



SALES & PURCHASE AGREEMENT

TRANSACTION CODE AND REFERENCE NUMBER

DATE OF ISSUE:
CONTRACT NUMBER:

THE SELLER

NAME:
REPRESENTED BY:
COMPANY:
ADDRESS:
TEL:
FAX:
EMAIL:

THE BUYER

NAME:
REPRESENTED BY:
COMPANY:
ADDRESS:
TEL:
FAX:
EMAIL:

PRODUCT:
280/380 CST FUEL OIL

QUANTITY:
..... METRIC TONNES 90% MONTHLY, AS PER SELLER'S OPTION. BUYER TO NOMINATE
VESSELS TO LOAD. MAXIMUM METRIC TONNES.

QUALITY:
AS PER SELLER'S NORMAL EXPORT QUALITY FOR 280/380 CST/MAX 3.5% SULPHUR FUEL OIL EX
SELLER'S. GUARANTEED SPECIFICATIONS ARE ATTACHED TO THIS CONTRACT.

DELIVERY TYPE:
FOB SELLER'S PORT

TITLE AND RISK:
DELIVERY SHALL BE DEEMED COMPLETED AND TITLE SHALL PASS TO LOAD PORT AS PRODUCT
PASSES THE FLANGES CONNECTING SELLER'S PIPELINE OR DELIVERY OF HOSE WITH VESSEL'S
MANIFOLD AT WHICH POINT SELLER'S RESPONSIBILITY SHALL CEASE AND BUYER SHALL
ASSUME ALL RISKS OF LOSS, DAMAGE, DETERIORATION OR SHRINKAGE TO PRODUCT SO
DELIVERED.

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DELIVERY/LIFTING PERIOD:

DELIVERY OF METRIC TONNES $\pm 10\%$ IN MID OF 2014.

FOR EACH LOT OF DELIVERY, TWO-DAY LAYCAN SHALL BE ADVISED BY SELLER TO BUYER LATEST BY 1 WEEK EARLIER FROM THE FIRST DAY OF THE LAYCAN. BUYER TO NOMINATE THE PERFORMING VESSEL LATEST TWO DAYS AFTER RECEIVING THE TWO-DAY LAYCAN.

TWO-DAY LAYCAN NOTIFIED BY SELLER TO BUYER, SHALL BE FINAL AND BINDING UPON BOTH PARTIES.

LAYTIME:

56 HRS. + 6 HRS NOR, WEATHER PERMITTING SHINC FOR EACH LOT.

DESTINATION:

BUYER'S OPTION

PRICE FORMULA:

IN USD PER MT FOB LOAD PORT, CALCULATED BASED ON THE AVERAGE OF THREE EFFECTIVE QUOTATIONS (I.E. QUOTATIONS ON B/L DATE, ONE EFFECTIVE QUOTATION IMMEDIATELY BEFORE AND ONE EFFECTIVE QUOTATION IMMEDIATELY AFTER B/L DATE) AS PUBLISHED IN PLATTS EUROPEAN MARKETSCAN, ACCORDING TO THE FOLLOWING FORMULA:

MEAN OF HIGH AND LOW QUOTATIONS FOR FO 180 CST UNDER THE HEADING FOB PERSIAN GULF IN CASE OF NO ISSUE ON B/L DATE, THEN ONE EFFECTIVE QUOTATION IMMEDIATELY BEFORE AND ONE EFFECTIVE QUOTATION IMMEDIATELY AFTER B/L DATE WILL APPLY.

IN CALCULATING THE FINAL UNIT PRICE ARITHMETIC RULES FOR ROUNDING TO TWO DECIMAL POINTS SHALL BE APPLIED AS FOLLOWS:

1-IF THE THIR DECIMAL POINT IS FOUR OR ANY NUMBERS LESS THAN FOUR THEN SUCH THIRD AND/OR MORE DECIMAL SHALL BE IGNORED.

2-IF THE THIRD DECIMAL POINT IS FIVE OR ANY NUMBER HIGHER THAN FIVE THEN ONE DIGIT SHALL BE ADDED TO THE SECOND DECIMAL POINT AND THE REST WILL BE IGNORED.

PAYMENT:

BUYER SHALL EFFECT THE PAYMENT TO SELLER FOR EACH CARGO LOADED AS FOLLOWS:

ALL PAYMENTS SHALL BE USD OR MADE IN SELLER'S ACCOUNT (SELLER OPTION).

A. ADVANCE PAYMENT BEFORE LOADING:

20% ADVANCE AFTER SIGNING AND STAMPING THE CONTRACT AND 80% AFTER LOADING AND BEFORE VESSEL DEPARTS TO HER DESTINATION.

THIS AMOUNT WILL BE DEPOSITED TO SELLER'S NOMINATED BANK BEFORE 6 DAYS LAYCAN.

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B. BANK GUARANTEE:

110% IRREVOCABLE CONFIRMED UNCONDITIONAL BANK GUARANTEE EQUIVALENT FOR ONE MONTH SHIPMENT AND VALID FOR 365 + 1 DAYS (SEE ANNEX A). BUYER SHALL EXECUTE PAYMENT IN USD IN FAVOR OF THE SELLER AFTER LOADING AND BEFORE VESSEL LEAVE THE LOADING PORT.

ALL COMMISSIONS & BANK CHARGES OF SELLER'S BANK ARE FOR SELLER'S ACCOUNT.
ALL COMMISSIONS & BANK CHARGES OF BUYER'S BANK ARE FOR BUYER'S ACCOUNT.

SELLER'S (COMPANY BANKING COORDINATES

BANK NAME:
ACCOUNT NAME:
ACCOUNT NUMBER:
ADDRESS:
BANK CODE:
SWIFT CODE:
COUNTRY:
TELEPHONE:

BUYER'S AFFILIATED BANKING COORDINATE

BANK NAME:
ACCOUNT NAME:
ACCOUNT NUMBER:
ADDRESS:
BANK CODE:
SWIFT CODE:
COUNTRY:
TELEPHONE:

IMPORTANT NOTICE:

Buyer or Buyer's Bank shall not contact Seller's Bank without written permission from Seller. Any unauthorized bank contact shall be deemed a material breach of contract on the part of the Buyer.

INSPECTION:

QUANTITY SHALL BE DETERMINED BY SELLER PORT AUTHORITIES BASED ON SHORE TANKS AT SELLER'S LOADING PORT, WHOSE FINDINGS SHALL BE FINAL AND BINDING UPON BOTH PARTIES. THE QUALITY SHALL BE AS PER ACTUAL SHORE TANK RESULTED AT SELLER'S PORT. HOWEVER, THE BUYER MAY APPOINT ONE OF THE INDEPENDENT INSPECTORS AS APPROVED BY SELLER, TO WITNESS LOADING OPERATIONS AT ITS ENTIRELY OWN COST.

DISCHARGE CERTIFICATE:

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WITHIN NINETY (90) DAYS OF THE LOADING DATE OF THE CARGO(ES) LIFTED HEREUNDER, THE BUYER SHALL FORWARD TO SELLER A DULY CERTIFIED COPY OF THE OFFICIAL CERTIFICATE OF DISCHARGE FOR SUCH CARGO(ES).

CONFIDENTIALITY:

ALL THE TERMS AND CONSITIONS OF THIS DEAL TO BE KEPT STRICTLY PRIVATE AND CONFIDENTIAL.

OTHER TERMS:

AS PER SELLER GENERAL TERMS AND CONDITIONS FOR SALE OF PETROLIUM PRODUCTS.

CONTRACT SIGNATORIES:

A. SIGNATURES ON THIS AGREEMENT RECEIVED BY WAY OF MAIL AND OR EMAIL SHALL BE AN EXECUTED CONTRACT. AGREEMENT IS ENFORCEABLE AND ADMISSIBLE FOR ALL PURPOSES AS MAYBE NECESSARY UNDER THE TERMS OF THE AGREEMENT.

B. ALL SIGNATORIES HERETO ACKNOWLEDGE THAT THEY HAVE READ THE FOREGOING AGREEMENT AND BY THEIR INITIALS AND SIGNATURE THAT THEY HAVE FULL AND COMPLETE AUTHORITY TO EXECUTE THE DOCUMENT FOR AND IN THE NAME OF THE PARTY FOR WHICH THEY HAVE GIVEN THEIR SIGNATURE.

“ACCEPTED AND AGREED WITHOUT RESERVE (ELECTRONIC SIGNATURE IS VALID AND ACCEPTED AS HAND SIGNATURE.)”

IN WITNESS THEREOF, THE PARTIES HAVE SIGNED BELOW AND BY DOING SO HAVE ACCEPTED AND APPROVED ALL COVENANTS, TERMS AND CONDITIONS OF THIS CONTRACT.

SELLER

SIGNATURE & STAMP:

NAME:

DESIGNATION:

DATE:

BUYER

SIGNATURE & STAMP:

NAME:

DESIGNATION:

DATE:

APEC PACIFIC ENERGY CORPORATION



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Annex A

To: Apec Pacific Energy Corporation
From: Bank (Guarantor)
Re: Irrevocable Confirmed Unconditional Payment Bank Guarantee

Gentleman:

We have been informed that your company "APEC PACIFIC ENERGY CORPORATION" (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 an 110% **Irrevocable Confirmed Unconditional Payment Bank Guarantee** from a prime bank for amount of ***** USD.

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 objections, except without a need for proving any fault or violation, any amount up to ***** USD without any set-off 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 day. 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 to provide us with the requirement needed for the extension, then we shall pay the actual amount to or in favor of APEC without any need for a repeated demand.

This Guarantee shall be assigned and have 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.

The Bank

(Authorized Signature)

APEC PACIFIC ENERGY CORPORATION