its representative of the quantity stated by Seller or its representative in the bunker receipt shall have no effect.
- 6.2 Any claim by Buyer of any nature arising under these terms shall be notified to Seller in writing promptly after the circumstances giving rise to such claim have been discovered. If Buyer does not notify Seller of any such claim within twenty (20) days of delivery such claim shall be deemed to be waived and barred.
- 6.3 In the event a claim is raised pursuant to sub-clause 6.2, Seller and Buyer shall have the quality of the Marine Fuels tested by a mutually agreed, qualified and independent test laboratory. Seller shall provide the laboratory with its sample for analysis, the result of which shall be conclusive of the quality of the Marine Fuels delivered. Unless otherwise agreed the analysis shall be established by tests in accordance with current ISO Standard or, if tests in accordance with ISO Standard are not available, any equivalent or prevailing local standard. In the absence of an agreement to the contrary the expense of the analysis shall be for the account of the party whose claim is found wrong by the analysis.
- 6.4 Should any timely claim submitted by Buyer not be settled to Buyer's satisfaction, shall the claim be time-barred unless arbitration is commenced within twelve (12) months of delivery.
- 6.5 Nothing in this clause 6 shall relieve Buyer of its obligation to make payments in full when due as provided herein.

7 PAYMENT

- 7.1 Unless otherwise agreed in writing payment shall be made in cash on delivery.
- 7.2 Failing payment on the due date, Buyer shall be charged penalty interest at two (2) per cent per month on the invoice amount from the date of maturity to the date of full payment.
- 7.3 Buyer shall not be entitled, without Seller's consent in writing, to offset or deduct any amounts for claims against Seller.

8 LIEN AND FINANCIAL RESPONSIBILITY

- 8.1 If bankruptcy, liquidation, composition or other similar proceedings are instigated regarding Buyer, in court or out of court, or if there is a reason to believe that Buyer will not be able to effect payment when due, Seller has the right to receive immediate cash payment or immediate satisfactory security regarding any sale to Buyer, whether contracted or not and whether the Marine Fuels has been delivered or not. If Seller does not receive such immediate cash payment or security, Seller has the right to suspend deliveries regarding any sale contracted, which shall not relieve Buyer of any of Buyer's obligations, or, at Seller's option, to cancel any sale contracted, irrespective of whether delivery has been completed or not. The same shall apply if there in Seller's opinion is uncertainty as to who is responsible as Buyer.
- 8.2 If Buyer shall default in making any payment when due, Seller has the right to suspend deliveries regarding any sale contracted, which shall not relieve Buyer of any Buyer's obligations, and to receive immediate cash payment regarding any sale contracted or, at Seller's option, to cancel any sale contracted, irrespective of whether delivery has been completed or not.
- 8.3 If the delivery is contracted for by an agent of Buyer on behalf of a principal, disclosed or undisclosed, or Buyer on behalf of itself and as agent on behalf of another principal or principals, disclosed or undisclosed, such agent or Buyer, as the case may be, shall be jointly and severally liable with such principal or principals, or other principal, or principals, as the case may be, for the due and proper performance of the contract.

8.4 Deliveries of Marine Fuels hereunder are made not only on the credit of Buyer but also on the faith and credit of the vessel which uses the Marine Fuel and it is agreed that Seller will have and may assert a lien against the vessel and the bunkers of the vessel for any amounts due to Seller in respect of the Marine Fuels. All costs associated with seizure of the vessel or bunkers shall be for Buyer's account. Taking of any additional security measures by Seller shall not operate as a waiver of this provision.

8.5 No disclaimer stamp of any type or form will be accepted on the bunker receipt. If any stamp should be applied it will not alter, change or waive Seller's lien against the vessel or the bunkers or waive the vessels ultimate responsibility incurred through this transaction.

9 TAXES OR OTHER CHARGES

Should any tax, freight, insurance premium, pilotage, port dues or other extra expenses at the time of loading be raised or charged such additional expenses shall be borne by Buyer, provided that such expenses are attributable to the fuel delivered.

10 NOMINATION AND FINAL NOTICE OF REQUIREMENT; TERMINATION

10.1 Buyer shall give Seller final notice directly or through Buyer's Agent at least 48 hours (Saturdays, Sundays and holidays excluded) of the exact time at which delivery is required. Failing such 48 hours notice Seller shall use reasonable efforts to deliver on the nominated delivery time.

10.2 Buyer shall reimburse Seller for overtime and any 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.

10.3 Seller reserves the right to cancel any contract for the sale of Marine Fuels without liability on the part of Seller if the vessel fails to take delivery of the Marine Fuels at the latest by 24.00 hours on the day occurring two days after the nominated delivery date. Upon such termination the Buyer shall compensate Seller for all costs, additional expenses and losses, including loss of profit, resulting from the Buyer's failure to take delivery.

11 FORCE MAJEURE

11.1 Failure by Seller to perform or observe any of its obligations hereunder shall be deemed not to be a breach of this contract if the failure was caused by circumstances beyond Seller's control, including but not limited to governmental restrictions, orders or requests of any other authority, labour disputes, strikes, wars, fire, flood, weather conditions, accidents involving barges, tanks or other equipment, failure by suppliers to deliver as per orders as well as any other cause reasonably to be considered beyond the control of Seller and Seller shall in such event in his option be entitled to cancel the delivery or to postpone it correspondingly.

11.2 If Buyer exercises reasonable diligence, Buyer shall not be liable for failure to receive any particular delivery if prevented therefrom by force majeure, provided however that Buyer shall indemnify seller for any direct costs or expenses incurred by Seller for the delivery.

12 SAFETY ENVIRONMENTAL PROTECTION

12.1 Buyer shall be responsible for providing safe reception of the Marine Fuels to be delivered. If an escape, spillage or discharge of oil (hereinafter referred to as a "spill") occurs while Marine Fuel is being delivered to Buyer hereunder, Buyer will promptly take such action as is reasonably necessary to remove the oil and mitigate the effects of such spill. However, notwithstanding the cause of such spill, Seller is hereby authorised, at its 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 contraction with others) as are reasonably necessary, in the judgement of Seller, to remove the oil and mitigate the effects of such spill. If Seller has exercised its option to remove the oil and mitigate the effect of such spill, Buyer agrees to co-operate and render such assistance as is required by Seller in the course of such action. Buyer shall pay and indemnify Seller for any expenses, damages, costs, fines, and penalties arising from escape, spillage, discharge or pollution of oil, unless the escape, spillage etc was due to Seller's gross negligence. Buyer also agrees to give, or cause to be given, to Seller, all such documents, and other information concerning any spill or any program for the prevention thereof, which are requested by Seller, or required by law or regulation applicable at the time and place where Seller delivers Marine Fuel to Buyer.

12.2 Buyer shall be responsible for users' compliance with all health and safety requirements related to Marine Fuel supplied and shall assure that any user avoids frequent or prolonged contact with or exposure to the Marine Fuel both during and subsequent to delivery. Seller or Seller's supplier accepts no responsibility for any consequence arising from failure to comply with such health and safety requirements or arising from such contact or exposure.

13 LIABILITY AND INDEMNITY

13.1 Seller shall have no liability, however arising and whether as a result of a breach of the contract, negligence or otherwise, for any loss of profit loss of time or hire, demurrage or loss of schedule, physical loss or damage to cargo nor, without prejudice to the foregoing, shall Seller be liable for any consequential or indirect damages suffered by Buyer. In the event that Seller or any other person who may benefit from Seller's stipulations would be held liable, shall the total liability be limited to an amount equalling the price of the delivery involved.

13.2 The actual suppliers of Marine Fuels under this agreement and all employees, representatives or agents of Seller and of such actual suppliers shall have the benefit of any and all rights stipulated for Seller under this agreement with respect to exclusion of liability and indemnification by Buyer.

13.3 In all cases where, pursuant to the terms of this agreement or otherwise, Seller is not responsible, Buyer shall indemnify Seller against all claims and actions of any third party.

14 ARBITRATION AND GOVERNING LAW

14.1 This agreement shall be governed in all matters by the laws of Sweden.

14.2 Any dispute, controversy or claim arising out of or in connection with this contract, or the breach, termination or invalidity thereof, shall be finally settled by arbitration administered by the Arbitration Institute of the Stockholm Chamber of Commerce (the SCC Institute). The Rules for Expedited Arbitrations of the Arbitration Institute of the Stockholm Chamber of Commerce shall apply, unless the SCC Institute, taking into account the complexity of the case, the amount in dispute and other circumstances, determines, in its discretion, that the Rules of the Arbitration Institute of the Stockholm Chamber of Commerce shall apply. In the latter case, the SCC Institute shall also decide whether the arbitral tribunal shall be composed of one or three arbitrators. The place of the arbitration shall be Gothenburg, Sweden.

14.3 Notwithstanding sub-clause 14.2, with respect to payment hereunder, Seller is, in his option, entitled to institute proceedings or take action in any competent court or similar authority.

Gothenburg, September 1st 2003.