



GENERAL TERMS AND CONDITIONS OF SALE M.Y BUNKERS LTD

This is a statement of the terms and conditions of sale (the "Agreement") applicable to and incorporated into all contracts to sell marine fuels (as defined herebelow) entered into between M.Y Bunkers Ltd as seller and buyer (both terms defined herebelow). The contract of sale to which this Agreement apply, shall be constituted by sending seller's confirmation in writing (including facsimile or telex or e-mail) of the buyer's order.

I. DEFINITIONS AND INTERPRETATION

Unless the context otherwise requires, the below words have the following meaning:

1.1. "Seller" means MY Bunkers Ltd of 7 Hillcrest Evagora Palikaridi Street, Ayois Tychonas, P.C. 4521, Limassol, Cyprus.

1.2. "Buyer" means the party requesting the Seller to arrange for the delivery of Marine Fuels.

1.3. "Supplier" means the party having Marine Fuels available at a port and requested by the Seller to deliver the same to the Buyer.

1.4. "Delivery Port" means the place at which the Supplier delivers Marine Fuels against a nomination as described in Clause 2 of these conditions.

1.5. "Marine Fuels" means marine fuel oil, intermediate fuel oil, marine diesel oil, light marine diesel oil, marine gas oil, and marine lubricants.

1.6. "Fuels Prices" means those prices quoted by the Seller against the Buyer's specified requirements.

1.7. "Working Days" means working days in the place where the notice in question is received.

2. NOMINATIONS

2.1. The Buyer shall give the Seller not least than two (2) clear working days written notice of deliveries required specifying the name of the vessel, the vessel's agents, the loading port, the estimated arrival date and the grades and quantities of Marine Fuels required.

2.2. The Seller may decline a nomination by notice given to the Buyer at any time.

2.3. The Buyer shall ensure that either the Master of a vessel which requires delivery of Marine Fuels, or the accredited representative of the Buyer at the Delivery Port, gives not less than one (1) clear working days advance notice to the Seller or the Supplier of the vessel's readiness to receive delivery or such earlier notice as may be required to make the necessary arrangements or secure any necessary permission from the local authorities to carry out the delivery of Marine Fuels. The grades and exact quantities of Marine Fuels required and the exact location and time at which delivery is required shall also be declared.

2.4. If the vessel shall not have arrived at the Delivery Port within two (2) calendar days after the expected date of arrival as notified in Clause 2.1. hereof, time being of the essence for this purpose, the Buyer shall, without prejudice to the provisions of Clause 13 hereof be liable to the Seller for all and any damages, losses and expenses suffered by the Seller consequent upon non-arrival of a vessel (the "Vessel")..

2.5. The Supplier nominated by the Seller shall be accepted by the Buyer.

3. PRICES

3.1. The prices to be paid for Marine Fuels delivered hereunder shall be the prices quoted by the Seller against the Buyer's specified requirements, save that the final price charged to the Buyer may be adjusted to reflect any increase(s) imposed upon the Seller by the Supplier, government or local taxes or duties or otherwise howsoever arising or imposed such as to increase the price to the Seller after the price has been quoted to the Buyer.

4. CHARGES

In addition to the prices payable for Marine Fuels, the Buyer shall pay the following charges:

4.1. All charges for any delivery by barge including any barging charges; similarly charges for bulk lorry, rail tank wagon and drum deliveries.

4.2. Any mooring or unmooring charges or port dues which may be incurred by the Supplier in connection with any vessel to which Marine Fuels are delivered hereunder.

4.3. Any expenses incurred as a result of the Master of the vessel rejecting the whole or any part of the delivery including (but without limitation) any losses incurred by the Seller in returning and downgrading the Marine Fuel.

4.4. Any other applicable charges, e.g. overtime or additional costs incurred by the Supplier in respect of deliveries made hereunder.

4.5. Any customs or other duties, taxes (other than taxes on profits), impositions, charges, freights, premiums, or other costs incurred by the Supplier, or for which the Supplier is accountable, in respect of deliveries of Marine Fuels hereunder.

4.6. If the Supplier (not having duty-free stocks available, and having first advised the Buyer that this is the case) delivers to the Buyer from the duty paid stocks the amount of such duty.

5. INVOICES

5.1. The Seller's invoice may be sent by the ordinary or registered post, facsimile, telex or e-mail in the Seller's sole and absolute discretion.

5.2. The Seller shall invoice the Buyer in US Dollars or in such other currency as the Seller may determine.

5.3. Proof of dispatch of the invoices by the Seller shall be deemed proof of receipt by the Buyer.

6. PAYMENT

6.1. The Buyer shall become liable to pay for Marine Fuels delivered immediately upon the Marine Fuels passing the Buyer's ship's rail and risk in the Marine Fuels shall pass to the Buyer at that time. Any credit arrangements between the Buyer and the Seller shall be totally without prejudice to the Seller's right to require payment forthwith for any delivery of Marine Fuels.

6.2. Payment(s) shall be made in US Dollars or in such other currency as the Seller may determine free of all transfer charges, which shall be for Buyer's account.

6.3. If the Buyer has made credit arrangements with the Seller, payment in full must be made to the Seller not later within maximum of 30 (thirty) calendar days from delivery date of Marine Fuels on midday of the day fixed by the Seller for payment. The Buyer agrees that in event of any failure to pay on time interest compounded at the rate of 2.0 (two) per cent per month or pro-rata for any part thereof from the date fixed for payment to the date payment is actually received by the Seller shall accrue on the amount due to the Seller in respect of the Marine Fuels delivered and shall be paid by the Buyer. The buyer shall provide a copy of the payment confirmation to the Seller as soon as possible.

6.4. Any credit arrangements is subject to the Seller's right at any time to demand that payment be made before the date due for payment agreed whether before or after delivery of the Marine Fuels or to demand the giving of such security as the Seller may specify. In the event such demand is made all monies which are demanded shall be immediately due and payable.

6.5. Marine Fuels are supplied on the faith and credit of the Vessel to which they are supplied as well as on the faith and credit of the Buyer and amounts due shall constitute liens against the Vessel to the extent permitted by local law.

6.6. If at any time the Buyer has failed to make any payment due or give any security required the Seller shall be under no further obligations whatsoever to the Buyer or the Vessel, including without limitation to suspend or terminate any delivery(ies). This is without prejudice to any other right or remedy open to the Seller..

7. DELIVERY

7.1. Deliveries hereunder shall be made ex wharf or at Seller's option by barge where barging facilities are available.

7.2. Deliveries shall be made during normal working hours at the port in question, unless required at other times and permitted by port regulations in which event the Buyer shall pay all overtime and extra expenses incurred.

7.3. The Vessel will be bunkered as promptly as circumstances permit but the Seller shall not be liable for any loss, damage, delay, overtime, anchorage or demurrage whatsoever which may be suffered by the Buyer as a result of any delay howsoever caused affecting the Supplier's facilities.

7.4. Without prejudice to the provision of Clause 11 delivery is at all times conditional on the availability to the Seller at the port where the delivery is requested of the grade of Marine Fuels requested by the Buyer.

7.5. In any case where delivery is made by barge and the barging is provided or arranged by the Supplier such delivery shall always be within harbor limits as established by the Supplier. Current barge rates plus transportation and other taxes applicable on such deliveries will be charged and the amount in each case will be calculated on the basis of not less than the quantity ordered (but always subject to any applicable minimum delivery provision). Barges making delivery shall be given immediately a clear and safe berth free of cost alongside the vessel's receiving lines and the Buyer shall furnish or pay for necessary steam and pay all wharfage or similar charges incurred.

7.6. In the event the Seller or Supplier may consider that no clear and safe berth is available for delivery, the Seller shall be under no obligation to arrange delivery and shall have no liability for any loss or damage howsoever arising that may be suffered by the Buyer in consequence of such non-delivery.

7.7. The Buyer shall make all connections and disconnections of delivery hose to the vessel and shall give all other necessary assistance including provision of sufficient tankage and equipment to receive promptly deliveries of Marine Fuels hereunder.

7.8. The Buyer shall immediately receive deliveries and promptly withdraw the vessel from the Terminal. For delay by the Buyer in the use of delivery or barging facilities or in vacating the berth, the Buyer shall pay demurrage at the Supplier's current rate.

7.9. The Buyer shall not require Marine Fuels to be delivered into any of the vessel's tanks for the export of which a Government permit is required and has not been obtained by the Buyer or the Buyer's accredited representative.

7.10. The quantity of any grade of Marine Fuels to be delivered shall not exceed the quantity of that grade nominated pursuant to Clause 2.1. above by more than 10 per cent unless the prior written consent at the Seller has been obtained by the Buyer or its accredited representative.

8. TITLE

8.1. Title in and to the Marine Fuels delivered and/or property rights in and to such Marine Fuels shall remain vested in the Seller until payment has been received by the Seller of all amounts due in connection with the delivery of Marine Fuels.

8.2. Until full payment of all monies due to the Seller in respect of the supply of Marine Fuels has been made, the Buyer shall not be entitled to use the bunkers other than for the propulsion of the vessel, nor mix, blend, sell, encumber, pledge, alienate or surrender the bunkers to third parties.

8.3. In the event of non payment (in part or whole) or other breach of these terms and conditions by the Buyer, the Seller is entitled to take back Marine Fuels without prior judicial intervention. Should Marine Fuels be no longer definably present, the Seller has the right to attach the Vessel and/or any sister ship and/or any other assets of the Buyer wherever situated in the world without prior notice. All other rights of the Seller are hereby expressly reserved.

8.4. Where title in and to Marine Fuels delivered has passed to the Buyer and/or others, the Buyer hereby grants the pledge in favour of the Seller for any and all claims of whatsoever nature and howsoever arising that the Seller may have against the Buyer in respect of the supply of Marine Fuels and on any other Marine Fuels present in the Vessel, inclusive of mixture of the delivered Marine Fuels and other Marine Fuels (as the case may be).

9. DOCUMENTS

9.1. On completion of the delivery of Marine Fuels to the Vessel, the Master of the Vessel or the Buyer's accredited representative shall give the Supplier a signed receipt in a form determined by the Supplier..

10. QUALITY

10.1. Marine Fuels to be sold shall be the Supplier's regular commercial grades of bunker fuel oil and/or intermediate fuel oil and/or marine diesel oil and/or light marine diesel oil and/or marine gas oil which may be offered at the time and place of delivery by the Seller or its appointed suppliers or authorized agents.

10.2. The Buyer shall have sole responsibility for the grade and type of Marine Fuels ordered for use in the Vessel nominated by the Buyer.

10.3. The Seller gives no guarantee or warranty merchantability, fitness or suitability of the Marine Fuels delivered for any particular purposes or otherwise which extends beyond the description of Marine Fuels ordered.

10.4. Without prejudice to the generality of these terms and conditions, in the event of the non-delivery or late delivery of fuel or of fuel delivered not complying as to grade quantity or quality or in any other manner with the terms stipulated herein or otherwise agreed between Buyer and Seller:

10.4.1. the amount of damages that the Buyer can claim from the Seller shall be limited to damages actually recovered by the Seller against the Supplier;

10.4.2. notwithstanding the provisions of Sub-clause 10.4.1. of this clause, nothing in these terms and conditions shall prejudice:

- (a) the Buyer's rights in respect of implied conditions as to title;
- (b) the Buyer's rights to recover damages from the Seller where the damage complained of arose solely through the direct fault of the Seller while Marine Fuels was in the ownership of the Seller provided that any such claim shall not exceed the invoice value of Marine Fuels.

11. MEASUREMENTS

11.1. The quantity of Marine Fuels delivered shall be determined from the gauge or meter of the shore tank or the barge effecting delivery at the election of the Supplier. Adjustment in volume owing to difference in temperature shall be made in accordance with ASTM-IP Petroleum Measurement Tables or the methods of any other recognized standards authority at the discretion of the Supplier. The Buyer may be present or represented by its properly accredited representative when such measurements are taken, but if the Buyer is not present or represented then the determination of quantity made by the Supplier shall be deemed to be correct.

12. CLAIMS

12.1. The Buyer shall be deemed to have waived any claim against the Seller or the Supplier relating to the quantity, quality or price of any Marine Fuels delivered hereunder, unless made in writing within six (6) days of the date of delivery in question.

12.2. Any claim by the Buyer must be made in writing and proceedings must be commenced within three (3) months of delivery and where this provision is not complied with, the Buyer's claim shall be deemed to be waived and absolutely barred.

12.3. Save as contemplated in this Agreement, each order for delivery is deemed to represent a separate contract.

12.4. The Seller shall not have any right to raise a set-off or counterclaim against the Buyer in respect of any sums alleged to be due from the Buyer to the Seller.

13. FORCE MAJEURE

13.1. The Seller shall not be responsible for any delay or failure to deliver Marine Fuels where performance is delayed, prevented or made substantially more expensive by circumstances beyond the Seller's control. The Seller shall not be liable for any demurrage or any other loss or damage howsoever arising resulting from such delay or failure to perform.

14. ENVIRONMENTAL PROTECTION

14.1. If an escape, spillage or discharge of oil (a "Spill") occurs while a delivery of Marine Fuels is being made on behalf of the Buyer, the Buyer will promptly take such action as is reasonably necessary to remove the oil and mitigate the effects of such Spill.

14.2. Notwithstanding the cause of such Spill the Seller or the Supplier is hereby authorized, at its option with or without notice to the Buyer, or the Buyer's operator of, or agent for, the receiving Vessel, to take such measures, either in co-operation with the Buyer, or alone, and incur such expenses (whether by employing its own resources or by contracting others) as are reasonably necessary in the judgment of the Seller or the Supplier, to remove the oil and mitigate the effects of such Spill. If the Seller shall exercise such option, the Buyer shall co-operate and render such assistance as is required by the Seller. Exercise of such option by the Seller shall not be construed as an admission of liability for the cause of the Spill.

14.3. Any expenses, damages, costs, fines and penalties arising from the escape, spillage, discharge or pollution of oil shall be borne by the party that caused by its negligent act or omission even if paid in the first instance by the other party. If both parties have acted negligently, any expenses, damages, costs, fines and penalties arising shall be divided between the parties in accordance with their respective degrees of negligence. The burden of proof to show the Seller's negligence shall be on the Buyer. The Buyer also agrees to give or cause to be given, to the Seller, all such documents, and other information concerning any spill, or any program for the prevention thereof, which are requested by the Seller, or required by laws or regulations applicable at the time and place where the Seller or the Supplier delivers Marine Fuels to the Buyer.

15. INDEMNITY

15.1. The Buyer will indemnify the Seller and the Supplier against any claims, losses, costs (including costs as between attorney or solicitor and client), damages, liabilities, fines, penalties and expenses incurred or sustained arising out of or

in connection with the delivery of Marine Fuels against a nomination except to the extent that such claims, losses, costs, damages, liabilities and expenses arise through the negligent act or omission of the Seller or the Supplier.

16. WAIVER

16.1. Any waiver by the Seller, the Supplier or the Buyer, of any of their respective rights hereunder or in respect of a nomination shall not prejudice their respective rights to enforce the same strictly and in full on any subsequent occasion.

17. AGENTS

17.1. If the nomination is made by an agent acting for or on behalf of the Buyer, whether such agency is disclosed or undisclosed then such agent shall be liable, as well as the Buyer, not only as agent but also as principal for the performance of all the obligations of the Buyer.

18. NOTICES

18.1. Notices to be given hereunder shall be addressed to the last known address of the party to whom the notice is addressed.

18.2. Where a nomination is made by an agent acting for the Buyer than notice may be given either to the agent or to the Buyer at the option of the Seller.

18.3. Notices shall be given by actual delivery or by registered or ordinary post, facsimile, telex or e-mail. Proof of dispatch by post shall be deemed proof of receipt in due course.

19. GOVERNING LAW

19.1. Save that the Seller may take such action or actions as it shall in its sole and absolute discretion consider necessary to enforce, safeguard or secure its rights hereunder in any court or tribunal or any state or country, the provisions hereof shall be governed by and construed in accordance with English law and the High Court of England shall have non-exclusive jurisdiction to settle any dispute.

19.2 Nothing in this clause 19 shall exclude or limit any right which the Seller may have (whether under the law of any country, an international convention or otherwise) with regard to the service of process, the recognition or enforcement of a judgment or any similar or related matter in any jurisdiction.

19.3 In this clause 19, a "**Dispute**" means any dispute arising out of or in connection with these general terms and conditions of sale (including a dispute relating to the existence, validity or termination of this Agreement) or any non-contractual obligation arising out of or in connection with this Agreement.

20. AMENDMENTS AND REPRESENTATIONS

20.1. The Buyer is hereby notified that no employee of the Seller has authority to make or accept any alteration or amendment to this Agreement contained herein or to make any representation binding upon the Seller.

21. SEVERABILITY

21.1. If any provision of this Agreement is found by any court or administrative body of competent jurisdiction to be invalid or unenforceable the invalidity or unenforceability of such provision shall not affect the other provisions of this Agreement and all provisions not affected by such invalidity or unenforceability shall remain in full force and effect unless the severance of the invalid or unenforceable provision would unreasonably frustrate the commercial purposes of this Agreement.