

**SALES AND PURCHASE CONTRACT
AGREEMENT
FORCADOS LIGHT CRUDE OIL (FLCO) CIF.**

BETWEEN

UBSCON ENGINEERING & CONSTRUCTION LTD

(HEREINAFTER REFERRED TO AS THE SELLER/SUPPLIER WHICH EXPRESSION SHALL WHERE THE EXPRESSION SO ADMITS ITS HEIRS, SUCCESSORS IN TITLE AND ASSIGNS ON ONE PART).

AND

(HEREIN REFERRED TO AS THE BUYER, ON THE SECOND PART)

WHEREAS the Seller makes an irrevocable and firm commitment to source and supply Nigeria Petroleum Product hereinafter called the "Product" and the buyer also makes an irrevocable and firm commitment to product under the terms of this Contract.

WHEREAS the Seller is ready, willing and able to deliver the said product to the buyer under the terms of this Contract;

WHEREAS the Buyer is ready, willing and able to buy and pay for the said product under the terms of this Contract;

WHEREAS both the Buyer and the Seller are desirous to work together for the successful execution of the transaction as provided in this Contract;

NOW therefore, for and in consideration of the promises, mutual covenants and agreement herein contained, the Seller and the Buyer, each of whom may be referred to herein individually as a "PARTY" or collectively as "PARTIES", hereby freely contract as follows:



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BUYER'S SIGN/SEAL

PROOF OF PRODUCT

ALLOCATION:

THE LIFTING OF CARGO UNDER THIS ARRANGMENT IS FROM NNPC/SHELL JOINT VENTURE BULK ALLOCATION. IT IS AN ALLOCATION. WHICH IS CONFIRMABLE ON LONDON Lloyd's SHELL SCREEN.

BULK APPROVED (848, 000, 000 ML BBLs)

EXPORT ALLOCATION/LICENSE REF: EXP. T/28/VOL. 4/593

BULK REFERENCE: P1/INSP/ US/2018/VOL. 64/059

CARGO AUTHORITY/PERMIT NUMBER: P1/2038/S118/VOL. 75/06

CONFIRMATION: TO BE CONFIRMED FROM NNPC LONDON AND SHELL

REF: PI/INS/US/2018/VOL. 66/053

REF: NNPC/COMD/EXP./T/28/VOL.4/648

CARGO NO: S.N.L. 05040/S.N.L 05050

LIFTING: FROM BULK OF NNPC EUIY (481,777,750ML BBLs) SHARE APPROVED FROM EXP./T/28/VOL.4/648 IN THE BULK APPROVED BY OUR MPR REF: NO.PI/INS/US/2018/VOL.66/053 AND AUTHORISED FOR EXPORT IN LICENCE EXP.T/28/VOL.4/648.

NB: THE ABOVE IS THE PROOF OF PRODUCT AND UNLESS THE BUYER PLACES HIS FINANCIAL INSTRUMENT MT 103/23-72 AS PROOF OF FUNDS, BEFORE ALLOCATION WILL BE ISSUED IN HIS NAME AND THE QUANTITY REQUESTED.

1.0 **PRODUCT:** Nigerian FORCADOS Light Crude Oil.

2.0 **ORIGIN** : Nigeria

3.0 **CURRENCY: US DOLLARS**

3.1 The quantity of Nigeria Petroleum Product to be delivered and sold hereunder shall be established as follows: 2,000,000 bbls (+/- 10%) in 1 shipment.

4.0 **QUALITY AND GRADE** OF Nigeria Crude Oil: 280,000 MT

The quality and grade of Oil offered by Seller, and accepted by Buyer under this contract shall comply with NNPC EXPORT STANDARD GRADE and NNPC TECHNICAL SPECIFICATIONS:

SPECIFIC GRAVITY:	0.8398
API AT 60 DEG. F:	37.00 +/- 5% (ASTM D-1298)
WATER CONTENT BY DISTILLATION:	0.2% (ASTM D-4006)



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POUR POINT DEGREES F:	BELOW 40 (ASTM D-97)
SULFUR WEIGHT %:	0.14 (ASTM D-139)
SALT CONTENT PARTS PER BILLION:	3.0 (ASTM D-526)
REID VAPOR PRESSURE (P.S.I.G.)	6.52 (ASTM D-529)
KINEMATIC VISCOSITY @ 30 DEG. C:	2.2 (ASTM D-523)
DISTILLATION INITIAL BOILING POINT (IBP)	35 DEG. C (ASTM D-86)
DISTILL TO 75 DEG. C VOL.%	7.0
DISTILL TO 175 DEG. C VOL.%	35.5
DISTILL TO 250 DEG. C VOL.%	51.5
DISTILL TO 300 DEG. C VOL.%	60.5
COLOUR -	Dark Brown

5.0 **DELIVERY:** CIF

5.1 Transshipment.

6.0 **DISCOUNT:** US\$7.00 less US\$4.00 . US\$4.00 Net to Buyer and US\$3.00 as comission to Agent and Facilitators

7.0 **PAYMENT CONDITIONS:**

7.1 Payment shall be made by Confirmed, Irrevocable, non Transferable, Divisible LETTER OF CREDIT or Bank Guarantee issued by a first class Bank in Europe or USA for the total value of One Million barrels of the Product. The L/C or Bank Guarantee shall become cash and paid within forty-eight hours (48 hrs) after receipt and confirmation of all cargo documents, SGS report and CPA by the buyer's bank

Original Bill of Lading

Commercial Invoices

Certificate of Origin

Cargo Manifest

Master's Receipt for Samples & Documents

Certificate of Quality and Quantity (issued at the Buyer takes over

the vessel and Charter Party Agreement) Applicable Platts Oilgram Report for Three days.

7.2 Payment for the full value of the Product delivered, shall be made in US DOLLARS by Telegraphic Transfer into Seller's Bank Account and into the accounts of all the agents and brokers within forty-eight hours immediately after discharge of product.

7.3 Complete set: one original plus three (3) non-negotiable copies of clean on-board Bill of lading, showing quantity loaded, issued and endorsed to the order of buyer. The Bill of Lading will evidence the following (i) Shipment date (ii) Intended destination. (iii) Name of Product. The master of the nominated vessel(s) must manually sign all Bills of lading.



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- 7.4 Bank charges: the Buyer and the Seller each shall be responsible for the bank charges relating to its side of the banking transactions.
- 7.5 All commissions due to the intermediaries, consultants and agents shall be made available at the buyer's bank and paid directly to the said intermediaries, agents and consultants as listed in the fee protection section (Clause 28) of this contract by Telegraphic Transfer at the same time that the seller is being paid.
- 7.6 The final payment of the Letter of Credit or Bank Guarantee shall cover the amount in US DOLLARS corresponding to the quantity delivered (out-turn barrels). The L/C or B/G issued via swift() will be valid for a maximum period of 365 days +1.
- 7.7 Letter of Credit or Bank Guarantee via swift into Seller's account before nomination and loading of vessel by Seller and is payable after complete discharge of product at Buyer's Port of discharge.
- 7.8 If payment due date falls on a banking holiday then payment shall be made on or before the nearest presenting business day to the due date.
- 7.9 If the Buyer's financial capability is proved to have become impaired or unsatisfactory by the Seller, Buyer shall deliver a guarantee judged satisfactory to the Seller.
- 7.10 Banking costs shall be for the account of each party.

8.0 **FREIGHT:**

8.1

9.0 **TITLE AND RISK:**

Title to and risk of loss or damage to the said Crude Oil shall pass from Seller to Buyer after Buyer takes control of the vessel and Charter Party Agreement unable to discharge as a result of buyer's inability to provide storage space or facility

11.0 **DEMURRAGE:**

11.1 At port of discharge, Buyer shall be liable for demurrage in the event of delays due to the direct default of Buyer, and shall be calculated at Charter party rate multiplied by the number of days or hours involved, or in absence of Charter party, then at the market rate for the size of the tanker used. This rate shall be used in the calculation of demurrage, if time used for discharge exceeds the lay-time according to the provisions of this contract.

11.2 **CLAIMS FOR DEMURRAGE:**

Claims shall be made in writing and supported by documents to be sent within maximum of sixty (60) hours after loading or discharging, and shall be settled within thirty (30) hours from receipt of such document.

FORCE MAJEURE & HARDSHIP



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Performance, liability, contract suspension and Modification: In event of any delay in performance by either party due to any occurrence arising for a normal event of force majeure attributable to acts, events, or happenings, omission, accidents, or Acts of God beyond the reasonable control of the party to perform (including but not limited to strikes, lock out, storage or labor, civil commotion, riots, war, threat of, or preparation for war, breaking of diplomatic relation, fire explosion, abrogates, storm, flood, icy conditions, earthquakes of subsistence, pestilence, of or epidemics, machinery breakdown, failure of plant or collapse of structure, voluntary or mandatory compliance with any directions, requisition for materials or service stated to be for the purpose of defense, or inability to obtain suitable transportation), the party so delayed or prevented to perform shall be under no liability for loss or injury suffered by the other party, thereby upon giving a description of the nature of the Force Majeure, and its cause and possible consequences, and this such cessation of cause of delay of the other party, this contract shall again become fully operative. In such cases of force majeure, neither party has the right to make a claim on the other party for compensation of any possible damages insofar as non-performance arose from force majeure. Under this contract any party affected by force majeure shall immediately advice the other party in writing by telex or facsimile message at the latest, five (5) days from the beginning of such force majeure circumstances which prevent the fulfillment of its obligations. A Certificate issued chamber of commerce of the area in which the force majeure occurred shall be sufficient proof of such circumstances of force majeure and its duration.

13.0 **ARBITRATION:**

All disputes in connection with this contract, or the execution thereof, shall be settled by amicable negotiation; venue to be London, England and in the English Language. In the event where no settlement can be reached, the case under dispute shall be finally settled under the rules of reconciliation and arbitration of the International Chamber of Commerce, Paris by one or more arbitrators in accordance with said rules. The decision of the arbitration board shall be accepted as final and binding. The prevailing party shall be entitled to reasonable cost and attorney's fees.

14.0 **NON-DISCLOSURE/NON-CIRCUMVENTION AGREEMENT**

14.1 The legal principles of non-disclosure, no-circumvention bilateral agreement has been understood and accepted by the parties to this contract, and is agreed to be an integral part of this contract.

14.2 The parties irrevocably agree not to circumvent, avoid or bypass any of the brokers, agents or intermediaries directly or indirectly in order to avoid payment of fees or commissions as provided in this contract for this transaction or any additions, renewals, extensions, rollovers, amendments, negotiations, new contract or third party assignments thereof. The parties do hereby accept and agree to fulfill all obligations due to the brokers, agents and intermediaries throughout the duration of this contract and subsequent transactions, renewals, rollovers and extension without variation or modification of same.



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14.3 Due to highly confidential nature of this undertaking, the parties agree to maintain strict confidentiality concerning the identity of the parties, directly or indirectly involved in this transaction whose identity may become known to each other throughout either negotiations or the tendering of documents assembled for banking or government approvals.

Neither party, Seller or Buyer or Brokers involved will contact the other parties Bank, even if through their own Bank Officers without the express written permission of the other party and any such unauthorized communication, or any distribution of contract document will at the option of the injured party, constitute circumvention and entitle the aggrieved party to damages for which an action may issue. If any party hereto shall request anything to be done (e.g. Shipping, Loading, receiving unto Vessel, issuance and/or receipt of payment) by another party, it shall not amount to assignment as the party hereto that requested that performance shall be absolutely responsible for it even if done in another name and, even if the names and/or particulars of entities performing any act on behalf of any party hereto should get known to the other party hereto, that other party shall observe non-circumvention and non-disclosure of the details of this agreement in relation to any and all third parties.

14.4 In the event of direct circumvention through a third party, the affected broker or agent or intermediary shall be entitled maximum legal monetary award allowed by law and full recovery of the amount due to him from the defaulting party, plus legal/attorney fees and accrued interest.

15.0 **ENGLISH LANGUAGE:**

These parties confirm that this agreement as well as any document relating hereto have been and shall be drawn up in English only. All communications or dissemination of information in respect of this contract shall be in writing and in English Language.

16.0 **ENTIRETY:**

This agreement constitutes the entire understanding of the parties with respect to the subject matter herein. No modification or amendment shall be effective unless it is mutually agreed by the parties and unless it is in writing and jointly signed by duly authorized representatives of the parties.

17.0 **VALIDITY:**

The parties hereby agree that this contract shall become valid and operational if and when signed in Counterpart. Any copies of this contract and all related documents to be executed may be delivered electronically, by hand, courier or facsimile transmission. In the event of the delivery of any or all of the documents by hand, courier or fax transmission, the recipient thereof shall consider such delivery to constitute delivery of the original contract document. Notwithstanding the above, the delivery by hand or courier of the original hard copies shall be construed to invalidate and replace all other prior executed

ASSIGNMENT:

Either Party to this contract or the agents or the brokers may assign any of its rights but not its obligations under the Contract, in whole or in part, after the Letter of Credit is opened, without the prior written consent of the other Party. The assigning Party shall remain jointly and severally liable for the full performance by the



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assignee(s) or any subsequent assignee(s) of its/their obligations with regard to this Contract. Such assignment must be done in writing and must be signed or certified or witnessed by a Notary Public or Law Court.

BENEFITS:

This contract shall be binding on both parties, their agents, brokers, legal representatives, successors and assigns in accordance with prevailing laws.

LAW AND JURISDICTION:

The construction, validity and performance of this contract shall be in accordance with the laws of England. Should any dispute arise hereunder, the matter in dispute shall be referred to Arbitration shall take place in London under ICC rules. The decision of the arbitrators, or a majority of them in the event of a split decision, shall be final and binding on both parties without recourse to appeal. Incoterms 2000 and subsequent amendments shall apply but if there is any inconsistency or conflict between Incoterms and this Contract, this Contract shall prevail.

WARRANTIES:

Seller warrants that the product supplied under this contract shall conform to the description and quality stated herein; that Seller will convey title thereto; that the product shall be delivered free from any lawful security interest or lien or encumbrances. Seller further warrants that the Product to be delivered to Buyer's vessel has been procured legally and lawfully.

General Provisions:

This agreement contains the entire understanding between the parties with respect to the transactions contemplated hereby and can only be amended by a written agreement of the parties.

TRANSMISSION:

Electronic transmitted documents shall be accepted in lieu of original copies of documents.

COMMISSIONS DEFINED:

Gross Discount US\$7.00

Net to Buyer US\$4.00

Seller's agent/facilitator US\$1.50 per barrel

Buyer's agent/facilitator US\$1.50 per barrel

PROCEDURES:

DOCUMENTS TO BE PROVIDED BY THE SELLER TO THE BUYER

PROCEDURE:

1. SELLER ISSUES SIGNED SPA WITH PROOF OF PRODUCE.



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2. BUYER AND BUYER'S ACCOUNT OFFICER SIGNS SEALS AND RETURNS SPA WITHIN 24HRS
 3. UPON CONFIRMATION OF PROOF OF PRODUCT BUYER'S BANK ISSUES IRREVOCABLE DIVISIBLE, NON TRANSFERABLE STANDBY BANK LETTER OF CREDIT (ISBLC) FUNDS INSTRUCTIONS AS PER THE VERBIAGE ATTACHED [HEREIN.TO](#) SELLER'S BANK.
 4. SELLER'S BANK CONFIRMS ISBLC, THEN SELLER PLACE'S 2% PERFORMANCE BOND TO ACTIVATE BUYER'S IRREVOCABLE STANDBY BANK LETTER OF CREDIT AND NOMINATES VESSEL FOR LOADING.
 5. AFTER LOADING Q AND Q IS CONDUCTED BY BUYER'S NOMINATED INSPECTION COMPANY.
 6. CARGO DOCUMENTS IS SWIFT TO BUYER'S BANK.
 7. VESSEL SAILS TO PORT OF DISCHARGE.
 8. UPON ARRIVING PORT OF DISCHARGE, BUYERS BANK SWIFT PAYMENT FOR CARGO AND COMMISSION TO SELLERS BANK THROUGH KTT ELECTRONIC TRANSFER.
 9. THEN VESSEL DISCHARGE.
- NOTE: QUANTITY IS 2MILLION BARRELS PER SHIPMENT. PRICE: THE PRICE FOR CIF IS \$7 GROSS, \$4 NET TO BUYER, \$3 USD TO BUYER'S/SELLER'S MANDATE/FACILITATORS.



-  Cargo Manifest
 -  Tanker time sheet
 -  Master's receipt of documents
 -  Certificate of Origin
 -  Certificate of Quality and Quantity (issued at the point Buyer takes over the vessel and Charter Party Agreement)
- Applicable Platts Oilgram Report, for Three days.



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BANK ADDRESS:	
ACCOUNT NAME:	
ACCOUNT NUMBER:	
ACCOUNT OFFICER:	
EMAIL:	

BUYER'S AGENT/FACITATOR'S BANKING COORDINATES: US\$1.00 PER BARREL

<u>BUYERS AGENT/FACILITATORS'S BANKING COORDINATES (\$1.00 PER BARREL)</u>	
NAME OF BANK:	
ADDRESS:	
ACCOUNT NAME:	
ACCOUNT NO.	
A/C OFFICER:	

BUYER'S AGENT/FACITATOR'S BANKING COORDINATES: US\$0.50 PER BARREL

CONTACT WITH SELLER'S OR BUYER'S BANK SHOULD NOT BE MADE WITHOUT PRIOR WRITTEN AUTHORITY. THE SELLER AND OR THE BUYER RESERVE THE RIGHT TO CHANGE BANKING AFTER PROPER NOTICE TO THE OTHER PARTY.



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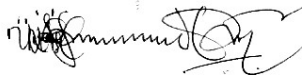
BUYER'S SIGN/SEAL

29.0 DECLARATION undersigned declare that the foregoing instrument fully sets forth the entire agreement between the parties and that the signatories below have been fully and duly authorised to enter into and bind each representative company to the contract.

This document constitutes a GUARANTEED IRREVOCABLE UNCONDITIONAL AND NON RETRACTABLE PYMENT ORDER issued to the beneficiaries named herein, given with full corporate responsibility, by which I/we (Seller & Buyer) hereby instruct my bank as specified herein, to simultaneously pay by Telegraphic Transfer without any protest and/or delay, upon the closing of the transaction, the compensation to the beneficiaries bank account as stipulated therein.

In witness whereof the parties have executed this agreement under the hands of their duly authorised officers as witnessed below, This Agreement is reached on this 21st July, 2011.

SELLER: UUBSCON ENGINEERING AND CONSTRUCTION LTD
REPRESENTED BY: **MANAGING DIRECTOR**



CEO/MD's Sign
2ND OCT., 2011

NAME OF BUYER:
OFFICE ADDRESS:
DESIGNATION:
EMAIL:
TEL:

SIGNATURE/SEAL:
DATE:



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SWIFT CODE :
IBA NO. :
BANK OFFICER :
BANK TELEPHONE :
CURRENCY :
AMOUNT :
ISSUING DATE :
EXPIRATION DATE :
CONTRACT NO. :

WE, (BUYER'S BANK NAME AND FULL ADDRESS) REPRESENTED BY THE UNDERSIGNED OFFICERS, HEREBY CONFIRM, WITH FULL BANK RESPONSIBILITY, THAT OUR ACCOUNT HOLDER XXXXXXXXXX, IS READY, WILLING AND FULLY CAPABLE TO CONSUMMATE AND COMPLETE THE ORION DEVELOPMENTS CORP'S TRANSACTION WITH NIGERIAN NATIONAL PETROLEUM CORPORATION. THIS DOCUMENTARY LETTER OF CREDIT IN FAVOUR AND FOR THE CREDIT OF NIGERIAN NATIONAL PETROLEUM CORPORATION, THE BENEFICIARY:

THE RESPECTIVE CONTRACT (NNPC/BLCO/T.OPS/BON/279) AMOUNT OF THE FIXED PRICE \$85.00 USD GROSS PER BARREL ONLY ON A CIF FOR THE QUANTITY OF 2,000,000 BARRELS OF BLCO (BONNY LIGHT CRUDE OIL) WITH A TOTAL VALUE OF \$150,000,000.00 UNITED STATES DOLLARS,. WE CONFIRM THAT FINAL PAYMENT IS CONTINGENT UPON FULL CONFIRMATION OF FULL DISCHARGED DOCUMENTS. THE FUNDS SHALL BE BLOCKED FOR THE PURPOSE OF FULFILLING THIS CONTRACT FOR A PERIOD OF THIRTY (30) BANKING DAYS FROM THE DAY OF ISSUE OR UNTIL THE TRANSACTION IS CLOSED AND PRODUCT IS PAID FOR BY THE BUYER WITH MT103. THE VALIDITY PERIOD WILL CONTINUE UNTIL PAYMENT IS MADE, BUT NOT TO EXCEED THE GIVEN TIME. WE CONFIRM THE MONIES ARE GOOD, CLEAN, CLEARED, UNENCUMBERED, LEGITIMATELY EARNED FUNDS OF A NONCRIMINAL ORIGIN AND ARE AVAILABLE AND RESERVED IN THIS BANK AND BLOCKED AT THE REQUEST OF NIGERIAN NATIONAL PETROLEUM CORPORATION FOR THE PURCHASE OF THE ABOVE IDENTIFIED CONTRACT AND SPECIFIED PRODUCT QUANTITY AND FOR ISSUING THE RELATIVE PAYMENT AS PER THE CONTRACT THESE BLOCKED FUNDS CANNOT BE ENCUMBERED, HYPOTHECATED OR OTHERWISE LEANED OR LEVIED EXCEPT FOR PROCUREMENT OF THE 2,000,000 BARRELS OF BONNY LIGHT CRUDE OIL. BENEFICAIRY IS ALLOWED A DRAWDOWN OF SUM OF \$500,000 BEING FEE FOR RE-ASSIGNMENT, VERIFICATION AND PROGRAMMING. THESE BLOCKED FUNDS CAN BE VERIFIED AND AUTHENTICATED ON BANK TO BANK BASIS BY SWIFT THROUGH THE NORMAL BANKING PROCEDURES AND PRACTICES.

BY: _____
BANK OFFICER'S NAME
Title:
Tel:

BANK OFFICER'S NAME
Title:
Tel:



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A handwritten signature in black ink, appearing to be 'M. J. ...' with a stylized flourish at the end.

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