

GENERAL TERMS & CONDITIONS FOR SALE OF MARINE FUELS

1. APPLICATION

The terms and conditions herein shall apply in a Contract where Millennium Oil Pte Ltd (hereinafter called the Seller) agrees to sell and deliver, or to arrange for the sale and delivery of Marine Fuels to Buyer which agrees to buy Marine Fuels from the Seller under the Contract.

2. PRICE

Sellers and Buyers must mutually agree on the price before there is any obligation to sell or buy such Marine Fuels as Buyers shall order from Sellers and Sellers may accept to sell to Buyers. The price of the Marine Fuels shall be stated in the Contract issued by the Sellers.

In addition to the stated price for the Marine Fuels, the Buyers shall be fully liable and responsible to pay for any and all applicable duties, goods and service tax, taxes, fees, costs (including those imposed by government authorities), port dues, lighterage and wharfage charges is applicable, barging fees, delivery charges, mooring charges, insurance, pilotage, freight and all such other costs and expenses whatsoever arising from the delivery.

3. QUALITY

The Buyers shall have the sole responsibility for the selection, acceptance and use of Marine Fuels to be used in the receiving vessel, including the determination of the compatibility of such Marine Fuels with fuel already on board and receiving vessel. Notwithstanding anything else set out in the Contract, the Sellers may fully and properly discharge its obligations to deliver Marine Fuels by supplying any product of equivalent or superior specification to that set out in the Contract.

The Sellers do not warrant or guarantee that the Marine Fuels supplied will function in the engine or boiler(s) of the receiving vessel, or will be compatible with the fuel already in the receiving vessel's tanks, or with fuel which is later added to and commingled with the Marine Fuels supplied by the Sellers.

The Sellers warrant that the Marine Fuels shall be of a homogeneous and stable nature, shall comply with the grades nominated by the Buyers and be of satisfactory quality. Unless otherwise agreed in the Contract, the Marine Fuels shall in all respects comply with ISO Standard 8217:2005 or any subsequent amendments thereof (except TOTAL EXISTENCE SEDIMENT and TOTAL SEDIMENT, POTENTIAL) and MARPOL Compliance, unless Sellers agree to other specifications in the Contract, in which case such specifications shall represent the only quality characteristics which the Marine Fuel is required to meet.

All warranties (whether express or implied) as to merchantability and fitness of the Marine Fuels as supplied by the Sellers to a particular purpose, condition and agreement whatsoever whether statutory or otherwise are expressly excluded and disclaimed.

4. QUANTITY

The delivered quantity shall be based on the bunker tanker's tank gauging and calculations as witnessed by both the Buyers' representatives and the Sellers' representatives. Where the flow meters are used instead of tank gauging, the flow meter readings as witnessed by both parties' representatives shall be used for the calculation of the quantity delivered.

If Buyers or its representative is not or do not wish to be present at time of measurement, then, any complaint or wrong measurement or short delivery shall be deemed to be waived. The quantity shall be measured under prevailing guideline set up in the Code of Practice for Bunkering, Singapore Standard SS600:2008 latest edition.

5. NOMINATION

The Buyers or the agent of the vessel shall give the Seller at least 48 hours' advance notice (excluding Saturdays, Sundays and Public Holidays) of the exact time and exact location at which delivery is required together with confirmation on the quantity and grade of Marine Fuels to be delivered.

Notwithstanding the foregoing, the Buyers shall be liable for any cost and expenses incurred by the Sellers resulting from the failure of the Buyers and its employees, contractors or agents to take delivery of or rejecting in part or in full the quantity of Marine Fuels ordered by the Buyers and accepted by the Sellers.

6. CANCELLATION

If the vessel which requires delivery of Marine Fuels fails to arrive or fails to receive the Marine Fuels within three (3) days of the agreed delivery date, the Sellers have the option to cancel the Contract without incurring any liability whatsoever.

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In this event, however, the Buyers shall be liable for any cost and expense however incurred by the Sellers and shall indemnify the Sellers against any claims, losses, costs, damages, liabilities, fines, penalties and expenses however or sustained arising out of or in connection with the cancellation of the Contract, except to the extent that such claims, losses, costs, damages, liabilities, fines, penalties and expenses arise through the negligent act or omission of the Sellers and/or the Sellers' representatives and/or the Sellers' sub-contractors.

7. DELIVERY

Delivery of the Marine Fuels shall be made to the vessel ex-wharf or ex-barge as specified in the Contract and into the tanks normally designated for the fuels.

Delivery of the Marine Fuels by the Seller shall be made only within the established port limits unless otherwise agreed between the Buyer and the Seller.

The Seller shall deliver the Buyer's Marine Fuel requirements as promptly as circumstances permit; but the Seller shall not be liable for any loss, damage, delay or demurrage whatsoever which may be suffered by the Buyer as a result of any congestion affecting the Seller's or Seller's supplier's delivery facilities or any prior commitment of bunker barges.

If any government or port permit is required for delivery of the Marine Fuels, no delivery will be made until such permit has been obtained by the Buyer.

Should the Buyer cause any delay in taking delivery to the Seller's or Seller's supplier's barge or in failing to vacate the wharf promptly, the Buyer shall be liable for any loss or expense incurred by the Seller arising from any such delay.

8. PAYMENT

Payment for the delivery and all related charges shall be made by the Buyer in full without any deduction, set-off or counterclaim whatsoever in United Stated Dollars free of all charges by electronic or telegraphic transfer of same day funds to the Seller's nominated bank account, quoting the Seller's invoice number and the Buyer's name. The Seller shall provide the Buyer with a documentary invoice or fax invoice.

All payment hereunder shall be made within 30 days from the date of delivery (date of delivery to count as day one) or, if otherwise agreed, within the number of days stated in the Contract after the completion of delivery.

In the event payment has been made in advance of delivery, same shall be adjusted on the basis of the actual quantities of Marine Fuels delivered and additional payment and/or refund shall be made within 30 days after the completion of delivery.

If payment falls on a non-business day, then payment shall be made on or before the business day nearest to the due date. If the preceding and succeeding business days are equally near to the due date, then payment shall be made on or before the preceding business day.

Any delay in payment and/or refund shall entitle either party to interest at the rate of two (2) per cent per month or any part thereof.

In the event of non-payment, the Sellers reserve the right to pursue such legal remedies as may be available to them to recover the amount owed.

9. SAMPLING

All samplings taken at the time of bunkering shall be done in accordance to the procedure as set up in the Singapore Standard SS600:2008 Code of Practice for Bunkering or any subsequent amendments therefore. Any sample taken outside of this procedures, shall not be recognized as the legal and bind simple.

10. QUANTITY/QUALITY CLAIMS

Any complaint or dispute as to the quantity delivered must be noted at the time of delivery in the receipt or in the letter of protest. Any claim as to short delivery shall be presented by the Buyers in writing within fourteen (14) days from the date of delivery, falling which any such claim shall be deemed to be waived and barred.

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Any claim as to the quality or description of the Marine Fuels must be notified in writing or promptly after the circumstances giving rise to such claim have been discovered. If the Buyers do not notify the Sellers of any such claim within twenty (20) days of the date of delivery, such claim shall be deemed to be waived and barred.

If the claim of defect in quality is duly notified to the Sellers, the parties shall have the quality of the mutually agreed representative sample within the Seller's custody, analysed by a mutually agreed, independent and certified testing laboratory under the national accredited body in accordance with ISO Standard – ISO 8217. The result of such testing shall be conclusive and binding on the Sellers and Buyers. The cost of testing the representative sample shall be on the losing party's account.

Any submission of complaint or claim with regards to quantity and quality to the Sellers shall not release the Buyers of responsibility to make full payment of the invoiced amount as required under Clause 8 hereof.

11. RISK/TITLE

Delivery of the Marine Fuels shall be deemed to be complete and risk shall pass to the Buyer as the Marine Fuels pass the flange connecting the delivery facilities provided by the Seller with the receiving facilities provided by the Buyer. Title shall pass to the Buyer only upon payment by the Buyer of the full amount of invoiced value due for Marine Fuels delivered, even if the Marine Fuels are no longer in the possession or custody of the Buyer.

12. INDEMNITY/LIABILITY

The Buyer shall indemnify the Seller and the Seller's supplier against any claims, losses, costs, damages, liabilities, fines, penalties and expenses incurred or sustained out of or in connection with the act, omissions, neglect or default of the Buyer, its servants, crew or agents in the receipt, use, storage or transportation of the Marine Fuels delivered.

The Seller's liability for breach of any condition shall be limited to the payment of damages but shall exclude indirect or consequential damages, and its extent of liability shall not under any circumstances whatsoever exceed the agreed selling price of the Marine Fuels under the Contract.

The Seller will exercise due care in appointment and selection of suppliers and contractors for effecting physical delivery of the Marine Fuels to the Buyer. Where the Seller has exercised such care, the Seller shall not be liable or answerable to the Buyer for the consequences of any criminal act, or omission amounting to a crime, by the supplier or contractor or any employee or agent of such supplier or contractor. The mere fact that an appointed supplier or contractor, or an employee or agent of such supplier or contractor has been investigated in connection with marine fuel supply operations shall not preclude appointment by the Seller, nor shall appointment by the Seller with knowledge of such investigation imply failure to exercise due care.

13. FORCE MAJEURE

Neither party hereto shall be responsible for any loss, damage, delay or failure in performance under this contract resulting from an act of God, or the port of delivery being affected by war, civil commotion, riot, quarantine, strike, stoppage, lock-out, arrest, restraint of princes, rulers and people or any other event whatsoever which cannot be avoided or guarded against by the exercise of due diligence.

14. ENVIRONMENTAL PROTECTION

If an oil spill occurs while the Marine Fuels are being delivered, the Buyer shall promptly take all reasonable and necessary actions to remove the spill. The Seller or its supplier is hereby authorized, at its option on giving notice to and at the expense of the Buyer, to take measures and incur such expenses as deemed necessary to remove the spill. The Buyer shall co-operate and render all necessary assistance as required by the Seller or its supplier in the course of such action.

All expenses, claims, loss, damage liability and penalties arising from the spill shall be borne by the party that caused the spill by a negligent act or omission. If both parties have acted negligently, all expenses, claims, loss, damage liability and penalties shall be borne by the two parties in accordance with the respective degrees of negligence or omission.

15. LIEN

All deliveries of Marine Fuels under any Contracts hereunder are made not only on the credit of the Buyers but also on the faith and credit of the receiving vessel, and, it is agreed that the Sellers will have and may assert a lien against such vessel for any amounts due under the Contract. No acceptance of any other or additional security measures by the Sellers shall operate as a waiver of this provision. Where the Buyers are not the owner of the receiving vessel, the Buyers, hereby, expressly warrants

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that he has the unrestricted authority of the Owner of the receiving vessel to pledge the vessel as credit under this clause, and that the Owners of the receiving vessel has been give notice of this clause.

It is further agreed and understood that the Sellers will have and may assert a lien against any vessel or vessels owned or operated by the Buyers for any amounts due under the Contracts.

The Sellers shall not be bound by any attempt by any person to restrict, limit or prohibit its lien/liens attaching to the vessel(s).

16. WAIVER

The failure by the Sellers to enforce any right against the Buyers shall not be considered as a waiver of that right. Any waiver by the Sellers of any of its right hereunder or under any Contract in any particular instance, shall not prejudice its rights to enforce the same strictly and in full on any subsequent occasion.

17. ASSIGNMENT

The Buyers shall not assign any of its right and obligations hereunder unless expressly agreed to in writing by the Sellers.

18. ARBITRATION

Any dispute arising out of or in connection with the Contract, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration in Singapore in accordance with the arbitration rules of the Singapore International Arbitration Centre (SIAC Rules) for the time being in force which rules are deemed to be incorporated by reference into this clause.

19. GOVERNING LAW

The construction, validity and performance of the Contract shall be governed by the laws of the Republic of Singapore.