



Marzam Cia. Ltda.

Bunker Department

Malecón y Calle 19 – Edificio El Navío

PBX +593 5 262 6445 Ext 270

Fax + 593 5 262 4414

Manta – Ecuador

E-Mail: marinefuels@corporacionmarzam.com

www.corporacionmarzam.com

Standard Terms and Conditions for Marine Bunker Fuel Sales 2008

These Standard Terms and Conditions (Part Two) are designed for use in transactions where Corporation Marzam and any of its affiliates agree to sell and deliver marine fuel (the “Seller”) to a party (the “Buyer”).

- When referred to collectively, the “Seller” / “Buyer” shall be called the “Parties”.
- “Fuels” shall mean any petroleum based product currently offered by seller for similar use at the time and place of delivery.
- “Services” refers to agency services, or similar requirements as needed by Buyers.

The terms and conditions form an integral part of the Agreement (Part One) to which they are attached or in which they are incorporated by reference, except to the extent that they contradict (Part One) or are inconsistent with them. To that extent only (Part One) shall prevail over these (Part Two) standard terms.

1. Price: The applicable price shall be the one agreed upon by the parties at the time and place of nomination for the grade of marine fuel to be delivered.

- Unless specifically stated otherwise in (Part One), prices shall be deemed to be in US Dollars per metric ton delivered, and shall represent the full unit price of the fuel, including transportation and pumping to Buyers vessel.
- Buyer shall pay all applicable duties, taxes, fees and other costs including but not limited to those imposed by local authorities, such as demurrage, dockage, overtime, etc.
- Buyer shall pay for any expenses and costs incurred by the seller or supplier in connection with partial or complete cancellation by the Buyer of a delivery in progress, consistent with the notice requirements stated under the “Nomination” section below.

2. Nomination: Buyer nomination shall provide Seller at least (3) working days prior written notice of the vessel, and should include vessels agent, approximate date of arrival, bunkering port, grade and quantity of marine fuel, IMO number of vessel, and buyers address for invoicing purposes. Buyer shall insure that either the Master of a nominated vessel or vessel’s agent give not less than two (2) working days advance notice to the Seller, which notice shall identify the Buyer and specify the place and time that delivery is required. The Master or vessels agent shall give immediate notice to Seller of any delays of time of arrival. In case of failure to arrive at the scheduled date, Seller will use its best efforts to re-schedule Buyer’s vessel, but shall not be

responsible for any attendant delays, nor for any damages or losses resulting therefore. Unless ETA date range agreed under the contract is wider than two (2) calendar days, Buyer's vessel shall begin to take delivery of the fuel within the day range of maximum two calendar days after the earliest estimated ETA. The Contract price shall be valid only for deliveries which begun within such period, and seller reserves the right to increase the sale price. This entitlement is without prejudice to any claim Seller may have against Buyer for failing to take delivery within the two calendar day range referred to above. If the vessel arrives earlier than the agreed loading range, the seller shall exercise reasonable efforts to supply the vessel upon request but shall not be bound to do so until the commencement of the 2 day loading range.

3. Deliveries. Deliveries shall be made by barge subject to the custom of the port, and local regulations (e.g. night-time restrictions at some ports,). Vessels, including tankers, will be bunkered in turn as promptly as circumstances permit, but the seller shall not be liable for demurrage, or for any loss, expense, damage or delay due to congestion at the fuel terminal whatsoever caused, or to prior commitments of available barges, or prevailing conditions not within Sellers control, or when in Seller's opinion, clear and safe berth or the assistance of qualified staff to secure moorings is unavailable. Buyer shall, without charge, immediately furnish a clear and safe berth alongside vessel's receiving lines. Delivery need not be made when in Sellers or its supplier's opinion, a clear and safe berth is not available. Buyer shall make all connections and disconnections of the delivery hose to vessel. The receiving vessel is responsible for a safe access to and from the lighter (barge or delivering vessel). Deliveries shall be deemed to have been completed, and title risk of loss shall pass to Buyer, as the marine fuel reaches the flange connecting Seller's or its supplier's delivery hose to the receiving vessel's permanent intake facility. At which point Seller's responsibility shall cease. Each delivery is deemed to represent a separate contract. In the event of delay caused by Buyer for any reason in the use of bunker barge, Buyer shall reimburse Seller to the extent Seller incurs in any expense due to such delay. Seller shall have the right to shift or require Buyer to shift its vessel at load port, from one berth to another or to anchorage. Buyer warrants that each vessel will be properly crewed, equipped, maintained and operated in compliance with applicable regulations, so as to avoid leakage, spillage, overflow, or water or land pollution. Effective communication between the receiving vessel and the Seller's/ Supplier's delivering personnel shall be constantly maintained during the entire bunkering operation and Buyer assumes all responsibility for the direction of pumping. Buyer shall indemnify and hold Seller and its supplier harmless from and against any and all losses, damages (including damages to the vessel), costs and expenses of whatsoever nature including reasonable attorney's fees in which Seller or its supplier may incur, either (i) as a result of any claim, action, suit, assessment, fine, levy, penalty or exaction of a like nature instituted by any person including public authorities and corporations, by reason of any such alleged leakage, spillage, overflow, or water or land pollution, except to the extent that such losses, damages, costs and expenses are finally judicially determined to have arisen out of gross negligent or willful misconduct of seller or supplier; or (ii) arising out of the wrongful or negligent act of Buyer, its vessel, the master or its crew, in connection with any activities or obligations hereunder. If an escape, spillage, discharge, leakage, overflow on water or land pollution by marine fuel (spill) occurs during delivery to Buyer, Buyer will promptly take such action as is reasonably necessary to recover the marine fuel and mitigate effects of such a spill. However, notwithstanding the cause of such a spill, Seller or its supplier is hereby authorized at its option, upon notice to Buyer or Buyer's agent for the receiving vessel, to take such measures, and to incur such expenses as are reasonably necessary in the seller's or its suppliers judgment to remove the marine fuel and mitigate the consequences of such spill. Buyer shall promptly

reimburse Seller for any amounts paid by Seller on the behalf of Buyer in connection with a spill for which the Buyer is responsible. Buyer agrees to cooperate fully with the Seller or its supplier in the prevention, recovery and investigation in connection with a spill.

4. Documentation: Before commencement of delivery the Seller shall present for acknowledgement by the Master of the Vessel or his representative, a bunker requisition, duly signed by the representative of the Seller, which shall contain the quantities to be delivered and values for viscosity, density, water content, flash point. Once delivery is completed and quantities measured, a bunker delivery receipt (with 3 copies) shall be signed and stamped by the Master of the Vessel or his representative, and returned to the representative of the Seller, as acknowledgement of the delivery, and a copy shall be retained by the Master of the Vessel for one year. This receipt shall contain the quality parameters required in Annex VI Marpol 73/78, adopted in 2005.

5. Quality: The Marine Fuels to be supplied hereunder shall conform to ISO 8217/ 2005 for the relevant grade or product being delivered unless otherwise agreed between Seller and Buyer (in Part One). Any implied conditions and Warranties, including the Warranties of Merchantability and Fitness for a particular purpose, are expressly excluded and disclaimed. Buyer, having greater knowledge than Seller of his own requirements, shall have the sole responsibility for the prior selection and nomination of the particular grade(s) and acceptance thereof. The Seller may discharge its obligation to deliver marine fuels to the Buyer by supplying in substitution thereof marine fuels of a different grade and/or brand name provided that such substitutes are in all material respects of an equivalent and/or superior specification to that specified in Part One, as the case may be. The representative samples of each delivery shall be taken at the barges end of the bunker delivery hose. The Buyer shall have the sole responsibility for any determination of compatibility of marine fuel oil purchased from Marzam, with marine fuel already on board the vessel. In order to determine the quality of the product delivered, the Seller shall take one primary sample of each grade of Marine Fuels delivered, from which four representative samples shall be taken by the Seller. The samples shall be signed and sealed by a representative of the Seller and by an officer of the vessel or other senior representative of the Buyer. Three of these samples are taken for quality purposes ("Quality Samples"). The fourth sample is known as the MARPOL Control Sample. One sealed quality sample (C) and the MARPOL Control Sample shall be handed to the Master of the Vessel receiving the Marine Fuels. The two quality samples: (A) the official retained sample (B) Seller's sample, both retained by the Seller for a 30 day period or the minimum allowable under applicable law, whichever is longer. The seal numbers of all the samples should be recorded on the BDR, and the seal number of the MARPOL Control Sample identified. Any samples drawn from receiving vessel's tank/manifold shall not be valid as an indicator of the quality supplied.

6. Quantity: The quantity of product shall be determined from the official gauge/sounding of the delivery barge. Buyer should be present/or be represented by a properly accredited agent when such measurements are taken, and in acknowledgement should check the corresponding boxes on the BDR, or separate document, and confirm with signature. If Buyer or Surveyor is not present or represented, then Seller's determination of quantities shall be deemed to be correct and conclusive. If agreed by Seller and Buyer in advance, the Surveyors findings of bunker barge shall be conclusive. Otherwise, in case of any quantity discrepancy, the Master of the delivering vessel will call immediately for an Independent Surveyor to determine the definite tonnage. Cost of Surveyor will be for the account of the party at fault. Volume shall be adjusted to 15 degrees C under ISO standard 3675.

7. Claims: Any quantity claims made by Buyer regarding shortages should be made in writing to Seller at the time and place of delivery. Seller has the option to leave delivery equipment connected to the vessel at Buyer's expense until a quantity dispute has been resolved to Seller's satisfaction. Any complaint as to quality of the Marine Fuels delivered must be made to the Seller in writing as soon as possible, and in any event within 15 days from the date of delivery, in default of which the Buyer shall be deemed to have waived all complaints or claims in relation to the quality of the Marine Fuels so delivered. In the event that the test made on Sample C shows product to be off-spec by a difference larger than the corresponding test allows for reproducibility, the Sample A will be sent to a mutually accepted international laboratory for analysis, and each party will have the right to nominate a witness to presence the breaking of the seal and taking of the sample. The results of the analysis of Sample A shall be conclusive and binding for both parties, and the cost of the tests will be covered by the party at fault. The possibility of a claim, shall not relieve the Buyer of its obligation to make payment in full when due.

8. Payment: Unless otherwise agreed, the Seller's invoice shall be prepared based on the quantities stated on the BDR or Bunker Delivery Receipt. Payment by the Buyer shall be due according to the Seller's invoice and without any discount, withholding, reduction, offset or allowance and shall be made by means of electronic wire transfer to the bank account stated on the invoice, such that funds are received into such account by the due date stated on the relevant invoice. Overdue payments shall be subject to an interest charge of 2% per 30 calendar day period. If Buyer is in default of the full payment, or if its financial condition, in Seller's sole opinion becomes impaired or if proceedings in bankruptcy or insolvency are instituted by or against Buyer or in the case of liquidation or dissolution of Buyer, or any other reason at Seller's sole discretion, any and all postponed or deferred payments including interest thereon, shall become immediately due and payable and Seller reserves the right to offset the same against any debts due to Buyer or its holding or its subsidiary companies, affiliates, associated related companies. Exercise of any such rights shall be without prejudice to Seller's right to recover damages or losses sustained and resulting from any default by Buyer, and Seller shall have the right to suspend and to cancel deliveries hereunder. Payment shall not be conditioned upon Buyer's receipt of original delivery documents. When marine fuel is supplied on a credit basis, if the established credit expires on a day when Seller's Bank is closed for business, then the credit period will end on the last prior business day.

9. Health, Safety & Environment It shall be the sole responsibility of Buyer to comply, and advise its personnel, agents and or/customers to comply, both during and after delivery, with all health and safety requirements applicable to the Products supplied. Seller accepts no responsibility for any consequences arising from failure to comply with such health and safety requirements. Buyer acknowledges familiarity with the hazards inherent to the nature of any petroleum products, and shall protect, indemnify and hold seller harmless against any claims or liability incurred as a result of Buyer, or any user of the Products, or its customers, failing to comply with the relevant health and safety requirements.

10. Liens: Sales hereunder are on the credit of the receiving vessel as well on Buyer's promise to pay, and amounts due shall be maritime liens against such vessels in favor of Seller and its supplier, regardless of any disclaimer placed upon delivery documents by the receiving vessel or any third party. If the buyer is not the owner of the vessel, the Buyer hereby expressly warrants that he has the authority of the owner to pledge the vessels credit for this purpose and that he has given notice of the provisions of this clause to the owner.

11. Force Majeure: The Seller and its supplier shall not be liable for any loss, damage or demurrage resulting from any breach, delay, or non performance of the obligations thereof to the extent such noncompliance is caused by: (i) any governmental act or compliance by that party with any order, request, or control of any governmental authority or person purporting to act therefore whether or not such order or request is later determined to be invalid; or (ii) the interruption , unavailability, or inadequacy of marine fuels, or any constituent thereof, or any facility of production, manufacture, storage, transportation, distribution or delivery, because of wars, hostilities, public disorders, acts of enemies, sabotage, strikes, lockouts, labor or employment difficulties, fires, acts of God, accidents, breakdowns, weather conditions, or any other cause whatsoever which is not within the control of the seller or its supplier including, but not limited to the failure, cessation, termination or curtailment in whole or in part of any existing or contemplated sources of supply of Seller or its supplier of marine fuels or the crude oil or petroleum products from which such marine fuels are derived. Seller and its supplier shall not be required to remove any such cause or replace the affected source of supply or facility if it will involve additional expense or a departure from its normal practice. Seller or its supplier shall not be required to make up deliveries omitted due to any of the causes specified herein. Notwithstanding the provisions of this clause, the Buyer shall not be relieved of any obligation to make payments for all sums due hereunder. Buyer shall not be liable for any loss, damage or demurrage resulting from any breach, delay or nonperformance to the extent such is the result of any cause which is not within the control of Buyer and the vessel taking delivery hereunder; provided, however, that nothing contained herein shall: (i) relieve buyer of its obligations to pay for marine fuels delivered by Seller or its supplier and to make such payments in the manner specified elsewhere in these terms; or (ii) affect the obligations of buyer to reimburse Seller to the extent Seller incurs any expense due to any delay by Buyer in the use of delivery or bunker vessel facilities or in vacating the terminal as elsewhere provided in these terms.

12. Miscellaneous: Notice to either party shall be mailed, telexed, faxed, or e-mailed to its indicated address, and shall be deemed given at the expiration of normal delivery or transmission time. These terms contain the entire understanding between the parties covering the subject matter, except as otherwise agreed in Part One. No derogation, addition or amendment to these terms or the terms of Part One shall be of any force or effect unless and until expressly confirmed in writing by the Seller. If any provisions herein shall to any extent be invalid or unenforceable, the remainder, of these provisions shall not be affected hereby. If the order for marine fuels is placed by Buyer acting as agent on behalf of a disclosed or undisclosed principal, Buyer shall be liable for performance of all obligations of the principal, including payment. Any provision of these Standard Terms and Conditions which is determined to be void or unenforceable shall to the extent of such invalidity, be deemed to be severed from these Standard Terms and Conditions and such severance shall not adversely affect the enforceability of any other provision. Seller may assign some or all of its rights and obligations hereunder, in which even any such assignee shall enjoy and be entitled to exercise against Buyer any and all rights herein conferred upon Seller. Seller reserves the right to reclaim any marine fuels delivered hereunder by notice to Buyer, if Buyer has received such marine fuels from Seller or its supplier while insolvent. Buyer shall not assign its interest in the marine fuels supplied by the Seller without the prior written approval of the Seller.

13. Indemnity: Buyer shall defend, indemnify and hold Seller harmless with respect to any and all liability, loss, claims, expenses, or damage Seller may suffer or incur by reason of, or in any way connected with, the fault or default of Buyer or its agents in the purchase of, receipt, use, storage, handling or transportation of the Products in connection with each bunker transaction.

14. Liability and Consequential Damages: Seller and/or supplier shall not be liable for special, indirect, consequential, punitive or exemplary damage of any kind arising out of, or in connection with, the performance or non-performance under the contract. No claim by the Buyer in respect to the quality/quantity of Marine Fuels delivered, or any other reason, may exceed the Agreement Price (the price that should have been applied according to the Agreement terms based on the agreed delivery range/ quantity). As the load port is operated by the state, any claims due to shortage of avails or originating from the quality of the Fuel Oil received from the terminal, shall be recoverable only in accordance with Seller's ability to recover same from the load port operator.

15. Breach: Seller may terminate the Contract in whole or in part, at its own discretion upon the breach of any provision hereof by Buyer. Seller reserves the right to recover from Buyer all damages and costs (including but not limited to loss of profit) resulting from any breach of the Contract.

16. Jurisdiction: The agreement made in accordance herewith, its performance and enforcement, inclusive of maritime liens arising hereunder shall be governed by the law of Ecuador. Any dispute arising out of, or in connection with a bunker commitment, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration under LCIA Rules, which Rules are deemed to be incorporated by reference into this section. The number of arbitrators shall be one. The seat or legal place of arbitration shall be Guayaquil or Quito. The language to be used in the arbitration shall be Spanish Regardless of the law of the forum in which any proceeding is instituted relating to such agreement or the law of the flag country of any vessel to which deliveries are made in accordance herewith. The United Nations Convention on International Sales of Goods shall not apply to this agreement or the performance thereof.