



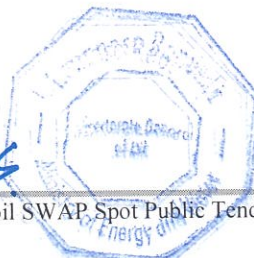
SWAP Spot Public Tender 116/T/6 dd 18/8/2021
HFO (A) and/or HFO (B) and/or Gasoil for Electricité Du Liban Use

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

- SOMO September 2021 / Fuel Oil Nomination ref. letter no. 16280 dd. 16/8/2021
- SOMO General Terms and Conditions / Specs and Provisional Price ref. letter no. 16072 dd. 13/8/2021

B- 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).



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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

Leg2 : 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.

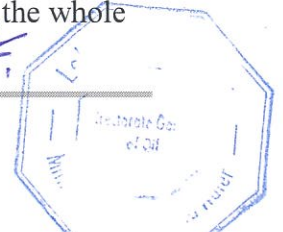
5- Delivery date(s):

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 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 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:



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- 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:

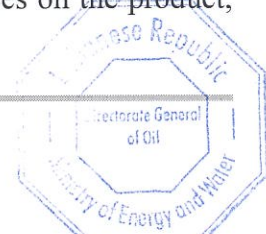
The Ministry of Energy and Water - Directorate General of Oil can amend the present conditions of the SWAP Spot Public Tender (such as the dates of cargoes delivery, etc....) provided the Ministry declares it in timely manner.

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.



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Invitation Announcement No. 116/T/7 dd. 18th August 2021
SWAP Spot Public Tender ref. no. 116/T/6 dd. 18th August 2021

Subject : Delivery window schedule and submission deadline for the Heavy Fuel Oil (HFO) Grade (B) and Gasoil 0.2% for the month of September 2021.

Dear Sirs,

Thank you for your interest to participate in the Ministry of Energy and Water – Directorate General of Oil - SWAP Spot Public Tender as per the above Tender ref. no. 116/T/6 dd. 18th August 2021

You are hereby requested to provide us with a Firm Offer and the respective validity of your offers (as well as any clarification you require); as per the attached Terms & Conditions for the “SWAP Spot Public Tender” for both Leg (1) and Leg (2) duly sent to you, and as per the below Delivery window(s) and their respective submission date to the following email addresses:

- General Directorate of Oil - Official Email Address (dgo@energyandwater.gov.lb)
- General Directorate of Oil - Official Email Address (info@dgo.gov.lb)
- Cc. to Minister of Energy and Water – Official Email Address (minister@energyandwater.gov.lb)

Delivery Window for about 33,000 MT +/- 5% of Gasoil 0.1% to read (10-15 September 2021)

The offer for the above Delivery Window (10-15 September 2021) – as set forth in the above SWAP Spot Public Tender – is to be sent by Thursday 26th August 2021 before 14:30 hours (Beirut Local Time) in PDF Format password encrypted file to the above listed email addresses; followed by another separate Email containing the access password at 15:30 hours (Beirut Local Time) same deadline date. The validity of the offer for the Delivery Window should remain valid till Friday 27th August 2021 at 14:00 hours (Beirut Local Time).

Delivery Window for about 30,000 MT +/- 5% of HFO (B) to read (10-15 September 2021)

The offer for the above Delivery Window (10-15 September 2021) – as set forth in the above SWAP Spot Public Tender – is to be sent by Thursday 26th August 2021 before 14:30 hours (Beirut Local Time) in PDF Format password encrypted file to the above listed email addresses; followed by another separate Email containing the access password at 15:30 hours (Beirut Local Time) same deadline date. The validity of the offer for the Delivery Window should remain valid till Friday 27th August 2021 at 14:00 hours (Beirut Local Time).

Kindly find attached the following:

- 1- SWAP Spot Public Tender under ref. no. 116/T/6 dd. 18th August 2021
- 2- Documents for the SWAP Spot Public Tender (Leg 1)
- 3- Documents for the SWAP Spot Public Tender for (Leg 2)

Eng. Aurore Feghaly

Director General of Oil



17- Nomination of the maritime vessel:

For Leg 1

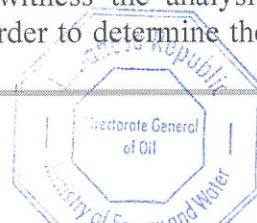
As per SOMO GT&Cs

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 (ICS), 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:

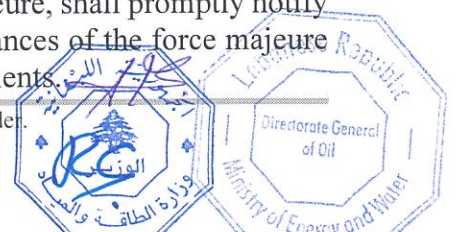
- The requested specifications should be according to the **appendix No. (a) for HFO(A) and/or HFO(B) and/or Gasoil.**
- The findings of the laboratory analyses that are binding to both contractual parties, are those issued at the discharge port/berth according to the procedures mentioned in **clause 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 by 10% 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



Handwritten signature in blue ink.



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.

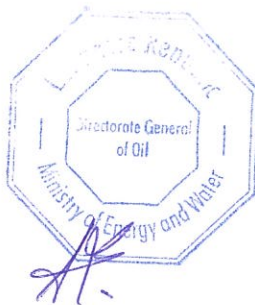
32- Official Language:

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:



Eng. Aurore Feghaly

Director General of Oil



Minister of Energy and Water

Raymond Ghajar



Invitation Announcement No. 116/T/7 dd. 18th August 2021
SWAP Spot Public Tender ref. no. 116/T/6 dd. 18th August 2021

Subject : Delivery window schedule and submission deadline for the Heavy Fuel Oil (HFO) Grade (B) and Gasoil 0.2% for the month of September 2021.

Dear Sirs,

Thank you for your interest to participate in the Ministry of Energy and Water – Directorate General of Oil - SWAP Spot Public Tender as per the above Tender ref. no. 116/T/6 dd. 18th August 2021

You are hereby requested to provide us with a Firm Offer and the respective validity of your offers (as well as any clarification you require); as per the attached Terms & Conditions for the “SWAP Spot Public Tender” for both Leg (1) and Leg (2) duly sent to you, and as per the below Delivery window(s) and their respective submission date to the following email addresses:

- General Directorate of Oil - Official Email Address (dgo@energyandwater.gov.lb)
- General Directorate of Oil - Official Email Address (info@dgo.gov.lb)
- Cc. to Minister of Energy and Water – Official Email Address (minister@energyandwater.gov.lb)

Delivery Window for about 33,000 MT +/- 5% of Gasoil 0.1% to read (10-15 September 2021)

The offer for the above Delivery Window (10-15 September 2021) – as set forth in the above SWAP Spot Public Tender – is to be sent by Thursday 26th August 2021 before 14:30 hours (Beirut Local Time) in PDF Format password encrypted file to the above listed email addresses; followed by another separate Email containing the access password at 15:30 hours (Beirut Local Time) same deadline date. The validity of the offer for the Delivery Window should remain valid till Friday 27th August 2021 at 14:00 hours (Beirut Local Time).

Delivery Window for about 30,000 MT +/- 5% of HFO (B) to read (10-15 September 2021)

The offer for the above Delivery Window (10-15 September 2021) – as set forth in the above SWAP Spot Public Tender – is to be sent by Thursday 26th August 2021 before 14:30 hours (Beirut Local Time) in PDF Format password encrypted file to the above listed email addresses; followed by another separate Email containing the access password at 15:30 hours (Beirut Local Time) same deadline date. The validity of the offer for the Delivery Window should remain valid till Friday 27th August 2021 at 14:00 hours (Beirut Local Time).

Kindly find attached the following:

- 1- SWAP Spot Public Tender under ref. no. 116/T/6 dd. 18th August 2021
- 2- Documents for the SWAP Spot Public Tender (Leg 1)
- 3- Documents for the SWAP Spot Public Tender for (Leg 2)

Eng. Aurore Feghaly

Director General of Oil

