

THIS IS A FORMAT OF BG (BANK GUARANTEE) : THIS IS OUR ACCEPTABLE
PLEASE USED FOR SWIFT MT 760 AND YOUR BANK'S LETTERHEAD (OFFICIAL STATIONERY)

BG MT 760 TEXT FORMAT

To: APEC PACIFIC ENERGY COPORATION
FROM: BANK (GUARANTOR)
RE: IRREVOCABLE CONFIRMED DIVISIBLE TRANSFERABLE
UNCONDITIONAL PAYMENT BANK GUARANTEE

GENTLEMAN:

WE HAVE BEEN INFORMED THAT YOUR COMPANY "APEC PACIFIC ENERGY COPORATION" (HEREINAFTER REFERRED TO AS "APEC") HAS ENTERED INTO THE CONTRACT NO. **** DATED **** (HEREINAFTER REFERRED TO AS "CONTRACT ") WITH (HEREINAFTER REFERRED TO AS "BUYER") FOR SELLING CRUDE OIL.

WHEREAS THE BUYER IS REQUIRED UNDER THE CONTRACT TO PROVIDE APEC WITH A IRREVOCABLE CONFIRMED DIVISIBLE TRANSFERABLE UNCONDITIONAL PAYMENT BANK GUARANTEE FOR THE AMOUNT OFUSD (REPRESENTING 100% OF CONTRACTUAL QUANTITY MULTIPLY BY THE PROVISIONAL PRICE).

WE, THE GUARANTOR, IRRESPECTIVE OF THE VALIDITY AND THE LEGAL EFFECTS OF THE CONTRACT AND WAIVING ALL RIGHTS OF OBJECTION AND DEFENSE ARISING FROM THE PRINCIPAL DEBT, HEREBY IRREVOCABLY AND UNCONDITIONALLY GUARANTEE TO PAY IMMEDIATELY TO YOU UPON RECEIPT OF YOUR FIRST WRITTEN DEMAND, STATING THAT YOU HAVE NOT RECEIVED PAYMENT FROM BUYER AT THE DUE DATE, WITHOUT ANY ABJECTIONS, EXCEPTIONS AND WITHOUT A NEED FOR PROVING ANY FAULT OR VIOLATION, ANY AMOUNT UP TOUSD WITHOUT OFFSET OR DEDUCTION OF ANY AMOUNT. WE EXPRESSLY STATE THAT OUR LIABILITY AS THE GUARANTOR HEREUNDER SHALL BE AS A PRIMARY OBLIGOR AND NOT MERELY AS SURETY.

OUR GUARANTEE IS VALID UNTIL 365+1 DAYS. CLAIMS UNDER IT, IF ANY, MUST HAVE REACHED US BY THAT DATE. THE VALIDITY OF THIS GUARANTEE IS EXTENDABLE AT THE REQUEST OF APEC FOR ANY PERIOD UP TO THE COMPLETION OF CONTRACT. IN CASE WE ARE UNABLE OR DO NOT WISH TO EXTEND THE PERIOD OF THIS GUARANTEE , OR IF BUYER FAILS PROVIDE US WITH THE REQUIREMENT NEEDED FOR THE EXTENSION , THEN WE SHALL PAY THE ACTUAL AMOUNT TO OR FAVOR OF APEC WITHOUT ANY NEED FOR A REPEATED DEMAND .

THIS GUARANTEE SHALL BE CONSTRUED AND TAKE EFFECT ACCORDING TO THE LAWS OF AND MUST BE RETURNED TO US FOR CANCELLATION AFTER EXPIRATION OF ITS VALIDITY . NON-RETURN OF THE GUARANTEE DOES NOT EXTEND ITS VALIDITY.

Bank Officer 1:
Authorized Signatory
Name:
Title:
Code:
BANK STAMP / SEAL

Bank Officer 2:
Authorized Signatory
Name:
Title:
Code: