

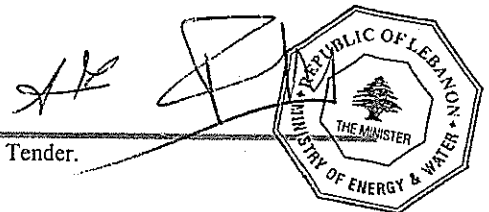


SWAP Spot Public Tender ref. no. 116/T/40 dd. 22nd September 2021
HFO (A) and/or HFO (B) and/or Gasoil for Electricité Du Liban Use

- **Documents for the SWAP Spot Public Tender (Leg 1):**
 - SOMO General Terms and Conditions
 - Price and Nomination for each month and pertaining to Leg (1) will be announced separately

- A- **Documents for the SWAP Spot Public Tender (Leg 2):**
 - Appendix No. 1: A letter of commitment.
 - Appendix No. 2: Price.
 - o 2(a) Price for HFO (A) and/or HFO (B)
 - o 2(b) Price for Gasoil 0.1%
 - Appendix No. 3: Integrity Declaration.

 - Appendix No. (a): Specifications.
 - o HFO Grade (A)
 - o HFO Grade (B)
 - o Gasoil
 - Appendix No. (b): Technical requirements of discharge port(s) /berth(s).



SWAP Spot Public Tender
for Electricité Du Liban Use
Tender Conditions



Scope of the Swap Spot Public Tender

The Lebanese Government represented by the Ministry of Energy & Water (MoEW) – Directorate General of Oil (DGO) and the Iraqi Government represented by the Ministry of Oil (MoO) – State Oil Marketing Organization (SOMO) have entered into a term agreement to secure on Government to Government (G2G) bases a yearly quantity of 1 (ONE) Million MT of Iraqi Quality Specifications High Sulphur Fuel Oil (HSFO) divided into 12 months.

The execution of the agreement will be divided into “Two Legs”

Leg 1 : Loading from SOMO HSFO as per SOMO GT&Cs and price

Leg 2 : Supplying to Lebanon HFO Grade (A) and/or HFO Grade (B) and/or Gasoil as per the below GT&Cs and price

1- Subject of commitment:

The subject matter of the commitment is to supply a quantity of HFO (A) and/or HFO (B) and or Gasoil for the use of Electricité Du Liban (EDL) in accordance with the conditions and specifications set forth in this SWAP Spot public tender conditions.

2- Definition and conventions:

Buyer: Ministry of Energy and Water - Directorate General of Oil represented by the Director General of Oil.

Operator/The Winning Bidder: The supplier of the quantity of HFO (A) and/or HFO (B) and/or Gasoil subject of this SWAP spot public tender conditions.

EDL: The direct beneficiary for whose interest the HFO (A) and/or HFO (B) and/or Gasoil is imported.

3- Goods intended to be purchased:

HFO (A) and/or HFO (B) and/or Gasoil as *per Buyer's option*, according to the specifications under Appendix No. (a). Origin of Goods can be of any Origin Except Israel.

4- Quantity:

To be provided as per Buyer's option as per specs attached.

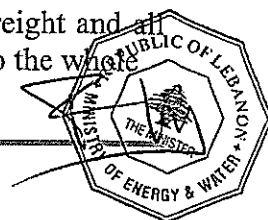
5- Delivery date(s):

To be provided.

- The delivery date commences at the instant at which NOR has been tendered at first discharge port /berth in Lebanon.

6- Form of Bidder and Supporting Documents:

- The Bidder is supposed to be an international oil company who have expressed their interest to participate in the SWAP Spot Public Tender and who has been pre-approved by SOMO . (Except Israeli companies).
- A written commitment by the Operator to settle at their own account the freight and all transport expenditures, and to conduct all the necessary insurances relevant to the whole



- HFO (A) and/or HFO (B) and/or Gasoil quantity(ies) specified in this SWAP Spot public tender (**Appendix No. 1**).
- The Integrity Declaration: Where the bidder undertakes to respect the Lebanese and international laws, especially the British ones, and not to pay any kind of bribes, benefits or gifts, and to bear full responsibility for any violation committed by any entity or company or any person working in his name or in his interest to implement this award under penalty of judicial prosecution and annulment of the award. (**Appendix No. 3**).

7- Method of offer presentation:

The process for all tenders will be as such:

a- SWAP Spot Public Tender Process:

1- SWAP Spot Public Tender is announced on the Ministry of Energy and Water official websites www.energyandwater.gov.lb and www.dgo.gov.lb

2- Any qualified company who wishes to participate can email us directly to the Directorate General of Oil (DGO) designated email addresses dgo@energyandwater.gov.lb and info@dgo.gov.lb

b- Bidding Process:

1- All bids will be sent to the aforementioned email(s) before the deadline date as stated on each swap spot public tender announcement.

2- Bids are to be sent out in an encrypted file – password protected format before the **first** closing time / date.

3- Documents presented should include the following documents (*Word Format Documents will be uploaded on the official website for easy reference*)

a. Appendix No. 1 A letter of commitment.

b. Appendix No. 2: Price.

c. Appendix No. 3: Integrity Declaration.

4- A separate email to follow with the password pertaining to the encrypted file within 30 minutes after the first time / date as stated for each swap spot public tender.

Ex.: { *Not before 16:00 Beirut Local Time / Day / Date*
and
No longer than 16:30 Beirut Local Time / Day / Date }

c- SWAP Spot Public Tender Opening:

1- 30 minutes after the first deadline time / date of the bidding process and after the receipt of all the passwords; the assigned committee will open all emails / offers using the passwords duly sent by the bidders

2- All companies and / or their official representatives are welcome to join the swap spot public tender opening protocol.

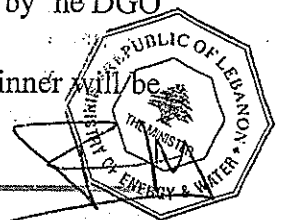
3- For those who do not have an official representative locally or cannot be present officially; and wish to join the swap spot public tender opening; there will be an online window that they can choose to join to witness the swap spot public tender opening.

4- The committee will then reconvene and prepare a minutes of meeting of the swap spot public tender and the result of the swap spot public tender and the participants.

d- Swap Spot Public Tender Award

1- The Minister will provide his comments, if any; otherwise the approval by the DGO for award.

2- The result of the Swap spot public tender will be announced and the winner will be advised through email, by return confirmation of their acceptance.



3-All other bidders will also receive emails pertaining to the award of the winner should they deem fit.

e- General Information:

All emails duly received by all bidders will be subject to the Terms and Conditions specified by the Ministry of Energy and Water / Directorate General of Oil.

All bidders should only state the Premium level pertaining to each SWAP spot public tender / bid. (as per Appendix no. 2 (a) and/or (b)) the T&C's announced on the official website and advised directly to the bidders are to be considered pre-approved by the bidder(s).

8- Prices Offer (According to appendix No. 2) for leg 2:

The prices offer shall exactly include the following text without any modifications:

a- For Fuel oil with a sulfur content 1.0 pct (grade (A) and grade (B)):

The price in U.S. Dollars per Metric Ton DAP (Delivery At Place) one or more safe port(s)/ berth(s) Lebanon, based on the B/L quantity , will be equal to: The total mean of the sum of all the means of the high and the low quotations for Fuel 1.0% as published in Platts European Marketscan under the Heading "FOB Med Basis Italy" plus a premium of U.S. Dollars /..... / (By numbering) PMT U.S. Dollars (By lettering) per Metric Ton. The quotations to be taken into consideration will be the effective and valid published quotations of the month of loading **(to be the same month of loading from Leg 1)**

b- For Gasoil 0.2 pct:

The price in U.S. Dollars per Metric Ton DAP (Delivery At Place) one or more safe port(s)/ berth(s) Lebanon, based on the B/L quantity , will be equal to: The total mean of the sum of all the means of the high and the low quotations for Gas Oil 0.1% as published in Platts European Marketscan under the Heading "FOB Med Basis Italy" plus a premium of U.S. Dollars /..... / (By numbering) PMT U.S. Dollars (By lettering) per Metric Ton. The quotations to be taken into consideration will be the effective and valid published quotations of the month of loading **(to be the same month of loading from Leg 1)**

The cost of each additional port of discharge in Lebanon will be an additional extra premium of U.S. Dollars /...../(By numbering) PMT U.S. Dollars/.... / (By lettering) per Metric Ton.

In case of outturn quantity loss as determined by the appointed inspector at discharge port, the loss, if any, up to 0.5% of the Bill(s) of Lading (B/L) Quantity will be borne by the Buyer and any loss above 0.5% of the B/L(s) Quantity will be for Operators' account.

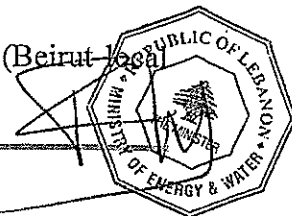
The Bidder may notice lowering the total mean of the sum of all the means of the high and the low quotations mentioned above, before adding the premium, and their offer will be accepted. Knowing that the amount of lowering should be mentioned in the absolute value, and not as a percentage discount rate on the total mean of the sum of all the means of the high and the low quotations.

9- Latest remittance of offers:

Offers are to be sent to the designated email address latest on..... at hrs. (Beirut local time). *To Be Announced and provided on a separate letter.*

10- Validity of the offer:

Offers presented are considered to be valid till at hrs. (Beirut local time). *To Be Announced and provided on a separate letter.*



11- Award of SWAP Spot Public Tender:

The Ministry of Energy and Water – Directorate General of Oil has the right not to take the result of SWAP spot public tender for reasons exclusively related to public interest.

12- Notification:

The winning Bidder shall be notified of awarding the SWAP spot public tender to them, by return email to the sender of the bid

The winning Bidder should submit, within 48 hours from receipt of the written notification above,

For Leg1

- Full Style company name and address
- Vessel Name acceptable to SOMO
- Expected Loading date
- SOMO General T&Cs to apply

For Leg 2

- Full Style company name and address
- Vessel Name acceptable to DGO
- Expected Loading date
- Port of Loading
- Origin of Goods
- Quality & Quantity

13- Penalty for delay:

Penalty for delay is incurred as follows:

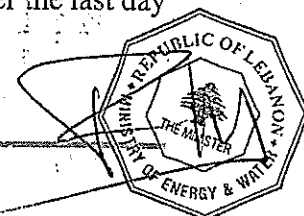
- In case the Operator fails to deliver any of the cargoes at the scheduled delivery dates, or agreed upon as per **Clause No. 5**, the Operator shall be liable to a penalty starting on the first day following the last delivery date allowed for each cargo amounting to 0.5% (zero point five) of the cargo's value per day of delay, up to a maximum of 5% (five percent) of such cargo's value, under the penalty of being regarded as breaching the award, unless the force majeure **Clause No. 26** is proved.

14- Method of Settlement:

The Operator irrevocably agrees that the settlement of the final amount relevant to product/quantity loaded for delivery to Leg 2 will be offset by the final amount relevant to HSFO quantity loaded from Leg 1.

The Operator will do their best endeavor to deliver under Leg 2 no more than the value of the product loaded from Leg 1.

- If the final dollar value of the product delivered under Leg 2 is less than the dollar value loaded under Leg 1. The Operator will transfer the net difference to the Lebanese Central bank transitory account that will be opened on transitory bases, to offset the transaction and to clear the accounts between all parties.
- If the final dollar value of the product loaded from Leg 1 is less than the dollar value delivered under Leg 2. The Operator will invoice EDL the net difference owed to the Operator. EDL obligation will be to transfer the net difference to the Operator to offset the transaction and to clear the accounts between all parties.
- The Operator must present the following documents no later than 21 days after the last day of the month of loading:



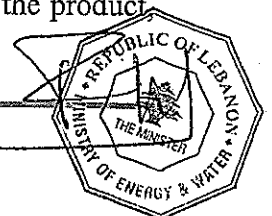
- 1- Signed commercial invoice in one original and three copies certifying the following:
 - a- Quality and quantity supplied and all specifications are in compliance with the Award Numberdated.....
 - b- Price applied should be detailed as regards the computation of the final unit price based on the Platts quotations, and other swap spot public tender clauses as per award Numberdated.....
- 2- Separate invoice issued for payment of demurrage at discharge port(s)/berth(s), if any.
- 3- Separate invoice issued for Extra War Risk Insurance Premium (EWRIP), if any.
- 4- Separate invoices to be issued for any other costs mentioned in the Charter party, if any,
- 5- The value of the final invoice shall include any amount of demurrage at discharge port(s)/berth(s), EWRIP, and any other costs mentioned in the Charter Party. However, these amounts will be offset together with or after the cargo value against Beneficiary's invoices representing the said costs.
- 6- Full set of original Bill of lading, showing notation "Clean on Board", clearly mentioning discharge port(s)/berth(s) in Lebanon, and load port(s), knowing that offshore port loading (OPL) is not acceptable, duly dated and signed by the master or his agent, endorsed to the order of "Ministry of Energy and Water – Directorate General of Oil - Lebanon", marked "freight prepaid". Charter party B/L is acceptable. B/L marked "freight payable as per charter party" is acceptable.
- 7- Certificate of Origin issued or countersigned by the Chamber of Commerce or any other official or governmental entity determining the origin of product except Israel.
- 8- Report issued by the independent inspection company(or companies)assigned by the Ministry of Energy and Water – Directorate General of Oil confirming that the goods are in accordance with the specifications mentioned in this letter of credit and have been discharged in (delivery places). The report must indicate time of NOR, time of discharge (starting and completion) at each discharge port(s)/berth(s), the outturn quantities in Metric tons net in air received at shore tank(s), and the detailed specifications of the cargo as ascertained at discharge port(s)/berth(s).
- 9- Time sheet or statement of facts issued at load port (s).
- 10- A statement issued and duly signed and stamped by the competent entity clearly stating that the maritime vessel is not related to Israel and did not call at any port related to Israel during her voyage to Lebanon.
- 11- Ship's tank inspection report issued at loading port by independent inspector nominated by Seller and approved by Buyer.
- 12- Ship's O.B.Q. (On Board Quantity) report issued at loading port by independent inspector nominated by Seller and approved by Buyer.
- 13- A confirmation letter from the Ministry of Energy and Water – Directorate General of Oil that they received from the Operator an e-mail for the bill of lading , the date of loading, and the loading port, and the discharge port(s)/berth(s) in Lebanon.
- 14- A complete map stamped by the Ministry of Energy and Water for the AIS once the vessel left the loading port till it reached the discharge port/berth(s).

15- Amendments to the SWAP spot public tender conditions:

The Ministry of Energy and Water - Directorate General of Oil can amend the present conditions of the SWAP Spot Public Tender (such as the dates of cargoes delivery, etc....) provided the Ministry declares it in timely manner.

16- Insurance and Freight Expenses:

The Operator shall commit in writing to settle at their own account the freight and all transport expenditures relevant to the whole fuel oil quantity specified in this swap spot public tender, and the Operator shall also undertake to conduct all the necessary insurances on the product which shall be totally borne by them.





Appendix No. (2)b
Price
Gas Oil 0.1 % Sulfur

The price in U.S. Dollars per Metric Ton DAP (Delivery At Place) one or more safe port(s)/ berth(s) Lebanon, based on the received quantity, will be equal to: The total mean of the sum of all the means of the high and the low quotations for Gas oil 0.1 % as published in Platts European Marketscan under the Heading “**FOB Med Basis Italy**” plus a premium of U.S. Dollars /..... / (By numbering) PMT U.S. Dollars (By lettering) per Metric Ton.

The quotations to be taken into consideration will be the effective and valid published quotations of the month of Loading **(to be the same month of loading from Leg 1)**

In case of outturn quantity loss as determined by the appointed inspector at discharge port, the loss, if any, up to 0.5% of the Bill(s) of Lading (B/L) Quantity will be borne by the buyer and any loss above 0.5% of the B/L(s) Quantity will be for Operators account.

The cost of each additional port of discharge in Lebanon will be an additional extra premium of U.S. Dollars /...../(By numbering) PMT U.S. Dollars/...../ (By lettering) per Metric Ton.

The Bidder may notice lowering the total mean of the sum of all the means of the high and the low quotations mentioned above, before adding the premium, and his offer will be accepted. Knowing that the amount of lowering should be mentioned in the absolute value, and not as a percentage discount rate on the total mean of the sum of all the means of the high and the low quotations.

1	The total mean of the sum of all the means of the high and the low quotations for Gasoil 0.1% S as published in Platts European Marketscan under the Heading “ FOB Med Basis Italy ” as mentioned above.	
2	Plus: A premium in U.S. Dollars (By lettering)..... per Metric Ton.	In U.S. Dollars/..... / (By numbering) per Metric Ton
3	Plus: The cost of each additional port of discharge in Lebanon in U.S. Dollars (By lettering)..... per Metric Ton.	In U.S. Dollars/..... / (By numbering) per Metric Ton
4	Minus: Discount on (1) in U.S. Dollars (By lettering)..... per Metric Ton.	In U.S. Dollars/..... / (By numbering) per Metric Ton
5	Final Price (FP): (2)+(3)-(4) in U.S. Dollars (By lettering)..... per Metric Ton.	In U.S. Dollars/..... / (By numbering) per Metric Ton

SIGNATURE:
SELLER

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Appendix No. (3)
Integrity Declaration
(Relevant to Bidders)

Transaction title:

The Awarding party:

Name of bidder / authorized signatory for the company:

The Company's name:

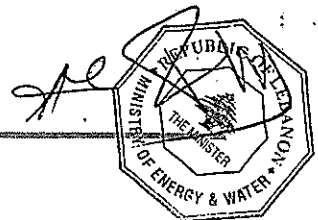
We, the undersigned, affirm the following:

- 1- We, our employees, partners, agents, shareholders, consultants, or their relatives do not have any relationships that may lead to a conflict of interest in the subject matter of this transaction.
- 2- We will inform the Ministry of Energy & Water – Directorate General of Oil and the awarding party if a conflict of interests arises or is discovered.
- 3- Neither we nor any of our employees, partners, agents, shareholders, consultants or their relatives will engage in fraudulent, corrupt, coercive or obstructive practices in relation to our offer or suggestion.
- 4- Neither we nor any of our partners, agents, shareholders, consultants or their relatives had paid any amounts to the workers, partners, or employees participating in the procurement process on behalf of the awarding party or for anyone.
- 5- We undertake to respect the Lebanese and international laws, especially the British ones, and not to pay any kind of bribes, benefits or gifts, and to bear full responsibility for any violation committed by any entity or company or any person working in our name or in our interest to implement this Award under penalty of judicial prosecution and annulment of the Award.
- 6- We pledge to lift banking secrecy from the bank account into which any amount of public money is deposited or transferred to it for the benefit of the administration in every Award, of any kind that deals with the expenditure of public money.
- 7- In the event that we violate this declaration and pledge, we will not be eligible to participate in any public transaction, whatever its subject matter, and accept in advance any exclusion measure taken against us, and we pledge voluntarily not to dispute it. Any false information exposes us to judicial prosecution by the competent authorities.
- 8- We hereby declare that we have the financial capabilities to honor and fully perform any financial obligation and there is no event which impedes or impairs such capability.
- 9- We undertake to indemnify the Ministry of Energy & Water as sum equal to the losses suffered or incurred by the Ministry of Energy & Water out of or in connection with any breach of the representations and warranties herein contained or in the event any of the covenants appear to be inaccurate or misleading.

Date:

Seal:

Signature:



Appendix No. (a1)
PRODUCT SPECIFICATIONS
Product : Fuel Oil Quality Grade (A)

HEAVY FUEL OIL PARAMETERS FOR GRADE A HFO				
	Parameters	Specified	Rejected	Test Method
1	Density Kg/L at 15 °C		> 0.991	ASTM D 1298:1999 OR ASTM D 4052:1996
2	KINEMATIC VISCOSITY AT 50 DEG C (MM ² /S)	165	>240 <92	ASTM D 445:1997
3	FLASH POINT pensky martins closed cup °C		<66	ASTM D 93:2002
4	SULFUR CONTENT % MASS		>1	ASTM D 129:2000 OR ASTM D 4294:2002
5	SEDIMENT PCT MASS		>0.2	ASTM D 473:2002
6	WATER & SEDIMENTS PCT VOL	1	>1.5	ASTM D 1796:1997
7	ASH CONTENT PCT MASS	0.12	>0.15	ASTM D 482:2000
8	SODIUM CONTENT PPM	40	>45	ASTM D 5863:2000
9	VANDIUM CONTENT PPM	110	>135	ASTM D 5863:2000
10	POUR POINT °C		>30	ASTM D 97:1996
11	ASPHALTENES PCT MASS	3	>5	IP 143
12	HEAT OF COMBUSTION MJ/kg Gross		<41	ASTM D 4868:2000
13	CARBON RESIDUE PCT WT		>18	ASTM D 524:2000

8-10-11-12-13
 14-15-16-17



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Appendix No. (a2)
PRODUCT SPECIFICATIONS
Product: Fuel Oil Quality Grade (B)
Meeting the Specifications of
ISO 8217-2017 for Fuel Oil RMG 380

Pg1

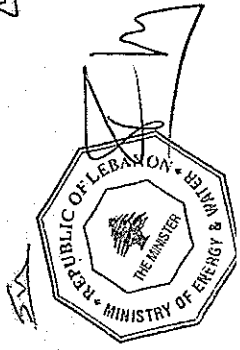
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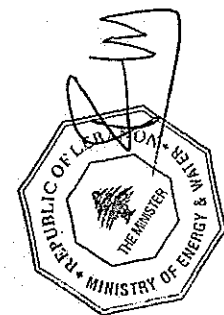
SN*	Parameters	Units	Specifications	Equivalent Test Methods	ISO 8217-2017
1	Total Sediment Content ^b	(mass/mass)%	< 0.1%	IP 390	ISO 10307-2
2	Viscosity at 50°C	mm ² /s	< 380	ASTM D445	ISO 3104
3	density at 15°C	kg/m ³	< 991	ASTM D4052	ISO 3675 or ISO 12185
4	Micro carbon residue	% m/m	< 18	ASTM D524 or ASTM D4530	ISO 10370
5	aluminum + silicon	mg/kg	< 60	IP501	IP 501, IP 470 or ISO 10478
6	Sodium ^a	mg/kg	< 100	IP501	IP 501, IP 470
7	Ash	% m/m	< 0.1	ASTM D482	ISO 6245
8	Vanadium ^a	mg/kg	< 350	IP501	IP 501, IP 470 or ISO 14597
9	CCAI		< 870	ISO 8217	see 6.3 e)
10	Water	% V/V	< 0.5	ASTM D95	ISO 3733
11	pour point	°C	< 30	ASTM D97	ISO 3016
12	flash point	°C	> 60	ASTM D93	ISO 2719
13	sulfur	% m/m	< 1	ASTM D4294	ISO 8754, ISO 14596
14	acid number	mgKOH/g	< 2.5	ASTM D664	
15	used lubricating oils (ULO); Calcium and zinc, or calcium and phosphorus	mg/kg	the fuel should be free from ULO, and shall be considered to contain ULO, when either of the following conditions is met: * calcium > 30 and zinc > 15 or * calcium > 30 and phosphorus > 15	IP501	IP 501 or IP 470, IP 500
16	hydrogen sulfide	mg/kg	< 2	IP 570	IP 570
17	Heat of Combustion	MJ/kg Gross	> 41	ASTM D 4868-2000	
18	Sediments and Water	% VOL	< 1	ASTM D 1796:1997	

V. *[Handwritten signature]*



ADDITIONAL SPECIFICATIONS FOR NON-FLAMMABLES FOR GRADE 1			
S.N*	Parameters	Units	Test Methods
19	Bromine Number	g Br/100g	ASTM D 1159
20	Ratio of Asphaltene content / Conradson Carbon Residue		ASTM D 189 (OR ASTM D4530) / P 143
21	P-Value		ASTM D7112 / SMSJ600
22	Heptane Insoluble	(mass/mass)%	ASTM D6560
23	Cleanliness rating		ASTM D4740
24	Paraffin Wax content	(mass/mass)%	UOP 46
Notes			

4 of 8
 100
 100
 100



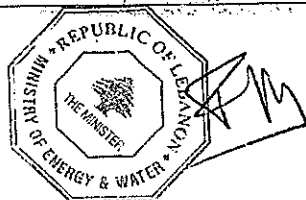
PRODUCT SPECIFICATIONS**Product : Gas Oil Specs and EDL Clarifications**

All parameters must be filled by the Gas oil supplier					
Parameters	Test Method	Unit	Limits as per Siemens Manual		For Evaluation
			Min	Max	
Total Sulfur (S)	ASTM D3246/D5453/ ISO6326	Mass %		0.2	These parameters shall be evaluated in all conditions
Fuel Bound Nitrogen (FBN)	ASTM D4629	Mass %		0.015	
Lower Heating Value (LHV)	ASTM D4809/DIN51900	MJ/kg	42		
Density (at 15°C)	ASTM D1298/DIN51757	kg/m ³	820	870	
Kinematic Viscosity (at 40°C)	ASTM D445/ISO-3104/DIN51562-1	mm ² /s(cSt)	1.3	5.5	
Distillation, 90 % volume recovered @ °C max	ASTM D86/ISO3405	°C		365	
Carbon Residue	ASTM D4530/ISO10370/DIN51551	Mass %		0.15	
Oxidation Stability	ASTM D2274/IP365/95	mg/100ml		2.5	
Sediment & Water	ASTM D2709	Vol %		0.1	
sediment Particulates		mg/kg		20	
d<10µm	ASTM D6217/IP415/DIN51419/DIN EN 12662			18	
10<d<25µm				2	
d≥25µm				0	
Water	ASTM D95	Vol %		0.05	
Sediment	ASTM D473/ISO3737/DIN51789/DIN EN 12662	Mass %		0.01	
Gum Content	ASTM D381	mg/100ml		7	
Pour Point (°PP)	ASTM D97/ISO3016	°C		0	
Flashpoint (°FP)	ASTM D93/D56/ISO2719	°C	60		
Acid Number	ASTM D664	mg/g KOH		0.1	
Ash content	ASTM D482/ISO6245/DIN51575/DIN EN 2645	Mass %		0.01	
Na + K	ASTM D3605 / DIN 51790	mg/kg		0.5	
V	ASTM D3605 / DIN 51790	mg/kg		0.5	
Pb	ASTM D3605 / DIN 51790	mg/kg		1	
Ca	ASTM D3605 / DIN 51790	mg/kg		1	
Cl	ASTM D4929/ISO15597	mg/kg		6	
Parameters	Test Method	Unit	Ranges as per Siemens Experience		These parameters shall be evaluated if Gum content value (washed and/or unwashed) > 7mg/100mL)
Carbon (C)	D5291 / DIN 51721	% Mass	85 - 87.5		
Hydrogen (H)	D5291 / DIN 51721	% Mass	11 - 14.5		
Oxygen (O)	D5291 / DIN 51721	% Mass	<0.2		
Distillation range	D86 / ISO 3405	°C	The reference is the boiling curve in ASTM D86, where the evaluated curve should show a slope and shape parallel to this reference, i.e.: - strong deviations to higher temperature indicate an increased potential for forming soot during combustion, which is not acceptable. - strong deviations to lower temperature with initial boiling points << 100°C indicate volatile fuel fractions, which is not acceptable.		
50 % evaporated					
65 % evaporated					
90 % evaporated					
End point					
Cold filter Plugging point (CFPP)	D637/EN116	°C	Fuel temperature > 10 °C + CFPP		

Note for Evaluation:

* If Gum content (washed and un-washed) ≤ 7mg/100mL and all the parameters (with limits as per Siemens manual) comply with the above mentioned limits, then the gas oil sample complies with the required specifications.

* If Gum content (washed and/or un-washed) > 7mg/100 mL, and all the parameters (with limits as per Siemens manual) and all the remaining parameters (with ranges as per Siemens Experience) comply with the above mentioned limits and ranges, then the gas oil sample complies with the required specifications.



هام وعاجل جداً

كهرباء لبنان
"مؤسسة عامة"
ELECTRICITE DU LIBAN
"Etablissement Public"

٢٠٢١/٥/١٧

شارع النهر - بيروت - تلفون : ٢٩ - ٤٤٢٧٢٠ - ١ - ٩٦١ +
فاكس : ٥٨٣٠٨٤ - ١ - ٩٦١ +
ص.ب. ١٣١
رقم المحفوظات:
رقم الصادر: ٢١٥٤
بيروت في ١٤/٥/٢٠٢١

جاناب المديرية العامة للنفط
فاكس : ١/٢٨٠٧٠١

الموضوع : ملاحظات حول المواصفات الفنية لمادة الغاز أويل موضوع استدرج العروض الفوري رقم T/ ١١١
تاريخ : ٢٠٢١/٥/٢٩
المراجع : - كتاب المديرية العامة للنفط الى مؤسسة كهرباء لبنان تاريخ ١١/٥/٢٠٢١ .

بالإشارة الى الموضوع والمرجع اعلاه،

وعطفاً على كتاب المديرية العامة لإدارة المناقصات رقم ١٠/٤٢ تاريخ ١٠/٥/٢٠٢١ (مستند رقم ١)،
بأن الخبير الأوروبي يوصي من حيث المبدأ بأخذ رأي الشركة الصانعة في طريقة الاختبار ASTMD381، وأن هذا
الأمر يقرر بالنهاية بالاتفاق ما بين مؤسسة كهرباء لبنان والشركة الصانعة، وهو خارج عن اختصاص إدارة
المناقصات،

وعطفاً على كتابكم تاريخ ١١/٥/٢٠٢١ (مستند رقم ٢)، وبعد الاطلاع على كتب الشركات المرفقة بكتابكم
ودرس الملاحظات، نفيديكم بالتالي:

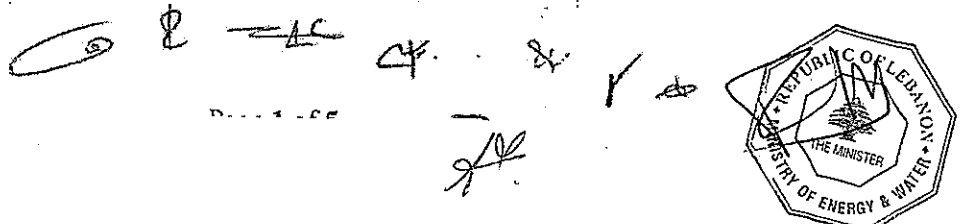
أولاً: بالنسبة لملاحظات شركة "ZR Energy DMCC" وفق كتابها رقم T0408-42-MEW-PT0802 تاريخ
١٤/٥/٢٠٢١ (مستند رقم ٣):

- **Gum Content:** Can you please clarify if what is meant is "washed gums" or "unwashed gums"? Please confirm the correct testing method that is applicable for gasoil not jet fuel. The notes also mention "washed and unwashed" – does this actually mean "washed or unwashed"?

Answer: The value 7mg/100 mL is for both washed and unwashed Gum content. We confirm that the applicable test method is ASTM D381 as per Siemens request. As for the notes, it is "washed and unwashed".

- **Heat of Combustion:** This test method (ASTM D4809) is not industry standard. We suggest using ASTM D4868 which is industry standard.

٢٠٢١/٥/١٧



Answer: This is the applicable test method (ASTM D4809) as per the manufacturer Company Siemens' Manual. Knowing that, this method was applied for testing the "LHV" of Gas oil sample from the last two cargos by the certified laboratory Bureau Veritas – Dubai contracted by the General Directorate of Oil.

- **Sediment particulates:** We would like to point out that the test methods applicable are not suitable. The standard test method relevant for gasoil is ASTM D6217 or IP415. Testing method of DIN 51419 is obsolete and was cancelled in 1983. We suggest you remove all test methods that are not ASTM 6217 + IP415.

Answer: All these test methods are according to Siemens Manual, which are applied by the certified laboratory Bureau Veritas – Dubai, contracted by the General Directorate of Oil, for testing the Sediment particulates in the Gas oil sample from the last two cargos.

- **Sediment particulates:** The particulates size specified is " $d < 10 \mu\text{m}$, $10 \leq d \leq 25 \mu\text{m}$, $d > 25 \mu\text{m}$ " which are unknown parameters and seem to look for the sizes of particles, rather than overall quantity. These methods are designed for determination of total quantity of contamination particles and do not imply to calculate their quantity depending on size of each particle as is requested in the spec. If it is necessary to count the particles according to their diameters, then the suggested method is ASTM D7619.

Answer: This test method is according to Siemens Manual, which is applied by the certified laboratory Bureau Veritas – Dubai, contracted by the General Directorate of Oil, for testing the Sediment particulates in the Gas oil sample from the last two cargos.

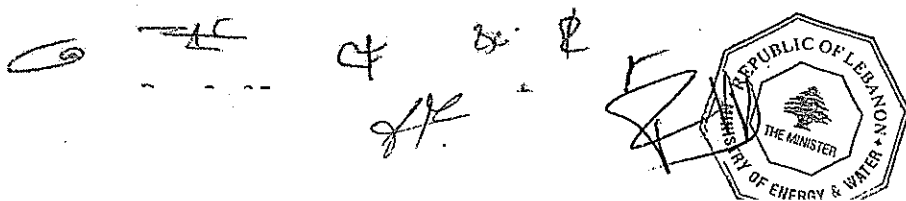
- **Acid number:** The Unit need to be corrected – mg KOH/g instead of mg /g KOH.

Answer: The correct unit for acid number is mg/g KOH as per Siemens Manual.

- **Chlorine:** The test method requested is not suitable. The methods to be used are IP510 or UOP779.

Answer: The method D4929 / ISO15597 for testing "Cl" is requested by the manufacturer Company Siemens.

(Handwritten signatures and stamps)



- **Notes for evaluation:** This section is extremely unclear. We request further clarifications on this section.

Answer: Kindly specify the exact points that are not clear in the evaluation.

ثانياً: بالنسبة لملاحظة شركة "Independent Petroleum Group Limited" وفق كتابها تاريخ ٢٠٢١/٠٥/٠٤ (مستند رقم ٤):

- Requesting a waiver in the Gum which will make us in a better position to participate in your tender for subject requirement.

Answer: The Gum Content is requested by the Manufacturer company Siemens, knowing that the additional set of parameters marked as "Ranges as per Siemens Experience" will be evaluated if the Gum Content (washed and/or unwashed) are outside the specified range 7mg/100mL, where two Gas oil cargos were evaluated and approved according to these additional parameters.

ثالثاً: بالنسبة لملاحظات شركة "ELINOIL Hellenic Petroleum Company" وفق كتابها تاريخ ٢٠٢١/٠٥/٠٥ (مستند رقم ٥):

- Given that Gasoil should be tested for Gums under ASTM381 if unwashed and , if anyway if it is tested, the method cannot produce a result of less than 7mg/100mL (unwashed), we presume that the second set of parameters marked as "Ranges as per Siemens Experience", will always be applicable.

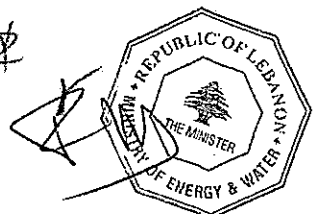
Answer: Correct, if the unwashed Gum Content exceeds 7mg/100mL.

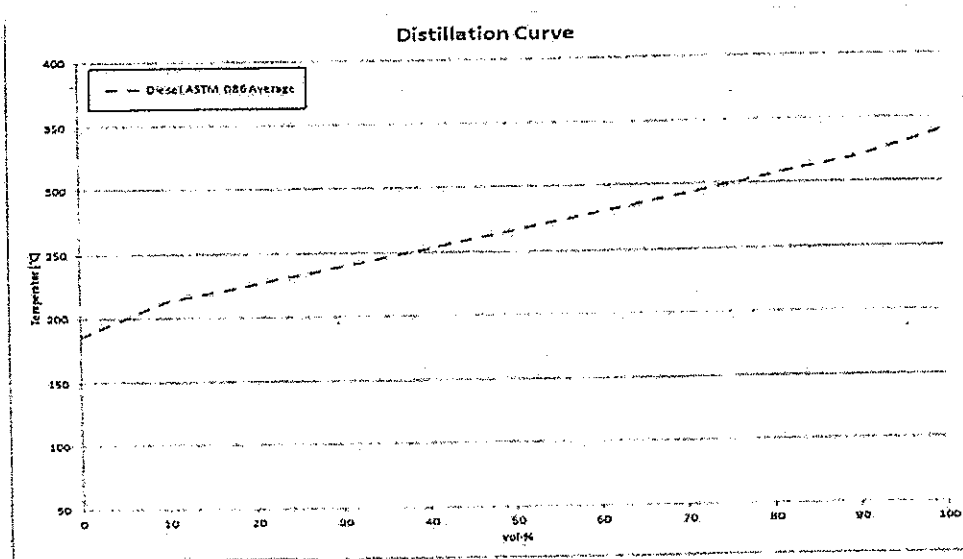
- We are still reviewing the relative values for C, H, and O.

Answer: Noted.

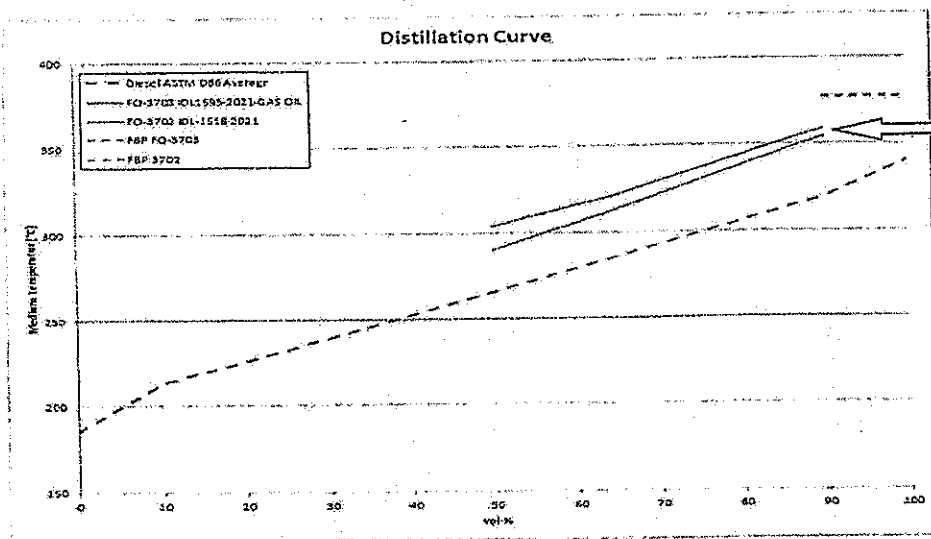
- Regarding distillation, we have noticed that the rejection criteria are totally vague. In ASTM D86, there is no reference boiling curve. Therefore, we don't understand where the requested specification refers to. Furthermore, the notion of a "strong deviation" is totally subjective and open to wide interpretation. Could you please specify what stands for strong deviation? We would strongly recommend that you revise the specification to indicate min/max values for the distillation, as per the diesel specification for example.

Answer: Kindly find below the reference boiling curve according to ASTM D86, where the requested curve shall be parallel to this reference curve, taking into consideration that there is already a max limit for the 90 % volume of Distillation which is set to 365 °C.





As an example, kindly find below the distillation curves for two Gas oil Cargos that were evaluated accordingly and accepted in the last couple of months.



رأيًا: بالنسبة لملاحظات مختبر "Bureau Veritas" - دبي وفق البريد الإلكتروني تاريخ 2021/05/09 (مستند رقم 6).

- Recommends splitting the Gum content test into two lines, for the unwashed and washed, while stating the conditions at which the test was performed at, such as: temperature and time.



All parameters must be filled by the Gas oil supplier					
Parameters	Test Method	Unit	Limits as per Siemens Manual		For Evaluation
			Min	Max	
Total Sulfur (S)	ASTM D3246/D5453/ ISO8326	Mass %		0.2	These parameters shall be evaluated in all conditions
Fuel Bound Nitrogen (FBN)	ASTM D4829	Mass %		0.015	
Lower Heating Value (LHV)	ASTM D4809/DIN51900	MJ/kg	42		
Density (at 15°C)	ASTM D1298/DIN51757	kg/m3	820	870	
Kinematic Viscosity (at 40°C)	ASTM D445/ISO-3104/DIN51562-1	mm2/s(cSt)	1.3	5.5	
Distillation, 90 % volume recovered @ °C max	ASTM D86/ISO3405	°C		365	
Carbon Residue	ASTM D4530/ISO10370/DIN51551	Mass %		0.15	
Oxidation Stability	ASTM D2274/IP365/95	mg/100ml		2.5	
Sediment & Water	ASTM D2709	Vol %		0.1	
Sediment Particulates	ASTM D6217/IP415/DIN51419/DIN EN 12662	mg/kg		20	
			d<10µm	18	
			10<d<25µm	2	
d≥25µm	0				
Water	ASTM D95	Vol %		0.05	
Sediment	ASTM D473/ISO3737/DIN51789/DIN EN 12662	Mass %		0.01	
Gum Content (Unwashed)	ASTM D381	mg/100ml		7	
Pour Point (PP)	ASTM D97/ISO3016	°C		0	
Flashpoint (FP)	ASTM D93/D56/ISO2719	°C	60		
Acid Number	ASTM D864	mg/g KOH		0.1	
Ash content	ASTM D482/ISO6245/DIN51575/DIN EN 2645	Mass %		0.01	
Na + K	ASTM D3605 / DIN 51790	mg/kg		0.5	
V	ASTM D3605 / DIN 51790	mg/kg		0.5	
Pb	ASTM D3605 / DIN 51790	mg/kg		1	
Ca	ASTM D3605 / DIN 51790	mg/kg		1	
Cl	ASTM D4929/ISO15597	mg/kg		6	
Parameters	Test Method	Unit	Ranges as per Siemens Experience		These parameters shall be evaluated if Gum content value (washed and/or unwashed) > 7mg/100mL
Carbon (C)	D5291 / DIN 51721	% Mass	85 - 87.5		
Hydrogen (H)	D5291 / DIN 51721	% Mass	11 - 14.5		
Oxygen (O)	D5291 / DIN 51721	% Mass	<0.2		
Distillation range	D86 / ISO 3405	°C	<p>* the measured distillation curve should show a slope and shape parallel to the above reference boiling curve (according to ASTM D86).</p>		
50 % evaporated					
65 % evaporated					
90 % evaporated (Defined above)					
End point					
Cold filter Plugging point (CFPP)	D637/EN116	°C	Fuel temperature > 10 °C + CFPP		
Note for Evaluation:					
* If Gum content (washed and un-washed) ≤ 7mg/100mL and all the parameters (with limits as per Siemens manual) comply with the above mentioned limits, then the gas oil sample complies with the required specifications.					
* If Gum content (washed and/or un-washed) > 7mg/100mL, and all the parameters (with limits as per Siemens manual) and all the remaining parameters (with ranges as per Siemens Experience) comply with the above mentioned limits and ranges, then the gas oil sample complies with the required specifications.					

Answer: Siemens has already clarified to Bureau Veritas during the online meeting held on 29/03/2021 that the performed modifications to ASTM D381 by BV are plausible and this depends on the core know how of the laboratory itself, and this was mentioned in Siemens letter dated 02/04/2021 as follows:

" As stated in the meeting from 29th of March 2021 and the customer letter (dated 30.3.2021) the performed modifications are plausible. Necessary modifications to ASTM D381 depending on fuel quality and sample are core know how of the individual laboratories."

كما نفيديكم بأينا سنقوم بمراسلة مختبر Bureau Veritas - دبي والشركة الصانعة Siemens لمراجعة ملاحظات شركة ZR Energy، علماً أنه تم تطبيق طرق الفحص المذكورة من شركة ZR Energy من قبل مختبر Bureau Veritas - دبي دون تدوين أي اعتراض،

استناداً الى ما ورد أعلاه، تجدون ريباً جدول المواصفات المطلوبة للغاز أويل حيث تم توضيح طريقة تقييم الـ Distillation range، مع وضع رسم بياني كمرجع لاعتماده لدى تقييم نتيجة فحص هذا المكون.

كما تجدر الإشارة الى أن مختبر Bureau Veritas - دبي قد أجرى جميع الفحوصات الأساسية والإضافية المذكورة في الجدول المرفق على عينتي الغاز أويل المأخوذتين من الباخرتين Histira Perla و Antares خلال الشهرين الماضيين حيث تم قبول تفريغ الباخرتين على أساسها،

وبالتالي، نتمنى عليكم إطلاق مناقصة تأمين شحنة الغاز أويل فوراً وبالسرية القصوى وفق ما ورد أعلاه واستناداً الى جدول المواصفات الموضح المرفق، وعطفاً على كتاب مؤسسة كهرباء لبنان رقم ٢٠١٦ تاريخ ٢٠٢١/٠٥/١١.

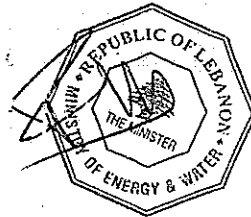
وتفضلوا بقبول فائق الاحترام.

ب.ع.ع.ع.
ب.ع.ع.ع. - ب.س.س.
ب.ع.ع.ع. - ب.ع.ع.ع.

رئيس مجلس الإدارة
المدير العام

كمال الحايك

نسخة الورق - معالي وزير الطاقة والمياه





Appendix No. (b/1)
Technical Requirements of ports/berths
ZOUK TERMINAL
PORT REGULATIONS

The Zouk Terminal is a S.B.M. berth, located 5 miles north of Beirut Harbor, and 1500 meters from the shore, the sea line is 20 inches diameter.

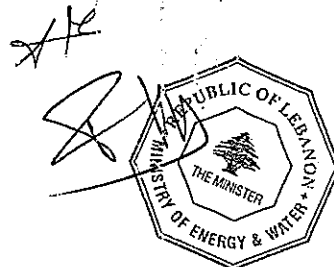
The depth at the buoy is about 25 meters.

Tanker size

D.W.T.	40.000 Maximum
L.O.A.	200 meters Maximum

Tanker Requirements:

- 1- Preferable if equipped forward with standard S.B.M. bracket (Smit of AKD" system).
- 2- Manifold connection 12 inches A.S.A.
- 3- Derrick 5 tons minimum.
- 4- Pumps must be centrifugal, and capable to maintain 100 P.S.I pressure of ship's manifold at 1500 tons/hour discharge rate.
- 5- Must be able to discharge cargo and take ballast simultaneously, or has permanent ballast tanks about 25% of her D.W.T.
- 6- Must be able to heat up the cargo above 125deg F prior and during discharge.
- 7- Ship's crew has to assist in mooring and hose connection.



Appendix No. (b/2)
JIEH TERMINAL
PORT REGULATIONS



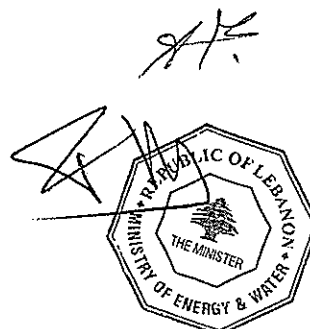
The Jieh Terminal is a Multi – Buoy Mooring (M.B.M.) berth and consists of seven (7) buoys.

Tanker size

D.W.T. 50.000 Maximum
L.O.A. Between 170m. and 200m. Maximum

Tanker Requirements:

- 1- Maximum draught loaded 12m.
- 2- Manifold connection 12 inches A.S.A.
- 3- Derrick 5 tons minimum.
- 4- Pumps must be centrifugal, and capable to maintain 7.28 bars mx. pressure for a fuel having viscosity 130Cst at 50 deg C(1500 Redwood No. 1 at 100 deg F).
- 5- Must have permanent ballast tanks about 25% to 30% of her D.W.T.
- 6- Must be able to heat up the cargo above 55deg C prior and during discharge.
- 7- Ship's crew has to assist in mooring and hose connection.





Appendix No. (b/3)
Technical Requirements of ports/berths
ZAHRANI POWER PLANT TERMINAL REGULATIONS

The Zahrani Terminal is a S.P.M. (Single Pile Mooring) berth located approx. 3 miles south of Saida Harbour, and approx. 2500 meters from the shore (Sealine departure point)

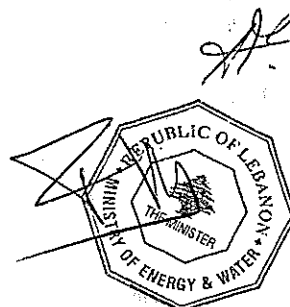
- The Sealine is 20" Diameter.
- The depth at the S.P.M. location is about 23 meters.

TANKER SIZE

- DWT 60.000 Max.
- L.O.A. : 225 meters max.

TANKERS REQUIREMENTS

- 1- Manifold connection: 16 inches ANSI 150 FF flange, intended for 16" quick connection Camlock type installed at the end of the SPM system rail hose.
- 2- DERRICK: 5 Ton Min.
- 3- PUMPS : Centrifugal and capable of maintaining 10 to 14 Bar offload pressure range on ship's manifold, at a discharge rate of 2400 C.M/Hour for gasoil fuel having a min. viscosity of 1.9 CST(9.5 CST at 20 deg C and 2.8 CST at 40 deg C) .
- 4- Must be able to discharge cargo and take ballast simultaneously, or has a permanent ballast about 25% of her D.W.T.
- 5- Ship's crew has to assist in mooring and floating hose connection.
- 6- Max. draft loaded 13Mt.





Appendix No. (b/4)

DEIR AMMAR POWER PLANT TERMINAL REGULATIONS

The Beddawi Terminal is a S.P.M. (Single Pile Mooring) berth located approx.3 miles North of Tripoli Harbor, and approx. 3500 meters from the shore (Sea line departure point).

- The Sea line is 20" Diameter.
- The depth at the S.P.M. location is about 22 meters.

TANKER SIZE

- DWT 60.000 Max.
- L.O.A.: 225 meters max.

TANKERS REQUIREMENTS

1-Manifold connection: 16 inches ANSI 150 FF flange, intended for 16" quick connection Camlock type installed at the end of the SPM system rail hose.

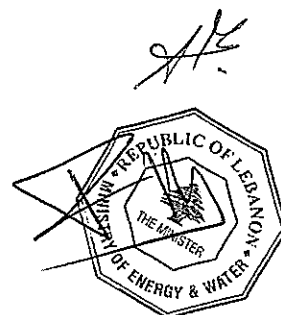
2-DERRICK: 5 Ton Min.

3-PUMPS: Centrifugal and capable of maintaining 10 to 14 Bar offload pressure range on ship's manifold, at a discharge rate of 2400 C.M/Hour for gasoil fuel having a min. viscosity of 1.9 CST (9.5 CST at 20 deg C and 2.8 CST at 40 deg C).

4- Must be able to discharge cargo and take ballast simultaneously, or has permanent ballast about 25% of her D.W.T.

5-Ship's crew has to assist in mooring, and floating hose connection.

6-Max. draft loaded 13Mt.

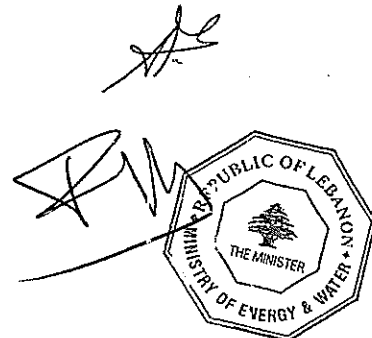




Appendix No. (b/5)

**TRIPOLI OIL INSTALLATIONS
TRIPOLI PORT REGULATIONS
TERMINAL REQUIREMENTS FOR PRODUCT
DELIVERY MARITIME VESSEL**

1. The discharge berth is an open sea berth. C.B.M.
2. The maritime vessel to be able to keep 25% of its deadweight as ballast and be ready to move under her own power all times.
3. The maritime vessel 's length not to be less than **600 Feet**
4. The maritime vessel to be equipped with centrifugal pumps capable of maintaining a steady manifold ship's pressure of **120 PSI (8, 4 KGS / CM2)**
5. Maximum draught loaded **60 Feet**.
6. Seven tons derrick SWL.
7. Eight mooring ropes **120 fathoms each**.
8. Port and starboard anchors to have a minimum of ten shackles each.
9. Mid ship connections (**Portside 1 x 12 "inch 150 ASA**).
10. Pumping is against a head of **300 Feet**.
11. Cargoes loaded on top of slops are not acceptable and an appropriate Dry and Clean Certificate to be issued by loading terminal.





Appendix No. (b/6)
ZAHRANI OIL INSTALLATIONS
ZAHRANI PORT REGULATIONS
TERMINAL REQUIREMENTS FOR PRODUCT
DELIVERY MARTIME VESSEL

Zahrani Terminal is an open sea berth ; only one berth in operation .
berth # 2 ; only Motor Tankers are accepted.

TANKERS SIZES & CARGO LIMITATIONS

Winter Season : (From November 15 Till April 30)

Tankers arriving to Zahrani Oil Installations to Discharge Her Cargo , Their D.W.T. Must Not Exceed 80.000 Tons & Carrying a Maximum Cargo of 50.000 Tons .

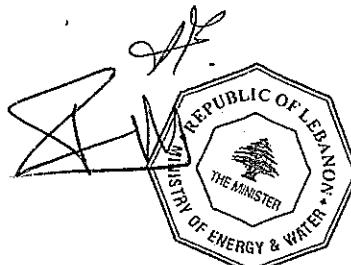
- a) Maximum Draft on Her Arrival 38 Feet Even keel .
- b) Tanker's Manifold must be located at a Distance Must Not Exceed 435 Feet From The Stern .

Summer Season : (from May 1 Till November 15)

Tankers Arrive to Zahrani Oil Installations Discharge her Cargo .Their D.W.T. Maximum 100.000 Tons & carrying a Maximum Cargo of 60.000 Tons. Also Maximum 40 Feet even keel .

TANKERS REQUIREMENTS

- 1) Tankers Must Have S.B.T. (Segregated Ballast Tank)
Or she Can Discharge Her Cargo & Take Ballast Simultaneously Without Any Contamination . As Per IMO Regulation, Quantity of Ballast 1/3 of her Deadweight.
- 2) Tankers Over 60.000 Tons, Must Have on Each Bow Anchor 12 European shackles.
- 3) Tanker Must Have on Her Port Side Manifold a 10 Tons Derrick.
- 4) Connection on port Side Manifold one Hose Diameter 12 Inch A.S.A.
- 5) The maritime vessel Must Have Enough Deckcrew (Minimum 7 Seamen) to Handle & Fasten The Tanker in a proper & Safe Manner.
- 6) Tankers Must Be Equipped With Centrifugal Pumps & to Reach a Pressure At Ship's Manifold of 7.5 KG/ Cm² During Unloading Operation .
- 7) Tankers Carrying Fuel Oil Cargo Must be Able to Heat Up The Cargo To a Temperature Between 125 F (50 C) & 150 F (65 C) Maximum .
- 8) Reciprocated Pumps Are Rejected
- 9) Tankers Must Not Drain Her Cargo Into Our Sea Line As Air Injected During This Operation May Cause The Hoses To Float & Buckle.



Appendix No. (b/6) cont'd



ZAHRANI MOORING SYSTEM

Refer to The sketch attached To The Port Regulations :

Berth #2 IS An open Sea Berth .It IS AN M.B.M. (Multiple Buoys Mooring) 7 Cylindrical Buoys .

Tankers Must Be Equipped With The Following Mooring Systems .

1) A winch in Front of The Bridge Aft To Heave Up No. 1 & 7 Mooring Ropes Which Are The Beam Ropes .

2) Must have Minimum (12) Good Ropes, Proper Size & Standard Length 120 Fathoms Each.

3) Poop Mooring

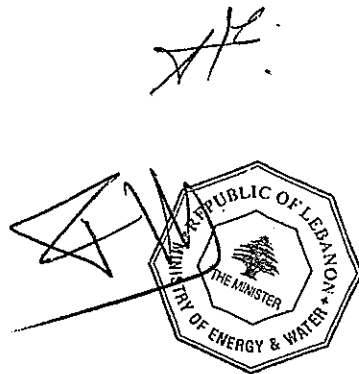
a) 2 Winches With Wires

b) 5 Bitts

N.B.

1) No Overage Tankers Are Accepted At Z .O. Inst Tankers Over 20 Years Are Rejected.

2) No O.B.O. (Oil Bulk Ore) Accepted At Z .O. Inst .



17- Nomination of the maritime vessel:

For Leg 1

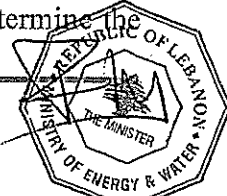
As per SOMO GT&Cs

For Leg 2

- Operator shall nominate the maritime vessel. Buyer shall inform the Operator with their approval or disapproval of this nomination within a period of 48 hours starting from their receipt of the maritime vessel nomination.
- The maritime vessel must not be stated on Israel boycott list and must not be calling (or have called) at any port related to the Israel during her voyage, subject to award termination.
- The maritime vessel nomination letter shall include the following information:
 - The maritime vessel name and particulars provided that it would be fitted with an Automatic Identification System (AIS) in order for the Buyer to track it and monitor its route from the moment of loading until unloading in Lebanon, to prevent any change in the prices and dates of the bills of lading, or any change or mixing the fuel oil with the fuel residues or others, and to ensure that the maritime vessel is not replaced during its route.
 - Load port(s) except Israeli port(s).
 - Lay can.
 - Approximate quantity ready to be loaded.
 - Estimated date of arrival to the Lebanese territorial waters.
 - Charter-party details including daily demurrage rate.
 - Certificate of Registration of the maritime vessel.
 - Classification Record of the maritime vessel.
- The Operator has to submit to the Ministry of Energy and Water – Directorate General of Oil before the arrival of the vessel to the Lebanese Waters, a copy of the statement issued by the competent entity stating that the maritime vessel is not related to Israel and did not call at any port related to Israel during her voyage to Lebanon, subject to award termination.

18- Inspection at port of loading:

- The loading operations at load port(s)/berth(s) are to be surveyed by one of the following international authorized inspection companies:
SGS, Saybolt, Letrina S.A., Inspectorate, Caleb Brett, Redwood, intertek, Chase Marine, International Cargo Surveyors (I C S), Bureau Veritas, MED Control S.A.
- Loading any maritime vessel from offshore port of loading is prohibited.
- The approved international authorized inspection company withdraws samples from the tanks of the maritime vessel, conducts the necessary laboratory analyses on them, surveys the quantity and quality of the goods, and follows the internationally approved procedures in this regard.
- The winning bidder shall inform the Buyer (by email), of the name of the international authorized inspection company that will be appointed by them for the inspection of loading of each cargo at loading port before commencement of the mentioned operation, and Buyer will inform the Operator of their approval or rejection of the suggested name.
- The source of loading of the fuel oil shipment should not exceed two sources, maximum.(to be applied ONLY for HFO Grade (B))
- The Operator shall send to Buyer before maritime vessel's arrival (by email) a copy of the complete laboratory analyses report certified by one of the recognized international inspection companies at port of loading based on a cargo representative sampling of ship's tanks composite duly effected after completion of loading.
- The Buyer may nominate one of the international authorized inspection companies at loading port to withdraw samples from the tanks of the maritime vessel, and/or conduct the necessary laboratory analyses on them, and/or survey the quantity and quality of the goods, and/or witness the drawing of the custody transfer samples, and/or attend and witness the analysis conducted on the composite sample representing the said goods in order to determine the



quality of the loaded product, according to the internationally approved procedures in this regard, and Buyer shall inform the Operator of that nomination.

- Cost of inspection and laboratory analyses of samples at loading port will be at the Operator's expenses concerning the international inspection company nominated by them and at Buyer's expenses concerning the international inspection company nominated by them

19- Lay time for the discharging of the maritime vessel:

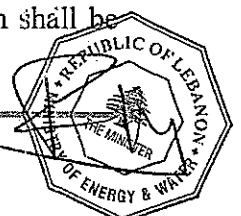
- Allowed lay time for the discharging of the maritime vessel is 72 hours SHINC and will start counting after 6 hours from tendering the NOR at first discharge port/berth or from all fast, whichever occurs first, and will end counting after disconnection of discharging hoses at the last discharge port/berth in Lebanon.
- Time not to count:
 - Due to bad weather conditions.
 - When spent on new analysis requested by the Operator as per **Clause 22**.
 - If due to unsatisfactory performance of the maritime vessel during discharge.
 - As a result of force majeure according to **Clause 26**.
 - The duration of time spent by the maritime vessel while shifting from one port and/or berth to another.
- Technical requirements at ports/berths of delivery should be taken into consideration as enlisted in **Appendices attached**.

20- Demurrage at discharge port(s)/berth(s):

- In case of demurrage incurrence on Buyer at discharge port(s)/berth(s), it will be calculated and settled on a pro-rata basis as per maritime vessel's charter party rate according to the world scale, to be known by the Buyer at the time of maritime vessel nomination, with a maximum rate of US Dollars 18,000 (eighteen thousand US Dollars) per day.
- The laytime will be counted starting from the first date of the requested delivery date range specified by the Ministry of Energy and Water - Directorate General of Oil at (6:00) a.m. Beirut local time in case the actual arrival date of a certain cargo, falls before that date as stated in the announcement as per **Clause no. 5**.

21- Notification (for Leg 2):

- The Operator must notify Buyer by e-mail of the following information:
 - The name of the maritime vessel.
 - Load port(s) except Israeli port(s).
 - Arrival date and time of the maritime vessel at load port(s) except Israeli port(s).
 - Date and timing of loading commencement.
 - Date and timing of loading completion.
 - Loaded quantity.
 - Bill of lading date.
 - Date and Timing of the maritime vessel sailing towards Lebanon.
 - Discharge port (s)/berth(s) in Lebanon.
 - Expected time of arrival (ETA) in Lebanon.
- ETA letters should be sent within 72/48/24/12 hours prior to the maritime vessel arrival at discharging port(s).
- Any variation in ETA exceeding 2 hours within 24 hours prior to the maritime vessel arrival at discharge port/berth, should be reported to the port authority and/or Buyer.
- The Operator should send by email and fax the bill of lading of the relevant cargo latest on the next working day immediately following B/L date (in country of loading), at 12.00 hrs. noon time (time at loading country); provided that it should include the load port (s) and the discharge port (s) /berth(s) in Lebanon.
- Any B/L that does not state clearly the discharge port (s) /berth(s) in Lebanon shall be rejected.



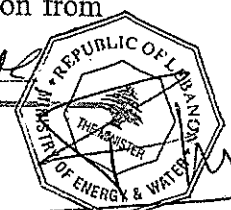
- After loading the maritime vessel nominated by the Operator and duly approved by the Buyer, and after completion of the inspection at load port, the Operator is prevented from substituting the stated maritime vessel.

22- Inspection at port(s)/berth(s) of discharge:

- The Ministry of Energy and Water – Directorate General of Oil shall nominate an approved independent inspection company in order to properly withdraw samples from the maritime vessel tanks, and to survey the quantity and quality of the product at discharge port(s)/berth(s).
- Samples are withdrawn and the ullages for the measurements of the total net outturn quantity free of water and sediment content for fuel oil (A or B) or Gasoil are taken on the maritime vessel's tanks only manually. And the Operator commits to inform whom are relevant for approval of opening of the tanks hatches.
- Composite samples are analyzed in the following laboratories accredited and appointed by the Ministry of Energy and Water-Directorate General of Oil: Tripoli Oil Installations, Tripoli and/or Zahrani Oil Installations, Zahrani, and/or Central Oil Laboratory in Beirut, (working on a schedule of 24 hours a day and seven days a week), or any other laboratory appointed by the Directorate General of Oil, and their findings are transmitted to the Operator .
- The findings above are to be considered as final and binding for both parties, save fraud and manifest errors, unless the Operator requests a new sampling and analysis to take place, within 2 working days after their receipt of the findings.
- Cost of inspection and laboratory analyses of samples will totally be at Buyer's expenses at discharging port(s).
- If requested by the Operator , the Ministry of Energy and Water – Directorate General of Oil shall nominate an independent inspection company to withdraw a new sample and survey a new quality, and shall also appoint one (or more) laboratory in order to proceed with the analysis of the new sample. The new findings will be communicated to the Operator and considered as final and binding for both parties, save fraud and manifest errors. The full cost of both sampling withdrawals and laboratory analyses expenses will be borne by the Operator .

23- Quantity determination:

- a- **At load-port(s)**
 - As per B/L quantity
 - In case of outturn loss as determined by the appointed inspector at discharge port, the loss, if any, up-to 0.5% of the Bill(s) of Lading (B/L) Quantity will be borne by the buyer and any loss above 0.5% of the B/L(s) Quantity will be for Operators account.
- b- **At Discharge port(s)/berth(s)**
 - The net outturn quantities (Metric tons) in air, are the net in air quantities received in shore tanks at port(s)/berth(s) of discharge as ascertained by the inspection company (**according to clause 22**) by gauging of receiving shore tanks 8 hours after discharging and by applying the density according to the analyses issued by the laboratory appointed by the Ministry of Energy and Water- Directorate General of Oil.
 - The whole percentage of water and sediment content as shown by the analysis findings at discharge port(s) /berth(s) shall be deducted from the quantity received at the shore tanks.
 - The conversion of the volume of the product(s) from the actual temperature to the standard temperature at the discharge port(s)/berth(s) is based on the latest tables available especially (ASTM table "54-B").
 - The density is to be reported up to five significant figures. For density conversion from vacuum into air, table "56-ASTM" (latest revision) is applied.



24- Quality determination:

- The requested specifications should be according to the **appendix No. (a) for HFO(A) and/or HFO(B) and/or Gasoil.**
- The findings of the laboratory analyses that are binding to both contractual parties, are those issued at the discharge port/berth according to the procedures mentioned in **clause 22.**
- If the findings of the laboratory analyses at the discharge port/berth relevant to any HFO (A) and/or HFO (B) and/or Gasoil fall outside of the specifications, as specified in **appendix No. (a),** the Buyer shall request from the Operator to deliver a replacement shipment at buyers option; consequently:
 - a- In case the Operator secures a replacement cargo, the following penalties are applied:
 - Compensation for the damages incurred further this event, including but not limited to the analyses expenses at discharge port(s)/ berth(s) and full inspection costs(s).
 - Penalty of /21,000/ U.S. Dollars (twenty one thousand U.S. Dollars) per day starting from the acceptance of deportation of the cargo (out of specs) by the relevant authorities (Lebanese Customs) to the first day of the mutually agreed laycan for the replacement cargo and up to 10 calendar days.
 - b- In case the Operator refuses to secure a replacement cargo, the following penalties are applied:
 - The Operator undertakes to settle the full value of the Quantity supplied from Leg 1 to the order of the Ministry of Energy and Water at Central Bank of Lebanon (TBA) as per invoice advised by SOMO to the MoEW – DGO and forwarded to the Operator within 10 days from the invoice date.
 - Compensation for the damages incurred further this event, including but not limited to the analyses expenses at discharge port(s)/ berth(s) and full inspection cost(s).
 - The delay penalty mentioned in clause (13).
 - Penalty of /210,000/ U.S. Dollars (two hundred ten thousand U.S. Dollars).
 - The buyer will have the right to reduce the awarded SWAP spot public tender quantity by the quantity rejected.

25- Taxes, royalties and duties:

- All taxes, royalties and duties imposed, levied, or derived from the Swap Spot Public Tender in Lebanon shall be for the account of the Operator , including the stamp fees:
 - 0.008 (8 per 1,000) of the estimated value of the (Award quantity increased its percentage tolerance x price based on latest Platt's quotation available), payable on the registration of the award related to the SWAP spot public tender at the Lebanese Ministry of Finance within 5 working days following the letter advised to the Operator of the Stamp Duties

26- Force Majeure:

- If the performance by either Party hereto of its respective obligations under this Agreement is delayed , or totally or partially handicapped by Acts of Force Majeure according to the definition of the International Chamber of Commerce including (but without limiting the generality of the foregoing) declared or undeclared war, sabotage, blockade, revolution, civil disturbance, embargo, international sanctions, trade restrictions, decisions by any government or governmental or civil authority, strike, go-slows, lockout or other labour dispute, riot or disorder, Acts of God, fire, floods, earthquakes, storms, terrorism, acts or attempted acts of piracy, tides or tidal waves, explosions, accidents, radiation, or diseases, Such party shall be released of the execution of the delayed or prevented obligations caused by such occurrence without liability on them of any kind.
- Each Party shall use its utmost efforts to minimize the duration and consequences of any failure of or delay in performance resulting from force majeure.



- The party rendered unable to perform due to the above force majeure, shall promptly notify the other party in writing, with the beginning date, the circumstances of the force majeure occurrence, and its end date, together with the supporting documents.

27- Assignment and Re-awarding:

Neither Party has the right to assign fully nor partially any of his rights and obligations, directly or indirectly, to any third party.

However, the Operator has the right to assign their financial rights, relevant to this Award, to their financing bank.

If requested by the Operator, Buyer shall confirm in writing to the Operator's designated bank its acknowledgment and agreement to such assignment.

No Legal Impediment. The rights and obligations of the parties hereunder, including but not limited to the right of Electricite Du Liban to receive any shipment due under this Award and the obligation of the Operator to make such shipment, are subject to the condition precedent stated herein that no court or relevant regulatory authority shall have issued and order attaching, or seizing or retaining, or interfering in any way preventing the delivery of any such shipments.

28- Award Termination:

This award is deemed terminated after each of the two parties fully implement all of their awarding obligations as defined under the terms and conditions of this award.

If the Operator enters into the liquidation process (other than voluntary liquidation with the aim of restructuring or amalgamation), or enters into any arrangement or reconciliation with their creditors, or if they commit a material breach of this award, including interruption in the delivery of shipment(s) in Lebanon or the case of repeated delays in delivering the shipment(s) on the agreed upon date(s) or the agreed upon amended date(s), or in the event that the delay period exceeds ten days beyond the upper limit of the time period required for the delivery of the shipment(s) without proving the circumstances of force majeure, the Operator is considered in breach of the Award. Then the Buyer has the right to terminate the Award immediately after giving the Operator a written notice. Knowing that this termination will not prejudice any of the Buyer's claims and rights existing on the date of Award termination.

The Buyer has the right to secure a substitute shipment for the shipment that the Operator has failed to secure on the scheduled date, provided that the additional costs and expenses incurred in this case are entirely the responsibility of the Operator.

The Buyer has the right to claim for consequential damages as stated in the clause nos. (13 & 24), and it is entirely the responsibility of the Operator.

The Buyer also has the right to take any measures they deem necessary to preserve the right to seek compensation for damages resulting from the breach of the Award resulted by the Operator that affect negatively their interests, directly or indirectly.

The Buyer can also request not to resort to termination of the Award at the Operator's responsibility in the clauses stated in Article 24 – Quality Determination of this Swap Spot Public Tender.

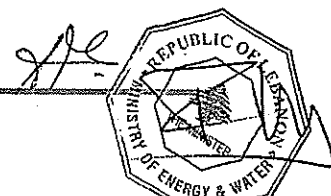
29- Other conditions:

- The Buyer does not waive the terms of this award and does not waive the violations that the Operator may commit, except for Buyer giving the Operator a specific time limit to present original documents instead of copies thereof.

30- Law:

For Leg (1) : as per GT&C's of SOMO

For Leg (2) : The Lebanese laws shall be applied with respect to all which concerns the construing and execution of the Award.





31- Settlement to Disputes:

For Leg (1) : as per GT&C's of SOMO

For Leg (2) : All disputes that may arise resulting from the interpretation of this Award shall be discussed between the parties for settlement; otherwise, it shall be settled exclusively under the Lebanese Judiciary and no other authority.

32- Official Language:

English language.

33- Operator Responsibility in Case of Oil Contamination:

- The precautionary principle must be applied during the unloading of the marine tanker, in accordance with the provisions of the Environmental Protection Law and the International Convention for the Prevention of Sea Pollution from Ships (MARPOL).
- In the event of an oil pollution or oil spillage as a result of unloading maritime vessels, the Operator must have the equipment, preparedness and contingency plan to address these two cases.

Beirut on:

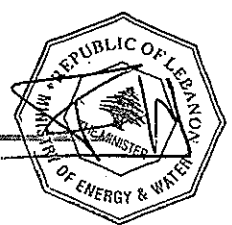
Dr. Walid Fayad

Minister of Energy and Water



A- Documents for the SWAP Spot Public Tender (leg 1)

J.A.



REPUBLIC OF IRAQ
MINISTRY OF OIL
OIL MARKETING COMPANY
(SOMO)



جمهورية العراق
وزارة النفط
شركة تسويق النفط

REF. : MP / 18644
DATE : 22 / 9 / 2021

العدد : /م/
التاريخ : ٢٠٢١/٩ /

To: Ministry of Energy & Water
E-Mail: dgo@energyandwater.gov.lb
minister@energyandwater.gov.lb

Sub./ Contract No. MP/ILA/2021/XS/27

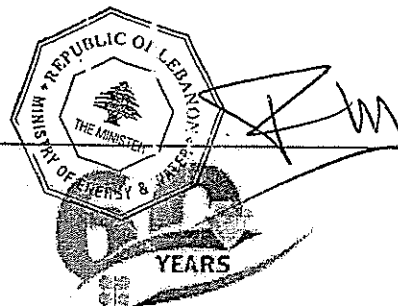
Reference to your letter dated 14th of September, 2021.

Kindly note that the the price of HSFO to be delivered under the A/M contract during October/2021 as the average of mean of the monthly average quotation for Fuel Oil published by S&P Global Platts Asia-Pacific/Arab Gulf Marketscan under the heading (FOB Arab Gulf – HSFO 180 CST) plus premium USD (29.22) per MT.

Best regards.

Dr. Samahir M. A. Abdulah
For Director General
/ 9 / 2021

Oil Marketing company (SOMO)
Baghdad – Iraq
P.O. Box 5118
Fax : + 964 1 7726 574
+ 964 1 7742 797
Email: info@somooil.gov.iq
Web : www.somooil.gov.iq



ISO 9001:2015



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Q96426038

REPUBLIC OF IRAQ
MINISTRY OF OIL
OIL MARKETING COMPANY
(SOMO)



جمهورية العراق
وزارة النفط
شركة تسويق النفط

REF. : SH3 / 18325
DATE : 18 / 9 / 2021

العدد :
التاريخ :

TO : Lebnan Government/Ministry of Energy & Water
E-mail : dgo@energyandwater.gov.lb
: minister@energyandwater.gov.lb
: safaa.ibrahim@dgo.gov.lb

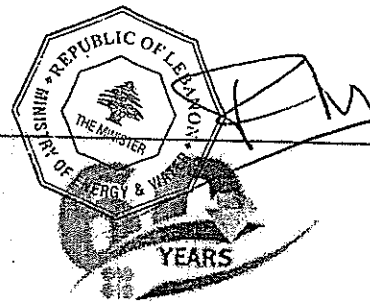
Sub/ October 2021 Fuel Oil Nomination

Further to our letter No. SH3/18299 dated 16/09/2021

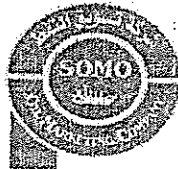
Please note that your **October's cargo** has been changed to be load (60,000 MT \pm 10%) instead of (84,000 MT \pm 10%) Fuel Oil product from Floater Tank (MT/POLYMNIA I) in Iraqi Waters (Anchorage Area) nearby Khor Al-Zubair Terminal by (STS) on Laycan Rang Date 06-08/10/2021.

We will inform you with the fixed laycan prior 10 days, please advise your firm vessel nomination, Exact ETA and Documentary Instruction as early as possible

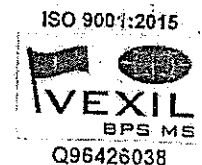
Hadi Abdulnabi Abdulhassan
For Director General
18/ 09 / 2021



Oil Marketing company (SOMO)
Baghdad - Iraq
P.O. Box 5118
Fax : +964 1 7726 574
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Web : www.somooil.gov.iq



'Successful past, sustainable future'



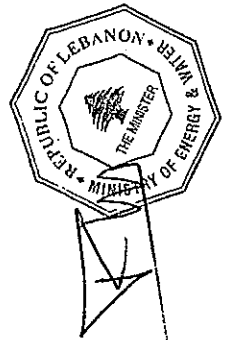


INSPECTORS

Ministry of Agriculture

Ministry of Energy & Water

SN	VESSEL	B/L DATE	B/L MT AIR	DENSITY (VAC)	WATER	SULPHUR	FLASH POINT	VISCOSITY @ 50	POUR POINT
May-21									
1	SAKE	3/May/21	138304.435	0.9634	0.050	4.15	104	197.70	+9
2	STAVANGER FALCON	6/May/21	89900.534	0.9629	0.100	4.18	118	210.60	+3
3	CHOISI	11/May/21	127325.644	0.9604	0.800	3.99	N/A	210.60	ZERO
4	SAMURAI	17/May/21	79909.821	0.9609	0.075	4.02	144	216.70	ZERO
5	SELIGER	28/May/21	79634.227	0.9589	0.075	3.94	138	202.60	ZERO
Jun-21									
6	Red sun	6/Jun/21	78873.129	0.9629	0.100	4.24	108	189.40	-6
7	CHIOS I	15/Jun/21	56952.189	0.9634	0.200	4.22	138	223.60	+9
8	ICE TRANSPORTER	20/Jun/21	90171.906	0.9644	0.150	4.19	144	242.40	+6
9	SAKE	27/Jun/21	69597.051	0.9634	0.075	4.19	128	230.20	ZERO
10	NOVO	2/Jul/21	148816.407	0.9629	0.100	4.18	124	221.00	+9
Jul-21									
11	SOUTHERN REVERENC	15/Jul/21	103775.498	0.9609	0.300	4.11	116	200.30	+3
12	PISSIOTIS	22/Jul/21	60734.077	0.9614	0.300	4.16	118	196.50	ZERO
13	ZOUZOU	31/Jul/21	131335.986	0.9619	0.150	4.22	118	202.00	+6

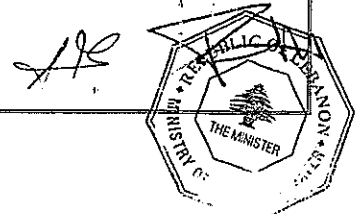


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SECTION TWO

GENERAL TERMS AND CONDITIONS

(1-11)



The provisions of part Two (General Terms and Conditions) shall be subordinate to the provisions of Part One (Special Terms and Conditions) to the extent there is any inconsistency.

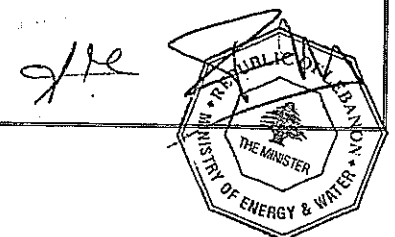
ARTICLE ONE
MEASUREMENT, SAMPLING AND THIRD-PARTY INSPECTION

A. MEASUREMENT AND SAMPLING

1. Measurement of the quantities and the taking of Four (4) samples to determine the quality of Fuel Oil product in each shipment shall be following the latest approved methods as published by the American Petroleum Institute (API) in the Manual of Petroleum Measurement Standard (API MPMS) and (ASTM) the American Society for Testing and Materials or the Institute of Petroleum at Iraqi Ports / Floater Tanks (Mother Ship) at Iraqi territorial water at the time of the shipment in question. Temperature correction to 60F shall be made under the latest edition of Chapter Eleven of the API Manual.
2. The Bill of Lading shall indicate the quantity of Fuel Oil product delivered in conformity with the measurements at Iraqi territorial water and shall be final and binding upon both parties after deduction of bottom water.
3. BUYER's Vessel figure after applying VEF shall be used as the Bill of Lading figure, However, if the difference in quantity between buyer's vessel (Daughter ship with VEF apply) and the floater tank (Mother ship) exceeds ($\pm 0.25\%$) the average (Daughter ship quantity with VEF apply + Mother ship quantity / 2) shall be stipulated as B/L figure.
4. Bill of lading date is the time and date when loading hoses are disconnected.

B. THIRD-PARTY INSPECTION

An Independent inspector to be appointed by Seller to carry out inspection duties outlined according to American Petroleum Institute-Manual of Petroleum Measurement Standard (API – MPMS) for all shipments of Fuel Oil product loaded at Iraqi Ports / Floater Tanks (Mother Ship) and buyer's ship at Iraqi territorial water. Both SELLER and BUYER shall equally share and independently bayed the inspection fees. However, the findings of the said independent inspector shall be final and binding for both parties.

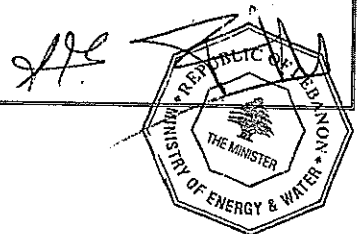


**ARTICLE TWO
TITLE AND RISK**

SELLER shall deliver, or cause to be delivered, the Fuel Oil Product to the BUYER, as mutually agreed, FOB onboard an acceptable tank vessel at Iraqi Ports / Floater Tanks (Mother Ship) at Iraqi territorial water. Title and risk of loss of product Fuel Oil shall pass to the BUYER when the product passes the flange connection between the delivery hose and the vessel's cargo intake manifold. Any loss of or damage to Fuel Oil Product or any property of the SELLER or Loading Operator and the consequences of oil pollution of seawater, before, during or after loading, caused through the fault of the vessel or its crew, shall be for the BUYER's account.

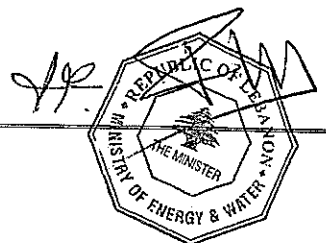
**ARTICLE THREE
LIFTING PROGRAMME**

- A. BUYER shall lift the quantities of Fuel Oil product agreed upon in this Contract as follows: -
1. Quantities to be lifted under this Contract shall be fairly evenly spread.
 2. BUYER shall notify SELLER of quarterly requirements for the full calendar year at least sixty (60) days before commencement of the relevant year or at the date of signature of new contracts if later than November 1st of the preceding year.
 3. BUYER shall specify monthly lifting during each quarter at least forty-five (45) days before the commencement of the relevant quarter.
- B. The above - mentioned tentative schedules, which are to be supplemented to cover all contracted quantities, may be altered by express request of BUYER subject to SELLER's approval. SELLER shall not unreasonably withhold its approval and will notify BUYER within fifteen (15) days of the request.
- C. If during any calendar quarter, BUYER fails to take deliveries of any quantities of Fuel Oil product provided for during such quarter; SELLER, after allowing for normal operational slippage of a nominated and accepted vessel between the quarters and a previously accepted tolerance of up to ten percent (10%) of the quarterly contracted quantity, may deduct such quantities from the total quantities of Fuel Oil product to be delivered under this Contract.



ARTICLE FOUR
NOMINATION OF VESSELS

- A.** BUYER shall notify SELLER twenty-five (25) days before the beginning of each month of its loading program for that month. Such program shall specify for each vessel: -
1. The expected date of arrival of each vessel.
 2. Quantity of Fuel Oil product to be loaded, ten percent (10%) more or less.
 3. Vessel's name or TBN.
 4. Port(s) of discharge and destinations.
 5. Instructions needed by SELLER to issue documents under effective export regulations.
- B.** SELLER shall notify BUYER not later than ten (10) days after receipt of the notice specified hereinabove whether it accepts or refuses schedules or nominations. In case of refusal, SELLER shall propose other dates which shall be as close as possible to those proposed by BUYER. Dates thus determined shall be deemed accepted by BUYER unless the latter advises Seller to the contrary within three (3) working days following receipt of SELLER's notification.
- C.** The accepted date of arrival (laycan) of the vessel at Iraqi Ports / Floater Tanks (Mother Ship) at Iraqi territorial water shall be (3) day range and to be narrowed to one day range, (10) days before.
- However, an accepted date of arrival (laycan) may be changed at any time by BUYER with SELLER's consent.
- D.** BUYER shall require vessel's master to advise loading port / Floater Tank (Mother Ship) at Iraqi territorial water by radio or cable of vessel's expected day and time of arrival at least seventy-two (72) hours, forty-eight (48) hours and twenty-four (24) hours before arrival.
- Failure to give any notice at least twenty-four (24) hours in advance of the arrival of any vessel will increase laytime allowed to SELLER by an amount equal to the difference between twenty-four (24) hours and the number of hours before arrival of such vessel that notice of such ETA is received by SELLER.
- E.** Nominations quoted as TBN shall be replaced by firm vessel nomination with the same accepted laycan and to load a similar quantity of Fuel Oil product at least five (5) days before the firm date of arrival.



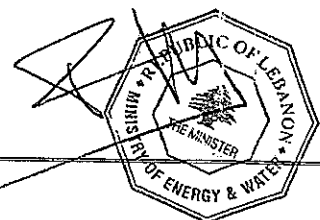
Should BUYER fail to give the above notice of at least five (5) days, the deemed arrival date of the vessel shall be the fifth day after the date when notice is received by SELLER.

- F. Should BUYER wish to substitute a vessel of different size to load a different quantity, this shall be subject to prior approval of the SELLER.
- G. BUYER shall specify when the nominated vessel is for part cargo and advise SELLER the DWT of the vessel and cargo on board (if any) which should not exceed the allowed limits set by port authorities.

ARTICLE FIVE VESSEL BERTHS

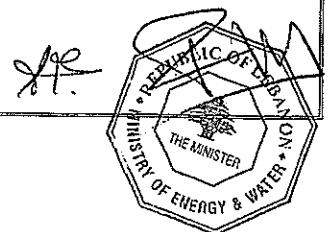
- A. Each vessel shall comply with all regulations in force at the loading port/ Floater Tank (Mother Ship) at Iraqi territorial water.
- B. Loading berth indicated by SELLER's representative shall enable a vessel, to proceed thereto, lie thereat, and depart therefrom always safely afloat.
- C. SELLER's representative may shift the vessel at the loading port from one berth to another / one Mother ship to another, and shall then assume all extra expenses in connection therewith. Such shifting time shall be counted as used laytime.
- D. The vessel shall vacate her berth as soon as loading is completed. In the event of failure to do so, BUYER shall pay SELLER for any resultant demurrage, loss or damage which SELLER may incur including such as may be incurred due to resulting delay to other vessels waiting their turn to load.
- E. If in the course of entering berth or mooring or loading or unmooring or leaving the berth, the vessel or her crew damage any of the terminal's sea or shore installations or equipment due to negligence or any reason, BUYER shall be responsible for all claims, damages, costs, and expenses arising therefrom.

(5-11)



**ARTICLE SIX
LOADING CONDITIONS**

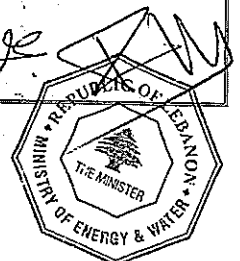
- A.** Vessel(s) arriving within their accepted laycan shall be loaded in order of tendering their notice of readiness.
- B.** Upon the arrival of the vessel at the loading port / Floater Tanks (Mother Ship) as per para (A) above, the master or his representative shall tender to SELLER's representative notice of readiness of the vessel to load Fuel Oil product, berth or no berth.
- C.** If the notice is tendered before the beginning of the period as defined in Article Four, Para (C) of this section, then laytime shall commence at 6 a.m. local time on the first day of such period. However, if the vessel is moored at loading berth before 00:01 hours on the first day of the period hereinabove indicated, then laytime shall commence six (6) hours after completion of vessel's mooring berth or on commencement of loading, whichever shall first occur.
- If BUYER failed to comply with para (A) above and hence, the notice of readiness tendered after (00:01) hours of the scheduled date of loading (laycan date), loading will be made under SELLER's possibilities and BUYER shall have no right to claim for any delay thereby. However, SELLER may refuse to load a vessel which has arrived more than ten (10) days after noon time of the date determined as in Article Four, Para (C) of this section.
- D.** Laytime shall end when loading hoses are disconnected after completion of loading.
- E.** At Floater Tank (Mother Ship) at Iraqi territorial water, the SELLER shall be allowed laytime within which to complete loading a vessel scheduled to load on a single loading port basis as follows: (A) Fifty-Four (54) Hours for vessels up to 129,999 summer deadweight tons; (B) Sixty-Five (65) Hours for vessels between 130,000 and 199,999 summer deadweight tons. At Khor Al-Zubair Port, the SELLER shall be allowed seventy-two Hours (72) as laytime within which to complete loading a vessel scheduled to load at single loading port.
- F.** Any time consumed due to the following shall not count as used Laytime:-
1. Delay to the vessel in reaching or clearing her berth caused by conditions beyond SELLER's control.
 2. Delay to the vessel during loading, including delay due to the inability of the vessel's facilities to load the cargo within the time allowed and generally speaking any time lost on account of the vessel.



3. If BUYER or owner or master of the vessel or port authorities prohibit loading at any time.
 4. Discharging of ballast and changing type of product.
 5. Awaiting customs and immigration clearance and pratique.
 6. Awaiting pilot or tugs, or while moving from anchorage to place of loading, or awaiting suitable tide.
 7. Ship tanks inspection before loading.
 8. Strike, lockout, stoppage or restraint of labour.
- G. In case of dirty ballast or overflows on board or pollution of seawater by oil or loss of oil due to overflows or leaks of oil on board or ashore caused by the vessel, BUYER will be fully responsible before the port authorities and SELLER for all claims, losses, costs, and expenses arising therefrom.

ARTICLE SEVEN DEMURRAGE

- A. SELLER shall pay to BUYER demurrage in U.S. Dollars, for the time used in loading more than time allowed under Article (6) above per day, or pro-rata for part of the day. The rate of demurrage shall be calculated for the vessel size as per the chartering rate payable by BUYER. If the vessel size is larger than the size of the cargo, then demurrage rate shall be prorated accordingly, provided that in both above cases demurrage rate shall not exceed WORLDSCALE 100.
1. If there is no charter party for the vessel, demurrage shall be paid under the average freight rate assessment (AFRA) effective on the date of the bill of lading, provided such demurrage rate does not exceed WORLDSCALE 100, in which case WORLDSCALE 100 shall apply.
 2. WORLDSCALE 100 rate means the rate provided by the edition of WORLDSCALE prevailing at the date of loading for vessels of the same type and category.
 3. If (AFRA) rates cease to be published or cease to be representative, SELLER and BUYER shall consult to establish an alternative method of assessment.
- B. However, if demurrage occurs at the loading port/floater tanks (mother ship) because of fire or explosion in or about the plant of the SELLER, or because of a breakdown of



machinery or equipment of SELLER, or because of bad weather, the rate of demurrage shall be reduced to one - half.

- C. Notwithstanding the above, no demurrage shall be payable in the event: -
1. SELLER is prevented from or delayed in delivering all or any part of the Fuel Oil product for reasons of force majeure.
 2. The claim for demurrage is received by SELLER after sixty (60) days from the date of the bill of lading.
 3. The fully documented claim itself for demurrage is received by SELLER after ninety (90) days from the date of the bill of lading. Full documents mean (BUYER's calculation sheet, notice of readiness, timesheet duly signed by master and SELLER's representative at the loading port and a copy of the CHARTER PARTY).

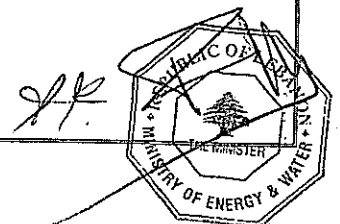
ARTICLE EIGHT PENALTY

- A. If the Buyer's vessel, nominated to load the product, arrives the Floater Tank at Anchorage area nearby Khor AL-Zubair Terminal and tendered NOR after her accepted laycan range, a penalty of USD 15000 per day shall be imposed on the Buyer for the days of the delay and pro-rata for part of the day from the specified laycan range up to NOR tendered.
- B. In case the vessel does not arrives at Floater Tank at Anchorage area nearby Khor AL-Zubair Terminal, a penalty of USD 15000 per day shall be imposed on the Buyer for the days of the berth vacancy or (Mother ship to do STS) and pro-rata of the day from the specified laycan range up to next vessel's laycan range as per the Seller's delivery schedule.
- C. Penalties shall be imposed if the delay is proved to be directly caused by the Buyer.
- D. If BUYER'S vessel, arrives for loading product at anchorage area of SELLER's terminal after her Fixed Laycan Day, the rate of penalty shall be imposed on the days of the delay and prorate for part of the day up to NOR tendered then the penalty is calculated for the vessel as per the chartering rate payable by BUYER.

ARTICLE NINE TAXES AND DUTIES

- A. BUYER shall bear alone port dues and fees charged on vessels at the port of loading.
- B. Dues and other charges at the loading port/floater tanks (mother ship) on the Fuel Oil loaded or to be loaded shall be borne by SELLER.

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**ARTICLE TEN
TERMINATION IN THE EVENT OF
LIQUIDATION OR DEFAULT**

SELLER may terminate this Contract forthwith on giving to BUYER notice in writing to that effect if: -

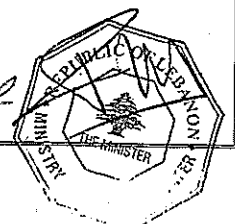
- A. BUYER goes into liquidation or enters into any arrangement or composition with its creditors; or
- B. BUYER shall be in arrears with the payments due to SELLER under this Contract; or
- C. Whereby the terms of the contract, a minimum quantity of Fuel Oil product is to be taken by the BUYER within any specified period, BUYER fails in the said period to take delivery of the said minimum quantity; or
- D. In the event of any breach of Article Ten or Eleven by BUYER; or
- E. In case of any change in ownership, shareholding, country of registration or premises etc. that relate to BUYER as a contracting party.

**ARTICLE ELEVEN
ASSIGNMENT**

- A. Neither party shall have the right to assign its rights and obligations under this Contract in whole or in part without the written consent of the other.
- B. In the event of an approved assignment, the assignor shall be jointly held responsible with assignee for the full performance of its obligations towards the other party.

**ARTICLE TWELVE
DESTINATION**

- A. BUYER acknowledges that all laws, regulations, and rules of the Republic of Iraq relating to the destination of Fuel Oil purchased hereunder shall apply to BUYER.
- B. BUYER undertakes that all laws, regulations, and rules of the Republic of Iraq shall apply to vessels employed by him to transport Fuel Oil covered by this Contract.



- C. BUYER undertakes, whenever required, to submit to SELLER or his representative within a reasonable time, the discharge certificate of each shipment duly endorsed by the Iraqi representation (or any other acceptable representation) in the country of destination.

**ARTICLE THIRTEEN
FORCE MAJEURE**

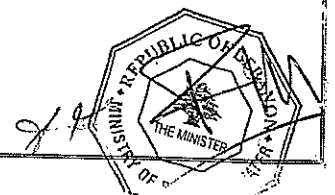
- A. Failure or omission to carry out or to observe any of the terms, provisions or conditions of this Contract shall not give rise to any claim by one party hereto against the other or be deemed to be a breach of this Contract if this is due to force majeure.
- B. If because of force majeure the fulfilment by either party of any terms and conditions of this Contract is delayed for a period not exceeding three (3) months the period of such delay shall be added to the duration of this Contract. If, however, the period of delay exceeds three (3) months, either party at any time after the expiry of the three (3) months shall have the right to terminate this Contract by giving written notice.

**ARTICLE FOURTEEN
DAMAGES**

Except as may be expressly provided in the Contract, neither the SELLER nor the BUYER shall be liable for, and no claim shall be made for, consequential indirect or special damages of any kind arising out of, or in any way connected with, the performance of or the failure to perform this Contract.

**ARTICLE FIFTEEN
ARBITRATION**

- A. The two contracting parties shall settle in good faith any dispute arising from this Contract through negotiations by the representatives of the two parties. If no agreement can be reached within thirty (30) days, the two parties shall settle the dispute by way of arbitration as stated in paragraph (B) of this article.
- B. The Arbitration Board shall be composed of three members; each contracting party shall select one member. The two selected arbitrators shall together select an umpire to be the President of the Board. If the two Parties fail to select the arbitrators in the manner shown above within three (3) months, the members of the Arbitration Board shall be appointed under the rules of arbitration of the International Chamber of Commerce and the arbitration place shall be Baghdad or any other place mutually agreed upon.



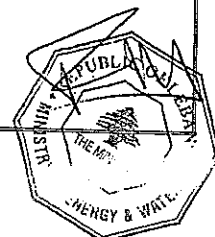
**ARTICLE SIXTEEN
NOTICES**

- A. Any notices, declarations and other communications which either party may be required to give or make to the other party shall, unless otherwise specifically provided elsewhere, be given in writing within the required time and sent by post, by telegraph or by telex to the address of the other party specified for this purpose in the Contract and shall, unless otherwise specifically provided herein, be deemed to have been given or made on the date of receipt by the other party.
- B. Either Party, by not less than fifteen (15) days' notice in writing to the other Party, may from time to time change its address.

**ARTICLE SEVENTEEN
APPLICABLE LAW**

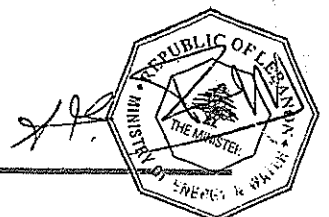
This Contract shall be construed and governed under the laws of the Republic of Iraq.

(11-11)





B- Documents for the SWAP Spot Public Tender (leg 2)



Appendix No. (1)
A Letter of Commitment



To: Ministry of Energy and Water
Directorate General of Oil

We, (Bidder name.....) hereby present our offer for the sale of a quantity of /.....By numbering/ MT (.....By lettering) metric tons of fuel oil 1.0 % sulfur Grade (A) and / or Grade (B) and/or Gasoil 0.2% for the use of Electricité Du Liban - Lebanon.

We hereby confirm and approve that the offer is in accordance with the SWAP Spot Public Tender conditions with no deviation whatsoever.

Please find enclosed the documents required according to the above mentioned SWAP Spot Public Tender (Clause No. "6").

For all your correspondence, please find here below our mailing address:

Email :

Address:

Tel No.:

Fax No.:

E-mail:

Signature:





Appendix No. (2)a

Price

Quality Grade (A or B) Fuel oil with sulfur content 1.0 pct

The price in U.S. Dollars per Metric Ton (DAP (Delivery At Place) one or more safe port(s)/ berth(s) Lebanon, based on the received quantity, will be equal to: The average of all the means of the high and the low quotations for Fuel 1.0% as published in Platts European Marketscan under the Heading "FOB Med Basis Italy" plus a premium of U.S. Dollars /..... / (By numbering) PMT U.S. Dollars (By lettering) per Metric Ton.

The quotations to be taken into consideration will be the effective and valid published quotations of the month of Loading **(to be the same month of loading from Leg 1)**

In case of outturn quantity loss as determined by the appointed inspector at discharge port, the loss, if any, up to 0.5% of the Bill(s) of Lading (B/L) Quantity will be borne by the buyer and any loss above 0.5% of the B/L(s) Quantity will be for Operators account.

The cost of each additional port of discharge in Lebanon will be an additional extra premium of U.S. Dollars /...../(By numbering) PMT U.S. Dollars/...../ (By lettering) per Metric Ton.

The Bidder may notice lowering the average of all the means of the high and the low quotations mentioned above, before adding the premium, and his offer will be accepted. Knowing that the amount of lowering should be mentioned in the absolute value, and not as a percentage discount rate on the total mean of the sum of all the means of the high and the low quotations.

1	The average of all the means of the high and the low quotations for Fuel 1.0% as published in Platts European Marketscan under the Heading "FOB Med Basis Italy" as mentioned above.	
2	Plus: A premium in U.S. Dollars (By lettering)..... per Metric Ton.	In U.S. Dollars/..... / (By numbering) per Metric Ton
3	Plus: The cost of each additional port of discharge in Lebanon in U.S. Dollars (By lettering)..... per Metric Ton.	In U.S. Dollars/..... / (By numbering) per Metric Ton
4	Minus: Discount on (1) in U.S. Dollars (By lettering)..... per Metric Ton.	In U.S. Dollars/..... / (By numbering) per Metric Ton
5	Final Price FP : (2)+(3)-(4) in U.S. Dollars (By lettering)..... per Metric Ton.	In U.S. Dollars/..... / (By numbering) per Metric Ton

SIGNATURE:
OPERATOR

