

General Terms and Conditions of Sales for Marine Fuel

These terms and conditions are applicable to every sale of marine fuel, marine diesel oil and/or marine gas oil sold by INTERNATIONAL FUEL OIL CORP. to all parties purchasing the products. These terms and conditions shall override any other different terms or conditions stipulated, incorporated or referred to by Buyer, whether in his purchase order or in any negotiation, unless otherwise accepted in writing by Seller.

1. Definitions

In the agreement (hereinafter defined) the following terms shall have the following meanings:

- a. "the agreement" means the General Terms and Conditions for sales;
- b. "barrel" or "bbl" means 42 U.S gallons at 60 ° Fahrenheit;
- c. "BUYER" means a party obligated to buy Marine fuel under this agreement;
- d. "Delivery Date" means the date on which the marine fuel is to be delivered to the vessel by SELLER;
- e. "gallon" means a U.S standard gallon of 231 cubic inches at 60° Fahrenheit;
- f. "General Terms" means these INTERNATIONAL FUELS OIL CORP. General terms and conditions of the sale of marine fuel;
- g. "Marine Fuel" means the type(s), quantity (ies) and commercial grade(s) of bunker fuel oil , intermediate fuel oil ("IFO"), Marine Gas Oil ("MGO") , Marine Diesel Oil ("MDO") and/ or other materials of petroleum products specified in the special terms which SELLER has agreed to sell to BUYER;
- h. "metric tons" or "MT" means a total of 1.000 kilograms or 2,204.62262 avoirdupois pounds
- i. "SELLER" means International Fuels Oil Corp.
- j. "Special Terms" means any form of agreement including , without limitation, a letter, fax letter or electronic mail, which to any extent incorporates by reference of its subject to the General Terms, including our confirmation or nomination of bunker stem.
- k. "Supplier" means the person or entity from whom the SELLER procures the marine fuel for resale to the BUYER;
- l. "Supply Port" means the port at which the Marine Fuel purchased by the BUYER is to be delivered to the vessel;
- m. "Vessel" means the marine vessel or vessels to which the Marine Fuel purchased by the BUYER is to be delivered.

2. Measurements, Quality Tests and Sampling

- a) The quantity of Marine Fuel delivered shall be measured by the SELLER or its Supplier and these measurements will be final and binding.
- b) The quantity of the marine fuel shall be determined by SELLER's or supplier's personnel, using SELLER's or supplier's equipment according to Seller's or supplier's official methods (shore tank gauges or, if such is not available, by barge calibrated meter or, if such is not available, by barge or truck, volume measurement figures)

- c) BUYER may be present or represented by a properly accredited agent at all measurements. If the BUYER or BUYER's representative declines such invitation to present for before and after measurements, SELLER's or Supplier's determination of quantity shall prevail and be binding.
- d) All measurements shall be adjusted to gallon, barrels or metric tons at 60 ° Fahrenheit temperature.
- e) All such adjustments shall be made in accordance with the latest joint Petroleum Measurement Tables of The American Petroleum Institute ("API") , American Society of Testing and Materials ("ASTM") and the Institute of Petroleum ("IP") designated API D-2540 , ASTM D-1250 and IP 200/52, respectively, whichever is in use at the Supply Port.
- f) The BUYER shall have the responsibility for any determination of compatibility of marine fuel purchased from SELLER with marine fuel already on board the vessel.
- g) SELLER shall draw from the barge or truck or pipeline at least two representative samples of each grade of Marine Fuel delivered.
- h) BUYER may attend or be represented during such sample taking in which event he shall countersign each sample and may retain one sealed and countersigned sample. The sealed samples shall be deemed conclusive and binding as to the quality of the delivered marine fuel.
- i) One sealed sample shall be handed to the Vessel's representative, and the other sample or samples retained by the SELLER or its Supplier.
- j) By request of the BUYER a fourth sample (Marpol Annex VI) may be taken if Supplier is in agreement and per their policy. This Marpol sample may only be used for purposes of confirming the sulphur content of marine fuel and such other matters as are specifically set forth in Marpol Annex VI, Regulation 14 and 18.
- k) For any commercial purposes the samples from the Supplier will be used. If vessel presents a sample from on-board the vessel, this sample may be received by SELLER or Supplier, but this sample will not be recognized as an official retain sample of the delivery, and its tests results will not be recognized or accepted by SELLER and its Supplier as representative of the Marine Fuel delivered.

3. Price

The price of Marine Fuel sold and delivered hereunder shall be the price set forth in the Special Terms. Unless otherwise agreed and set forth in the Special terms, all prices are for delivery ex tank at the Supply Port and are exclusive of all delivery costs and all taxes, duties, fees or other assessments imposed or levied by any government authority (whether at the Supply Port or otherwise) or instrumentality thereof.

4. Nominations and Deliveries

- a) Buyer shall provide Seller written notice at least four (4) days prior to delivery date of the estimated time(s) to arrival of his vessel or when the Vessel will be ready to receive the Marine Fuel purchased by the BUYER.



**INTERNATIONAL FUEL
OIL CORP.**

REG. NO. 530927970222

-
- b) This notice must specify the name of the vessel, vessel's agent, estimate time of arrival, bunkering port, grade and quantity of Marine Fuel and address for invoicing.
 - c) In such notice the BUYER shall, is necessary, advise the SELLER of any special condition, peculiarity, deficiency or defect of or with respect to the Vessel or its equipment which might delay, hinder, or otherwise affect the mooring, unmooring or bunkering of the vessel.
 - d) If the BUYER fails to provide this notice and the Vessel for whatever reason is unable of refuses to accept the Delivery Date, or if the BUYER provides such notice but request an extension to the Delivery Date of more than twenty-four (24) hours twelve noon on such date, then the SELLER may , at its option, deliver the Marine Fuel to teh Vessel at the requested new delivery time on a best efforts basis, suspend delivery subject to BUYER's agreement to a new price for the Marine Fuel, or cancel the delivery altogether, with or without prejudice to SELLER's rights under this agreement.
 - e) SELLER shall make all connections and disconnections between the delivery hose and vessel's intake pipe and,
 - f) The BUYER shall render all necessary and reasonable assistance and provide sufficient tankage and equipment to receive all deliveries of Marine Fuel supplied under this Agreement. All mooring and unmooring charges and port dues, if any shall be paid by the BUYER.
 - g) The delivery shall be made at any time during the day and night and any day of the week, holidays included, unless prohibited by port regulations, in which event delivery shall be made on a working day.
 - h) If a delivery permit is required from any government authoirty or any instrumentality thereof, or from any public or private port authority, for any delivery of Marine Fuel hereunderm then the BUYER shall be responsible for obtaining same. No deliveries shall be mae until such time as the BUYER has obtained all required delivery permits.
 - i) If any nomination is given by an agent for a Buyer hereunder, then such agent shall be independently liable, as if it were the principal, for the performance of all the obligations hereunder.
 - j) When the Vessel increase the quantity requered and this exceed by ten percent (10%) the nominated quantity in any grade of Marine Fuel, the BUYER shall give the SELLER a notice (letter, fax, electronic mail) authorizing this increase.
 - k) If the vessel requires delivery by barge, then SELLER shall furnish this service within normal harbor limits at the Supply Port when SELLER or its Supplier has the necessary barging facilities available to effect delivery. BUYER shall pay all a barging charges at the rates established by the SELLER from time to time plus transportation taxes, if any. If steam is required to effect delivery, the Vessel shall provide such steam free-of-charge.
 - l) The BUYER shall be charged a minimum fee of USD 5.000 for cancellation of delivery in addition to any and all costs incurred by the SELLER.

5. Demurrage and Delays

- a) Seller will do his best effort to bunker the Vessel as promptly as possible, but shall bear no liability for any demurrage, detention or any other damage due to any delay beyond his control, including but not limited to delay caused by weather and/or high swells (whether unusual or not), local congestion at the

Supply Port affecting the SELLER's facilities (or those of its Supplier) or prior commitments, nonavailability and/or malfunction of delivery barges, or any event of Force Majeure.

- b) The BUYER shall be liable for demurrage at rates established by the SELLER and for losses incurred by the SELLER as a result of any delay caused directly or indirectly by the BUYER or the Vessel in the use of delivery or barging facilities or in vacating a berth.
- c) The BUYER shall indemnify SELLER against any and all damages and liabilities arising out of or resulting from any act(s) or omission(s) of BUYER, his representative, agents, vessel's officers or vessel's crew in connection with Marine Fuel delivery. Indemnification shall include all costs, reasonable attorney's fees and other damages, including, but not limited to, the cost of compelling BUYER's compliance with these General Terms.

6. Title / Risks

- a) SELLER has good and marketable title to all Marine Fuel delivered hereunder.
- b) All deliveries shall be deemed complete and title and risk of loss shall pass to BUYER when the Marine Fuel has passed the intake flange of the BUYER's Vessel or nominated vessel.
- c) The Marine Fuels shall remain the SELLER's property until BUYER has paid for them in full. Until that time BUYER shall hold them as bailee, store them in such a way that they can be identified as SELLER's property, and keep them separate from BUYER's own property and the property of any other person.
- d) Although the Marine Fuels remain the SELLER's property until paid for, they shall be at BUYER's risk from the time of delivery and BUYER shall insure them against loss or damage accordingly and in the event of such loss or damage it shall hold the proceeds of such insurance on behalf of SELLER as trustee of SELLER.
- e) BUYER's rights to possession of the Marine Fuels shall cease if:
 - BUYER has not paid for the Marine Fuels in full by the expiry of any credit period allowed by the SELLER or
 - BUYER is declared bankrupt or makes any proposal to his creditors of a reorganization or other voluntary arrangement, or
 - A receiver, liquidator, or administrator is appointed in respect of BUYER's business.

Upon cessation of BUYER's right to possession of the Marine Fuel, the BUYER shall at his own expense make the Marine Fuel available to the SELLER and allow SELLER to repossess them, or repossess other Marine Fuels onboard the Vessel that are of like nature, value, and quality, should the Vessel have consumed SELLER's fuel.

7. Payment Terms and Credit

- a) BUYER shall effect payment (including delivery and any additional charges and without any deduction, discount or setoff whatsoever) in U.S. Dollars by means of telegraphic transfer to SELLER's account at a bank designated by SELLER.

- Such transfer shall quote SELLER's invoice or order number, BUYER's name, Vessel supplied and SELLER's account number to which funds shall be deposited. Payment shall be deemed to have been effected on the date when full amount of SELLER's invoice is credited to SELLER's account. BUYER may not at any time or for any reason whatsoever assert a setoff or invoke any counterclaim or other right as a basis for withholding payment.
- b) When Marine Fuel is supplied on a credit basis, full payment shall be received by the due date specified in SELLER's fax/telex invoice. If the established credit period expires on a weekend or holiday, the BUYER shall arrange payment on the following working day. SELLER will in due course provide BUYER by ordinary mail with a commercial invoice and a copy of the bunker delivery receipt.
 - c) SELLER's telex invoice shall be based on advice as to the quantity delivered and of other charges and surcharges if incurred and payment made pursuant to above shall be subject to such subsequent adjustment as may be necessary on receipt by the Seller of further delivery details.
 - d) If Marine Fuel is supplied on a credit basis and full payment is not received by the due date as per SELLER's invoice, BUYER shall immediately be in default.
 - e) Without limitation to SELLER's right hereunder or otherwise, any payment not made when due shall bear interest at the rate of (I) one percent (1%) per month, or (II) the maximum rate allowed by law, running from the due date until the date payment is received by SELLER's bank.
 - f) All sales of Marine Fuel hereunder are made on the credit of the vessel as well as on the credit of the BUYER. The SELLER will have and assert any all maritime liens available to it against the Vessel, wherever found, for the full amount of the delivered price of the Marine Fuel supplied to such vessel by the SELLER, plus accrued interest and collection costs.
 - g) If BUYER is in default of full payment, if his financial condition in the SELLER's opinion becomes impaired, or if proceedings in bankruptcy or insolvency are instituted by and or against BUYER, or in the case of liquidation or dissolution of BUYER, any and all postponed or deferred payments including interest thereon, shall become immediately due and payable and SELLER reserves the right to offset same against debts to BUYER or his affiliates.
 - h) In the event SELLER institutes legal proceedings for collection of Payments not made by BUYER when due, all expenses incurred by SELLER in connection such proceedings (including limitation, attorney's fees and court costs) shall be for BUYER's account.

8. Claims

- a) Claims, if any, are to be settled separately from payment of the invoice, which in all cases has to be honored in full without delay.
- b) BUYER waives all claims against SELLER with respect to any claimed shortage in quantity, unless BUYER or BUYER's representative shall give written notice both to the barge master and/or to the SELLER at the time of delivery.

- c) Any claims, notices, or information written on the delivery receipt or written in form of a memo or letter of protest from the BUYER's representative or Vessel or crew at time of the delivery will not constitute notification of a claim by BUYER, nor will any signatures by SELLER's or Supplier's delivery crew on any such documents constitute an acceptance or acknowledgment of BUYER's claim.
- d) SELLER shall be notified in writing of any claimed defect in the quality immediately after such alleged defect is discovered. Each of the foregoing preliminary notices shall be followed by a formal written notice of claim to SELLER containing all details necessary to allow evaluation of the claim. If BUYER fails to give any initial notice or if the formal written notice is not received by the SELLER within five (5) days after delivery of the Marine Fuel to vessel in case of quantity claims, or ten (10) days in case of quality claims, any claim shall be conclusively deemed to have been waived.
- e) All claims by the BUYER are subject to the limitations set out in article 11.

9. Safety and Environmental Protection

- a) BUYER represents and warrants that the Vessel is properly equipped , maintained and operated so as to avoid the escape, spillage or discharge of oil at the time of all deliveries of Marine Fuel hereunder.
- b) In the event of any spillage (which for the purpose of this clause shall mean any leakage, escape, spillage or overflow of the Marine Fuel) causing or likely to cause pollution occurring at any stage of the deliveries of Marine Fuel, the BUYER and the SELLER shall jointly, and regardless as to whether the BUYER or the SELLER are responsible, immediately take such actions as are necessary to effect clean up and which shall always be conducted in accordance with such local laws and regulations which may compulsorily apply.
- c) All expenses, claims, losses, damages, liabilities and penalties shall be divided between the parties in accordance with the comparative degree of negligence or omission. The burden of proof to show SELLER's negligence shall be on the BUYER.
- d) BUYER shall give SELLER all documents and other information concerning any spill, or any program for the prevention thereof, that are required by SELLER or required by law or regulation applicable at the time and Supply Port
- e) SELLER does not warrant nor shall be deemed to warrant the safety of any place (s) or facility (ies) where BUYER's vessel loads and assumes no liability in respect thereof, except for loss or damage demonstrably caused by his failure to exercise reasonable care.

10. Warranties and Assignment

- a) BUYER is solely responsible for specifying to the SELLER the type, grade and quantity of Marine Fuel to be supplied under the Agreement. SELLER warrants only the the Marine Fuel supplied shall conform to the specifications stated in the Special Terms and further that SELLER will convey to the BUYER title

thereto free and clear all the taxes, liens, and encumbrances existing or in favor of any third parties.

- b) OTHER THAN THOSE EXPRESSLY STATED HEREIN, THERE ARE NO GUARANTEES OR WARRANTIES, EXPRESS OR IMPLIED, OF MERCHANTABILITY, FITNESS, OR SUITABILITY OF THE MARINE FUEL FOR ANY PURPOSE, OR OTHERWISE.
- c) The BUYER may not assign any of its rights or obligations under the Agreement without the SELLER's prior written consent.
- d) The SELLER may, however, assign any of its rights and obligations hereunder without the BUYER's prior consent.

11. Limitation of Liability

SELLER and its Supplier shall not be liable for special, indirect, punitive or exemplary damages of any kind arising out of or in connection with the performance or not-performance of the Agreement.

12. Notices

Unless otherwise provided, all notices, statements and other communications, including invoices to be given, submitted or made hereunder by either party to the other, shall be sufficiently given in writing and sent by registered airmail, fax or telegram to the address designated by BUYER for invoicing or to the SELLER at:

CI. International Fuels Ltda.
Barranquilla, Calle 77 B No. 57-141 Office 704

Centro Empresarial Las Américas

Cartagena - Colombia

Fax Number: (57-5) 3693777

manager@ciinternationalfuels.com

Either party may change its designated address by giving fifteen (15) days prior written notice of its new address to the other party.

13. Force Majeure

No failure or omission by the Seller or the Buyer to carry out or observe any of these conditions shall give the right to raise any claims against that party or be deemed to be a breach of this contract conditions if the same shall arise out of causes not reasonably within the control of that party, whether or not foreseen, including (but not limited to) such causes as labour disputes, strikes, governmental intervention, failure or shortage of vessel or barge service normally available to the SELLER or its Supplier to, breakdown of or damage to, or shortage in facilities used for production, refining or transportation of Marine Fuel, acts in compliance with requests of any governmental authority or person acts in compliance with requests of any purporting thereof, or any



othe similar causes, war, civil commotion, fire, flood, accident, storm, earthquake or any acts of God. This provision however does not excuse the Buyer from his obligation to make payment for all amounts due to the Seller on account of marine fuel previously delivered hereunder.

14. Governing Law and Settlement of Disputes.-

This General terms and conditions of sales shall be governed by and construed in accordance with title 9 of the United States Code and the Maritime Law of the United States, and in any case in accordance with the laws applicable in the State of New York, and should any dispute arise of this Contract, the matter in dispute shall be referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them shall be final, and for purpose of enforcing any award, this agreement may be made a rule of the Court. The proceedings shall be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.

These general terms and conditions' contain the entire agreement of the parties with respect to the subject matter hereof and there are no other promises, representations or warranties affecting it and shall not be modified or amended in any way except in writing by the parties.

For disputes where the total amount claimed by either party does not exceed USD 20,000, the arbitration shall be conducted in accordance with the shortened arbitration procedure of the Society of Maritime Arbitrators, Inc.

15. Miscellaneous

To the extent that General Terms are at variance with the Special Terms, the latter shall govern.

The Agreement not be modified , discharged or terminated except by an instrument in writing signed by each of the parties hereof.

It is the responsibility of the BUYER and / or BUYER's representative / intermediary to inform vessel's owner of the contract and the Terms and Conditions that apply to the sale from the SELLER. If we are not informed immediately , in writing , of owner's rejection , INTERNATIONAL FUELS OIL CORP., will consider the owner to be aware of and in acceptance or our Terms and Conditions of Sale.

Waivers of performance by one party of any of the obligations of the other party under the Agreement, or of default by such party of any of its obligations of such hereunder, shall not operate as a waiver of the same obligation, or a waiver of any future default.

The terms and conditions of the Agreement shall extend to, be binding upon , and inure to the benefit of, the heirs, successors, administrators, legal representatives, and permitted assings of the respective parties hereto.

The Agreement constitutes the entire understanding and agreemnt between the Parties here to and supersedes all prior oral or qritten agreements, representations and/or warranties.



**INTERNATIONAL FUEL
OIL CORP.**

R.U.C. 538927970222
