



**General Terms and Conditions for the
Delivery of Bunker Oil from
South African Bunkering and Trading (Pty) Ltd
and
South African Bunkering and Trading Ltd**

(both companies herein referred to as SABT)

June 2009

1. These terms shall be binding on SABT. (hereinafter referred to as the "Seller") and any purchaser of bunker oil in the absence of an explicit written agreement to the contrary by the parties.
2. The Buyer alone shall be liable for and bear the risk of the choice of bunker oil and the Seller shall not be under any obligation to check whether the choice of bunker oil is suitable for the vessel in question. Where the oil complies with the specification and is moreover of the same quality as the current oil of the relevant geographic area, the Seller has supplied the correct service in this respect.
3. Where the bunker oil is not delivered in due time and it is proven that this is due to the Seller's mistake or negligence, the Seller shall be liable for any documented loss in consequence thereof.

The Seller's liability for damages shall be limited to a time loss of five days calculated as the time charter equivalent in the charter agreement in which the Buyer is engaged. The Seller shall never be liable for any consequential loss whatsoever.

Both with regard to the right to compensation and the right of rescission it is a condition that an agreement has been made to the effect that delivery will take place at a specific date and time and this time is exceeded by six hours and that the Seller has acknowledged 48 hours' notice regarding the arrival of the vessel to the place of delivery. The said notice may only be given on normal working days between 8.30 am and 5 pm and by telex or fax to the Seller.

The Seller shall not be liable for late or interrupted delivery as a result of circumstances beyond the control of the Seller and in case of a hindrance of long duration the Seller shall be entitled to terminate the Agreement without notice. The Seller shall not be liable for any impediment which is due to war or any situation comparable to that of war, riots, strikes, congestion, lack of barges or any impediment due to the weather, transport conflicts, transport impediments, impediments to the delivery of oil, any event in the oil-producing countries, changed market conditions and similar situations. The Seller shall moreover be entitled to demand payment of such additional costs from the Buyer where the said costs are due to any of the above events in so far as delivery has taken place.

If the Buyer will not take delivery of the bunker oil ordered or any part thereof, the Buyer shall compensate the Seller for any loss which the Seller may suffer and the Buyer shall bear the risk of the return transport, storing or selling the bunker oil and defray the costs thereof, including any price difference compared to the contract unless the oil does not comply with local physical suppliers specifications.

4. If it is proved, cf. clause 11, that the Seller by mistake or negligently has delivered bunker oil which does not meet the quality requirements, as stated in clause 2, the Seller shall be liable for any documented loss as a result thereof. However, the Seller shall not be liable for any loss whatsoever which the Buyer may suffer in connection with lost contracts and the liability shall be limited to the costs of repair of machine components and a time loss of 5 days as defined in clause 3.

In the case of repair, 10% of the invoiced value of the spare parts shall be deducted from the compensation for each year or fraction of a year the replaced part has been in use.

However, the Seller shall not be liable to pay damages if the Buyer has failed to safeguard the Seller's recourse against the physical supplier or any other wrongdoer or has failed to ensure the existence of the necessary evidence or has not objected to the Seller immediately, cf. clause 10.

5. The Seller retains title to the delivered bunker oil until the invoiced amount has been paid in full in so far as the Seller has this right according to the law of the place of delivery or according to the law of the vessel's flag State or according to the law at the location where the vessel is found. It should be noted that the rule concerning venue and choice of law as stated in clause 14 shall be deemed to be unwritten in relation to the rights conferred on the Seller in pursuance of this paragraph.

Where the Buyer fails to pay at the time of maturity as stated in the invoice, incl. telex invoice, fax invoice and e-mail invoice, the purchase price carries interest at the rate stated in the invoice as from the date of maturity. The interest rate will be charged per month and any other claim which the Seller may have against the Buyer falls due immediately even if the agreed date of maturity has not yet been reached.

Where credit terms apply, at any time the seller considers it inadvisable to make deliveries to the buyer on credit, the seller will request that the buyer pay cash in advance or put up security acceptable to the buyer and in such event, until the buyer shall comply with the seller's request no deliveries need to be made.

The Buyer shall not be entitled to offset any claims against the Seller without the written consent of the Seller whether such claims are connected or not or originate from the delivery in question or not.

Should the Buyer nevertheless set off, the Seller's claim will be increased by 20% as a penalty.

Where the principal is a broker, an agent or a manager, such principal shall be liable for payment, irrespective of whether the principal is stated or not. Furthermore, delivery shall always take place for the account of the registered owners and the owners stated in Lloyd's Register of Shipping and for the account of the current charterers all of whom shall be jointly and severally liable for the payment of the delivery as buyers. The Buyer shall moreover warrant that the Seller has a lien in the vessel for his claim.

Where the Buyer fails to pay for the delivery in time, the Buyer shall compensate the Seller for any cost which the Seller may incur in connection with recovery of his claim, including but not limited to legal expenses and other costs related to such recovery.

6. The Buyer shall have no legal right of cancellation.
7. Delivery has taken place and the risk of the bunker oil shall pass successively at the passage of the fixed bunker connections in the Buyer's vessel. Representatives from the Buyer's vessel shall be responsible for ensuring that the bunker oil is received in a safe way and without any liability whatsoever for the Seller.
8. If no mention is made to the contrary when making the purchase, the Buyer shall pay the costs of the delivery in addition to the purchase price, irrespective of whether it takes place from installation, barge or lorry. Furthermore, the Buyer shall pay any additional costs of delivery on Sundays and public holidays and outside normal working hours at the site. Services in pursuance of this provision shall be effected according to the rules stated in clause 5.
9. In addition to the fact that the Buyer shall be liable for the payment of the purchase price and any costs in pursuance of clause 8, the Seller reserves the right to look to the ship owner for payment to the extent that the ship owner is liable according to the legislation of the place of delivery or the flag State of the vessel or the owner's place of business and the Seller reserves the right to take precautions by means of a maritime lien or the like in the vessel in so far as such lien is permitted in a jurisdiction where the vessel may be found. It should be noted that the rule concerning venue and choice of law as stated in clause 14 shall be deemed to be unwritten in relation to the rights conferred on the Seller in pursuance of this clause.

In addition, the Buyer shall indemnify any cost (legal cost, attorney etc.), which the Seller may defray in connection with recovery of his claim.

10. If the Buyer fails to object in writing to the quality or specification of the delivered oil within 14 days after delivery, any claim against the Seller will lapse.

11. The parties make an agreement to the effect that an analysis of the sealed representative samples drawn on delivery may alone form the basis of documentation with regard to the fact that the bunker oil was substandard or »off-spec.« on delivery.

In order for one or more samples to be regarded as representative such sample(s) must be signed by a representative from the Buyer's vessel as well as a representative for the Seller. Both the Buyer and the Seller shall individually be responsible for ensuring that the said representative sample(s) is/are drawn as stated above. If the Seller in case of doubt can prove that the sample is representative, the sample will be awarded this status.

Any analysis must be carried out in an independent laboratory that must be approved by the parties involved in advance. The same applies to any method of analysis.

Complaints about differences in quantity will only be considered on the condition that the Seller is notified immediately and prior to the signing of delivery receipts. The seller shall acknowledge clean delivery receipts only.

12. Payment shall be effected at the Seller's place of business, by telegraphic bank transfer, without any deductions, according to the payment instructions of the invoice. Where the purchase price is agreed in a currency other than USD, the Buyer shall bear the risk if such other currency translated to USD may have a lower offer price on the actual day for payment in relation to the final due date stated in the invoice and shall consequently indemnify the Seller in USD for any possible difference. Any exchange gain shall be allotted to the Seller.
13. The Buyer shall be responsible for ensuring that the shipping company observes all health and safety regulations with regard to the receipt and use of bunker oil and the Seller disclaims any liability whatsoever in relation thereto.

In case of an oil spill when bunkering, the Buyer and the Seller shall jointly coordinate their efforts in order to control the damage as much as possible, irrespective of whether one party submits that the other party is responsible for the mishap. Positive expenses for pollution control shall be divided equally between the parties until the degree of guilt on both sides has been established by agreement or judgment. Reimbursement of half the expenses paid shall fall due on demand.

Where a third party, including public authorities, abides by one party or the other or both in solidum with regard to a claim pertaining to pollution, the settlement shall be achieved internally after an assessment of the degree of

guilt. If liability may objectively be imposed on the parties, the Buyer shall be fully liable for the loss.

14. Conditions which apply to Offshore deliveries:

- Price valid for ETA range only, thereafter subject to re-negotiation.
- Final supply date on supplier's option. Seller cannot be held liable for demurrage due to delays of supply tanker.
- Master(s) of receiving vessel(s) to contact master of supply tanker 48, 24, 12, 6 hours before arrival offshore meeting point in order to agree a final meeting point and anchorage (if necessary) as same.
- Always Weather Permitting
- Interest to be charged on overdue accounts.
- West Africa Clause: Supplies are made on a best endeavours basis. The seller cannot be held liable for any delays to supply or lack of available product at short notice. West African countries are often subject to political turmoil and supplies are made in good faith but without guarantees. *Payment accepted to be made on fax copy of bunker receipt.* Suppliers figures are final and binding. Original BDR's can be delayed in West Africa supply locations and it may not be possible to courier originals before due date.
- The Buyer warrants that neither the Buyer nor the receiving vessel are or will be engaged, directly or indirectly, in any activities, trades and/or dealings that are illegal, banned, prohibited or made unlawful by any international, national or local authorities or any authorities, bodies and/or persons purporting to act on behalf of any such authorities. Illegal, banned, prohibited or unlawful activities, trades and/or dealings include but are not limited to unlicensed or unlawful fishing activities, carriage of any unlawful cargoes or merchandise, piracy, pollution, drug or arm trafficking, violation of any embargo, customs and/or immigration regulations whatsoever.
- In the event the Buyer and/or the receiving vessel are, directly or indirectly, engaged in any of the activities defined above; any and all expenses, claims, damages, costs, fines, penalties or otherwise arising, directly or indirectly, from such activities and/or from the involvement of the Buyer and/or the vessel therein will be paid by the Buyer and the vessel in full. The Buyer further undertakes to hold the Seller harmless and to indemnify the Seller, upon the Seller's first demand, against any and all expenses, damages, claims, costs, fines, penalties or otherwise incurred or suffered, directly or indirectly, by the Seller or the supplying vessel as a consequence of any of the activities defined above.

14. This present Agreement is subject to Danish law with the Maritime and Commercial Court in Copenhagen as venue unless otherwise provided in clauses 5 and 9. In case of breach of contract by the Buyer, the Seller shall

moreover be entitled to take such legal action in any court of law in any state or country which the Seller may choose and which the Seller finds relevant in order to safeguard or exercise the Seller's rights in pursuance of this present Agreement.