



Ref No:

CONTRACT No:

Contract#:

SALES AND PURCHASE AGREEMENT

This Agreement ("The Agreement") made on **Date (year/month/date)** by and between:

COMPANY NAME: YULONG INTERNATIONAL TRADE CO., LTD (BUYER) / SHENDIAO INTERNATIONAL ENERGY GROUP HEBEI CO., LTD. (CO-BUYER)
ADDRESS: 32F-1, NO. 402, SHIZHENG RD., XITUN DIST., TAICHUNG CITY 407, TAIWAN (ROC)
TEL-FAX: +886-4-22540549, 886-4-22541489
E-MAIL: cs@yulong128.com
REPRESENTED BY: TSAI, HUNG-TSE (GENERAL MANAGER)

Hereinafter referred to as "**Seller**"

AND

COMPANY NAME:
ADDRESS:
TEL-FAX:
E-MAIL:
REPRESENTED BY:

Hereinafter referred to as "**Buyer**"

Hereinafter shall be referred to collectively as "**Parties**" or singularly as "**Party**"

WHEREAS, the Parties mutually accept to refer to the General Terms and Definitions, as set out by the INCOTERMS Edition 2010 with any latest amendments, having the following terminology fully understood and accepted:-

DEFINITIONS

Metric Ton: A measure of weight equivalent to one-thousand-kilogram mass (1000 kg)

Commodity Is "**(commodity name)**". elsewhere in this Agreement also referred to as "Goods" or "Product", the specifications for which appear



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in "Annex A" attached and by this reference, confirmed as an integral part of this Agreement.

Day

Means a Calendar day, unless differently specified.

Month

Means a Gregorian calendar month.

Calendar quarter Period of three (3) consecutive months.

ASTM

American Society for Testing and Materials, is the institute, internationally recognized, that approves all Standards, Tests and Procedures used in the "(commodity name)" Industry and to be referred in the Agreement to the latest revised edition with amendments in force to date.

Out-turn

The quantity and quality of the product ascertained, according to the ASTM procedures, on completion of the discharge operations. The so determined Out-turn quantity and quality is the basis on which the amount will be computed for the payment of the product effectively delivered to the Buyer.

Bill of Lading

The official document, issued at the Loading Port after completion of the loading operations, stating, among other things, the ship's loaded quantity, expressed in Cubic Meters (M³) and in Metric Tons (MT) per the definitions herein. This document has to be signed in original by the ship's Master and made out in accordance with the instruction hereinafter specified in The Agreement.

Discharge Port

Safe port/berth designated by the Buyer as final receiving Destination Terminal, in any Major Port to be agreed by Parties

Loading Port

Safe port / berth designated by the Seller.

Banking Day

Any day on which the bank opens for business in jurisdiction, where the SELLER and BUYER are located.

Delivery Date

The date mutually accepted by both Seller and Buyer as the date on which the nominated international Surveyor Company has ascertained the quantity and quality of the product pumped into the Buyer's designated discharge terminal facilities. Under **INCOTERM 2010**

Execution Date

The date on which the Seller and the Buyer receive their respective faxed copies of this agreement, or as may be indicated otherwise in this Agreement.

Proof of Product Documentation shall be provided by the Seller to the Buyer through the agreed transfer protocol.



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International Independent Laboratory

SGS (Société Générales de Surveillance) or equivalent

WHEREAS, the Parties hereto mutually desire to execute this Agreement which shall be binding upon and to the benefit of the Parties, successors and assigns in accordance with the jurisdictional law of the negotiated and fully executed contract subject to the terms and conditions hereunder agreed upon.

CLAUSE 1 SCOPE OF THE CONTRACT

1.1. Seller and Buyer, under full corporate authority and responsibility, respectively represent that one party is a lawful owner of the commodity in quantity and quality as hereunder specified, and the supplier has the full capability and obligation to supply the said commodity.

CLAUSE 2 COMMODITY

2.1 "**(commodity name)**" the contractual minimum guaranteed specifications as per "**Annex A**" herewith attached as an integral part of The Agreement.

CLAUSE 3 QUANTITY & TERMS PERIOD

3.1 QTY Metric Tons (**qty** tons) +/-5%; to be supplied; first trial shipment of **qty** metric tons (**qty** d metric tons) +/-5% and **qty** metric tons (**qty** metric tons) x 12 (Twelve) calendar Months (from **month/year** - **month/year**) with possible rolls and extensions **CIF CHINA PORT**. The Parties shall agree upon partial shipment volumes separately if any

3.2 The Parties hereto hereby agree that the term of this Agreement shall be for 12 months to coordinate all the cargo handling and shipment.

3.3 With reference to Clauses 3.1, barring any eventualities, the trial shipments of **qty** Metric tons (+/- 5%), next may be completed **qty** Metric tons (+/-5%) each within a period of not more than 14-25 (Fourteen to twenty) days. However, in the event of any delay due to unforeseeable circumstances, further extension to the term of this agreement may be mutually extended by both Parties to accommodate the completion of all shipments.

3.4 All delivery schedules shall be agreed and approved by the Buyer.

CLAUSE 4 QUALITY

4.1 The Seller guarantees that the quality of the product sold shall conform to the guaranteed specifications as mentioned in "**Annex A**" of this Agreement and shall constitutes an integral part of this Agreement.

CLAUSE 5 PRICE & TERMS

5.1 The price of one Metric Ton of this Commodity "**(commodity name)**". This price



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shall be applicable for shipment **CIF CHINA PORT**. The total Contract Price for qty Metric tons shipments shall be fixed on \$ pricing USD per metric ton for each shipment. Price for the Goods sold under the present Contract is understood as CIF terms in edition"INCOTERMS-2010"

5.2 Any outstanding Settlement shall be made against the documents as listed under **Clause 17 (Documents)** below. For positive verification of the Commodity by the issuance of Quality and Quantity Dip-Test Report (Q&Q Report) by the Independent Inspector/Third Party Inspector shall signify the completion and acceptance of the Commodity by the Buyer.

5.3 The final price for Russian Origin "**(commodity name)**" (sold under the present contract which is equal to the cost of volume of the goods delivered on the present contract is \$ pricing per Metric ton (Three Hundred Sixty Dollars) **CIF CHINA PORT** shall be calculated in accordance with the following formula:

5.4 The total amount value of the contract shall be: USD \$ pricing x qty Metric tons = \$ USD. (Dollars).

5.5 The total amount value for the first trial shipment shall be: USD \$ pricing x qty Metric tons = \$ USD. USD (Dollars)

5.6 The total amount value for the monthly shipments shall be: USD \$ pricing x qty Metric tons = \$ USD. USD (Dollars)

Upon the receipt of the of the test result from the buyer's nominated independent inspection company at the port of discharge pertaining to the cargo quality and the cargo quantity, the Buyer will arrange for payment according to the Seller's commercial invoice by MT103

5.7 The price referred to throughout the agreement is to be paid in United States Dollars, RMB or Rubble or Euro only.

CLAUSE 6 PAYMENT & DELIVERY PROCEDURES

6.1. Buyers' issues Irrevocable Corporate Purchase Order (ICPO) addressed to the Seller Refinery along with company profile and buyer passport.

6.2. Seller issues the draft SPA for buyer's review and signing.

6.3. Seller legalizes and registers the contracts with insurance company and notarize it with the

appropriate authorities of the Ministry of Energy along with the below PPOP document;

- a) Product Quality Passport-Quality Certificate.
- b) Certificate of Product Origin.
- c) Product availability



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- d) Commitment letter to supply the product from Ministry of Energy.
- e) [ATSC].

6.4. Buyer's bank in accordance with seller's verbiage shall issue DLC within six (6) working days for first shipment's value to seller's financial bank to enable seller commence loading of product with the shipping company. Seller to finalize loading within six (6) working days, But if the buyer fails to issue IRDLC within six (6) working days, as an alternative provision buyer pays \$250,000 or make 2% guarantee deposit via MT103/TT directly to the shipping company via MT103 as transaction guarantee which will be deducted from the product's invoice value of product at destination port.

6.5. After confirmation by seller's bank, seller at own expense, charters with shipping/logistic company and alert buyer on shipment ordered graphic/schedule accompanied with submission of nominated Vessel details to buyer.

6.6. Seller's bank responds with contractual operative 2% PB and full POP to buyer's bank within Seventy -Two (72) hours since buyer's instrument confirmed by seller's bank.

- a) Copy of the Port Storage Agreement.
- b) Copy of the CPA, to Transport the Product to Discharge Port.
- c) Vessel Q88.
- d) Original BL (full set).
- e) Copy of SGS Report.

6.7. Upon successful product confirmation against SGS/CIQ Report of Quality and Quantity at destination port, buyer makes payment by MT103.

6.8. Seller and buyer, within seventy-two (72) hours, seller pays commissions to seller side and buyer pays buyer side intermediaries involved in the transaction.

CLAUSE 7 DELIVERY OF COMMODITY

7.1. The Buyer undertakes to nominate a Safe port/berth as final receiving Destination Terminal or Discharge Ports, in this case **CIF LONGKOU PORTS, CHINA.**

7.2. Seller will provide transportation services to transport the product from the storage facility to the loading port at seller's expense, if the Buyer issues the payment guarantee, it is clearly specified that if the buyer fails to issue IRDLC within six (6) working days, as an alternative provision buyer pays \$250,000 FOR THE ALLOCATION DEPOSIT or make 2% (\$USD) guarantee deposit via MT103/TT directly to the shipping company via MT103 as transaction guarantee which will be deducted from the product's invoice value of product at destination port.

CLAUSE 8 DELIVERY PROCEDURE



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- 8.1 The shipper warrants delivering the allocated volume of Commodity at the designated Tank farm facility ready to be cleared via registered shipment points as aforementioned under government regulation system and guarantees the outturn quality and quantity basis of the Commodity as per the specification at the Buyer's designated Discharge Ports.
- 8.2 Buyer shall confirm the designated Discharge Port in accordance with the approved delivery schedule. Notwithstanding the aforementioned, in the event of eventualities due to any unforeseen circumstances, the Buyer may advise the Seller of any changes to the designated Discharge Port.
- 8.3 The Buyer also reserves the right to change the Discharge Port if the designated Discharge Ports handling capacity and/or water-tide is found to be non-feasible, provided that a written Notice is given to the Seller not less than fifteen (15) calendar days prior to the estimated Ship's arrival at the formerly scheduled designated Discharge Port.
- 8.4 The Seller shall ensure timely arrival of the ship to the discharge port in conformity with the approved schedule.
- 8.5 Vessels chartered by Seller shall in all respects meet port rules and regulations in terms of seaworthiness, fire and common safety, ballast operations, and discharging rates, otherwise, any damages caused by non-compliance with such rules and regulations shall be imposed on the Seller.
- 8.6 Vessel(s) chartered by the Seller requires acceptance by the Buyer and such acceptance shall not be unreasonably withheld.
- 8.7 The vessel's Master shall advise the Buyer and Ship Owner's Agent at the port of discharge the ship's ETA 120 hours before her arrival informing her name, tonnage, flag, draughts on board quantities, and actual time of arrival 48, 36, 24, and 12 hours before her arrival at the discharge port.
- 8.8 The chartered Vessel may arrive at the designated load port with slops in one or two tanks. It is the sole and exclusive option of the Seller to perform LOT (Load on Top) procedure or keep said amount of slops segregated from the incoming cargo. In the event of any LOT procedure, Seller will arrange that said tanks containing the slops would be sampled separately.

CLAUSE 9 INSPECTION – QUANTITY / QUALITY DETERMINATION

- 9.1 Seller and Buyer hereto hereby mutually agree that an internationally recognized first class Independent Laboratory / Surveyor Company, i.e. SGS, Intertek shall be appointed and designated as Inspector at both loading port and discharge ports, to assess and determine the quality and quantity of the commodity at Loading Port. The inspection costs and fees at Loading Port are to be borne by Seller and at Discharge Port by the Buyer.
- 9.2 Quantity and quality assessments, conducted by the appointed Surveyor Company, shall be in accordance with standard methods and procedures practiced in the



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oil industry, and shall, at all times, complying strictly with the revised ASTM/IP International standards and procedures enforced at the date of compliance.

CLAUSE 10 INSURANCE

10.1. The Seller with full corporate authority, under the penalty of perjury, certifies and warrants and makes an irrevocable firm commitment to sell and deliver first shipments of qty Metric Tons +/- 5% to **CHINA PORT**, total of 100 000 Metric Tons (One hundred thousand metric tons) each is the Monthly contractual quantity of "**(commodity name)**" throughout the term of the contract.

10.2. Seller, at his own expense, shall procure a policy with a first class Marine Insurance Institute to cover the 110% (One Hundred and Ten Percent) of the value of the cargo. The insurance policy will cover all risks of loss or damages to said cargo, including war, hijacking, explosion etc. from the time the cargo has passed the ship's manifold flanges at the loading port till discharging port. A copy of the said policy shall be submitted to Buyer.

10.3. Marine Insurance will cover all risk, of loss or damage to said cargo, including war, hijacking, piracy explosion etc. from time cargo commences to pass the ship's manifold flanges at the loading port till discharge port.

CLAUSE 11 NON-PERFORMANCES

11.1 If for any reason excluding force majeure, one party fails with agreed obligations, either due to negligence, misinformation and/or similar, resulting to losses by the affected party, the defaulting party is to pay a penalty amount for 2% (two per cent) of the contract value to the affected party. Any penalties imposed on one of the parties shall be paid to the damaged party within 7 (seven) international banking days of the date of acknowledged instance of according contract breach.

CLAUSE 12 CLAIMS

12.1 Any claims that either party may have, due to an occurrence of default, has to be submitted to the other party within a period of Thirty (30) days from the date of that occurrence.

12.2 In the event that the quality of any one of the delivered batches fails to comply with the contractual specification, then the Buyer shall have the option to accept the said batch at a lower price being negotiated and accepted by the buyer, prior to the commencement of the discharge operations, Or reject the complete consignment, and all subsequent remedies, losses, damages suffered by the buyer due to this shall be compensated/rectified by the seller.

12.3 If within Thirty (30) calendar days from date of discharge of vessel, the



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Buyer fails to inform the Seller confirming the non-compliance, the commodity will be deemed to have been accepted by the Buyer, and the Seller will accept no claim whatsoever thereafter.

12.4 All claims will be executed in writing and both parties agree to acknowledge such claims by written acceptance thereof.

CLAUSE 13 TAXES OBLIGATIONS AND IMPORT

13.1 Except the registration, legalization and approval fee, all taxes, custom duties, handling and storage related to performance of this contract and collected up to the loading Port, shall be paid by the Seller.

13.2 Seller submits the signed contract/POP to relevant Ministry for registration, legalization and final approval, fees which shall be borne by the SELLER if the Buyer placed the payment instrument, however if the Buyer fails to issue the payment instrument guarantee within the stipulated time the fee for the registration, legalization and approval of the contract shall be borne by the Buyer for the transaction to be valid

CLAUSE 14 LIABILITY EXEMPTIONS

14.1 Neither Party shall be liable for failure to perform any or all of the provisions set out in this Agreement if the performance has been delayed, hindered or prevented by any reason outside the control of the defaulter provided always the responsible party has exercised reasonable due diligence to avoid such failure.

14.2 If any failure to perform and/or delay is caused by **Force Majeure**, neither Party shall be liable for any default and shall be precluded from performing the Contract. **Force Majeure** is defined as being any event, occurring by circumstance reasonably beyond the control of that party, including without prejudice to generality of the forgoing failure or delay caused by or resulting from Acts of God, strikes, Fire, Floods, Wars (whether declared/undeclared), riots, destruction of embargoes, accidents, restrictions, quotas on by any Governmental authority (including allocation, requisitions, quotas and price controls).

14.3 No reduction or suspension in the deliveries or receipt of Fuel Oil due to any of the reasons set forth above, shall extend the term of this contract or terminate the same.

CLAUSE 15 SPECIAL CONDITIONS

15.1 Buyer/Seller warrants that it has exerted and shall continue to exert its best efforts to avoid any action, which might be in any manner detrimental to Seller's/Buyer's interest in the negotiation, execution and performance of this contract.

15.2 The delivery schedule must report the dates of shipments, names of vessels



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(if not available it will be sufficient to state "TBN" - To Be Nominated) and the quantity to be loaded.

15.3 All commission on the buyer side are open

CLAUSE 16 CONFIDENTIALITY / NON-CIRCUMVENTION & NON-DISCLOSURE

16.1 The undersigned Parties do hereby accept and agree to the provisions of the International Chamber of Commerce for Non-Circumvention and Non-Disclosure (as listed in Annex D - NCND).

16.2 The acceptance and agreement by the parties as aforementioned shall include all relevant parties including but not limited to their agents, mandates, nominees, assignees, and all intermediaries party to this agreement/contract and shall be bound by the same International Chamber of Commerce for Non-Circumvention and Non-Disclosure.

16.3 This agreement shall be kept in the strictest confidence between them for a minimum of two (2) years from the date hereof.

16.4 Neither party is entitled to transfer their rights and/or obligations under this contract to a third party with exceptions of Financial Agent of the Seller/Buyer, as provided in NCND of the present contract, except where the third party is an entity whose majority ownership is the same as the original ownership contract partner, in any such case the transferring party will notify the other party in writing (Including Telex).

16.5 This Agreement shall supersede all previous negotiations and correspondence between the Parties and all previous correspondences in this connection will be considered null and void.

16.6 If the Seller ceases the Contract for any reason whatsoever or fails to comply with the conditions thereof, the Buyer shall reserve the right to liquidate the Performance Bond.

CLAUSE 17 DOCUMENTS

17.1 Pursuant to Sub-Clause 5.4 and 6.6 above, the documents required for the settlement of payments shall be as follows:

17.1.1 A full set of 3 originals plus 3 N/N copies of Ocean Bill of Lading made out "Clean on Board" marked "Freight Pre-Paid". The B/L is to be signed in original by the ship's Master and "BANK" issued or endorsed for the destination, identification of the loaded cargo with quantity expressed in US Barrels at 60 degrees Fahrenheit and Metric Tons.

17.1.2 One original and Three (3) copies of Quantity and Quality (Q&Q Report) certificates as issued at Discharge Port by Independent Surveyor Company, SGS.



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- 17.1.3 Certificate of Origin plus Three (3) copies countersigned by a local Chamber of Commerce.
- 17.1.4 Original Signed Final Invoice and Three (3) copies based on the delivered quantity/quality as determined by **Clause 9.4** of this contract.
- 17.2 All documents pertaining or related to the particular shipment duly signed by the authorized persons, including certificate of Insurance (1 original plus 3 copies), confirmed original SGS report at the Loading Port, all loading details including loaded quantity, quality, and B/L date will be faxed directly to the Buyer promptly after completion of loading at Loading Port.
- 17.3 All documents issued or from any third party must be accepted by the Buyer prior to full payment to Seller.

CLAUSE 18 LAYCAN-LAYTIME-DEMURRAGES

18.1 LAYCAN

- 18.1.1 Seller and Buyer hereby agree on a monthly delivery schedule specifying the Laycan's at Buyer designated discharge port(s) per each single or two batches to be delivered.
- 18.1.2 Laycan's at Buyer's designated port(s) to be fixed with three (3) days range.

18.2 LAYTIME

- 18.2.1 Buyer warrants that Seller's nominated vessel(s) will be allowed to discharge her cargo within seventy-two (72) free running hours SHINC' plus six (6) hours NOR, and however, maintaining at the ship's manifolds an average discharge pressure of not more than ten (10) kilograms per square centimetre (kg/cm²).
- 18.2.2 Notice of Readiness (N.O.R) shall be given, on ship's arrival at the Buyer's designated discharge port(s), by the ship's master to Buyer and/or Agent, by radio, cable or by hand, at any time including Saturdays, Sundays and holidays.
- 18.2.3 Lay time shall commence upon the expiration of six (6) hours after tender of notice of readiness, or upon vessel being all-fast in berth, whichever is earlier.
- 18.2.4 Time spent for customs/health/port authority formalities, pilotage from anchorage area to berth, mooring, or crossing river mouth, shall not be counted as lay time.

18.3 DEMURRAGES



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- 18.3.1 Demurrages at both load and discharge ports, if any and if not caused by Buyer's nominated discharge terminal, will be paid by the Seller to the Buyer at sight, at first and simple written request. Conversely, if demurrages have been caused by the Buyer's discharge terminal, then the corresponding amount shall be borne by the Buyer to be paid to the Seller at sight, at first and simple written request. Time shall not count against lay-time, or if the vessel is on demurrage, for demurrage when spent or lost.
- 18.3.2 Demurrages amount shall be computed at the Chartered party rate. For this purpose, Seller shall provide the buyer with a copy of the original Charter Party.
- 18.3.3 Demurrages will be based on daily rate or pro-rata thereof.
- 18.3.4 If the vessel arrives at the discharge terminal ahead of the range of days in accordance with clause 18.1.2, such notice shall only be effective as from 00.01 hours on the first of these days, unless the discharge terminal begins to discharge the vessel before such time. In the case of the vessel arriving later than the range of days accepted, the discharge terminal will use its best efforts to minimize the delay to discharge. However, in such cases, LAYTIME will only start to count upon the vessel being all-fast in berth and ready to be discharge.

CLAUSE 19 LETTER OF INDEMNITY

- 19.1 Wording of this letter of indemnity to be acceptable to the Buyer and shall cease to have effect upon presentation of the original bills of lading.
- 19.2 In the event of unusual circumstances, which prevent the Seller from presenting to the Buyer the original bills of lading within a sixty (60) days period, the Seller agrees to provide the Buyer and the Buyer agrees to accept a letter of indemnity covering the cargo batch in question.

CLAUSE 20 ASSIGNMENTS

- 20.1 Seller/Buyer may at any time assign this contract or its total or partial performance hereof to any other Company, which assumes the obligations of the Seller/Buyer under the terms of the assignment with written approval of such assignment from the other party. Formal notice of the assignment shall be rendered to the other party for written approval.
- 20.2 The Buyer/Seller shall express their acknowledgement of approval by indicating on the assignee's address and the assigning party must have written permission from the assigned party approving the new partner.

CLAUSE 21 GENERAL TERMS

- 21.1 This agreement contains the entire understanding between the parties with respect to the transactions contemplated hereby and can only be amended by



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a written agreement. Any prior agreement, written or verbal is deemed merged herein and shall be superseded by this agreement.

21.2 This agreement may be executed simultaneously in three (3) or more counterparts, each of which shall be deemed to be an original.

21.3 The article and other headings in this agreement are for convenience only and shall not be interpreted in any way to limit or change the subject matter of this agreement.

21.4 All signed appendices, annexes and supplements shall constitute an integral part of the present contract.

21.5 With the exception of cases specifically mention in the present contract, neither party may be held liable for indirect limited losses resulting from non-performance of the obligations hereunder.

21.6 Conditions that have not been specified in the present contract shall be governed by INCOTERMS 2010 and subsequent amendments related to CIF basis.

21.7 EDT (Electronic Document Transmission) shall be deemed to be valid and enforceable in respect of the provisions of this contract. Either party shall be in a position to request a hard copy of any previous electronic transmitted document.

21.8 Both parties agree that the signed and sealed fax or EDT copies of the contract are fully binding and enforceable until the hard copy of contract is exchanged by courier.

21.9 Grammatical mistakes, typing errors, if any, shall not be regarded as contradictions.

21.10 Any information contained herein shall be kept confidential, and shall not be subsequently disclosed to third parties or reproduced in any way, except to third parties who are necessary to the implementation of The Agreement.

CLAUSE 22 BANKING DETAILS

22.1 SELLER'S BANK DETAILS

BENEFICIARY BANK NAME	
BENEFICIARY BANK ADDRESS	
BENEFICIARY BANK SWIFT CODE	
BENEFICIARY'S BANK ACC.NO	
BENEFICIARY NAME	
BENEFICIARY ACCOUNT	
INTERMEDIARY BANK NAME	
INTERMEDIARY BANK ADDRESS	



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INTERMEDIARY BANK SWIFT CODE

SELLER'S INSTRUMENT RECEIVING FIDUCIAL BENEFICIARY BANK

ACCOUNT NAME:
BANK NAME:
BANK ADDRESS:
ACCOUNT NUMBER:
S.W.I.F.T CODE:
BANK TELEPHONE/FAX:
BANK CODE:
BRANCH CODE:
BANK OFFICER:
E-MAIL:

22.2 BUYER'S BANK DETAILS

BANK NAME	
BANK ADDRESS	
TELEPHONE NUMBER	
ACCOUNT NAME	
ACCOUNT SIGNATORY	
ACCOUNT NUMBER	
SWIFT CODE	

The Seller and the Buyer agree that bank information will be held in complete confidence, and will not be transferred to any third parties. No contact with banks will be made unless written approval is given in advance. A window of time will be set for communications mutually agreed by both parties in writing. The Seller and/or the Buyer can change banking at any time during the course of this SPA, and will inform the other party of such changes by written advice in order to facilitate the transaction process.

CLAUSE 23 MISCELLANEOUS TERMS

23.1 Until the exchange of originals, the Parties hereto hereby agree that the signed stamped copies of the Agreement will be in full force and effect. Parties hereby confirm and accepted that the Contract sent by facsimile or by scanned e-mail, shall be accepted as an original. Seller reserves its right to change or designate one of its numerous banks, accounts, bank officers for the execution of this present contract.



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23.3 ARBITRATION

The Parties will try to settle all disputes amicably. Except in the case of non-payment by Buyer or non-delivery by Seller, either Party may serve notice on the other requiring any dispute to be settled within 30 days of such notice and, if not settled, to refer it to arbitration in accordance with the terms hereof.

This Contract is subject to the ICC Rules of Arbitration.

CLAUSE 24 ATTACHMENT OF THE CONTRACT

ANNEX A - SPECIFICATION OF THE PRODUCT "(commodity name)"

- **ANNEX B - SHIPMENT SCHEDULE TO BE AGREED BETWEEN THE PARTIES**
- **ANNEX C - OCEAN FREIGHTS AND HANDLING.**
- **ANNEX D - NCNDA OF ICC INTERNATIONAL CHAMBER OF COMMERCE (I.C.C.)**

ANNEX "A"	"(commodity name)"
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Delivery - Shipping schedule and storage agreement is to become an integral part of this contract before it is effective. However, the authorized party secure allocation for a shipping schedule with despatching unit via registered shipment points. BUYER will have the legal rights to change the designated discharge port, provided that written notice is given to the SELLER at least thirty (30) calendar days prior to the ship's ETA at the former nominated and scheduled discharge port.

ANNEX "C"	OCEAN FREIGHTS AND HANDLING
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Service charge for ocean freights and handling for "(commodity name)" is established in favour of buyer with the forwarder on supplementary agreement to the sales and purchase agreement. Buyer taking possession of the fuel is responsible to ensure goods being imported meet with consumer laws, before the offer is accepted. Likewise the import permit should be sought on the same basis for CIF delivery.

Services for handling and transshipment of the Commodity must be paid in full by seller prior to vessel loading; the Bill of Lading (BL) shall be under the name of the Seller or the buyer.

ANNEX "D"	NCNDA of ICC INTERNATIONAL CHAMBER OF COMMERCE (I.C.C.)
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**NON-CIRCUMVENTION, NON-DISCLOSURE
WORKING AGREEMENT**

WHEREAS, the undersigned wish to enter into this agreement to define certain parameters of the future legal obligations, are bound by a duty of confidentiality with respect to their sources and contacts.

WHEREAS, the undersigned desire to enter a working business relationship to the mutual and common benefit of the parties hereto, including their affiliates, subsidiaries, stockholders, partners, co-ventures, trading partners, and other associated organizations (herein after referred to as affiliates).

NOW THEREFORE in consideration of the mutual promises, assertions and covenants herein and other good and valuable considerations, the receipts of which is acknowledged hereby, the parties hereby agree as follows:

A). TERMS AND CONDITIONS:

1. The parties will not in any manner, solicit, nor accept any business in any manner from sources nor their affiliates, which sources were made available through this agreement, without the express permission of the party who made available the source and,
2. The parties will maintain complete confidentiality regarding each other's business sources and/or their affiliates and will disclose such business sources only to named parties pursuant to the express written permission of this party who made available the source; and,
3. That they will not in any of the transactions the parties are desirous of entering into and do, to the best of their abilities assure that the transaction codes established will not be affected and,
4. That they will not disclose names, addresses, email address, telephone and facsimiles or telex numbers to any contacts by either party to third parties and that they each recognize such contact as the exclusive property of the respective parties and that they will not enter into any direct negotiations or transactions with such contact revealed by the other party and,
5. That they further undertake not to enter into business transaction with banks, investors, sources of funds or other bodies, the names of which have been provided by one of the parties to this agreement, unless written permission has been obtained from the other party(is) to do so. For the sake of this agreement, it does not matter whether information obtained from a natural or a legal person. The parties also undertake not to make use of a third party to circumvent this clause.
6. That in the event of circumvention of this agreement by either party, directly or indirectly, the circumvented party shall be entitled to a legal monetary penalty equal to maximum service it should realize from such a



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transaction plus any and all expenses, including but not limited to all legal costs and expenses incurred to recover the lost revenue.

7. All consideration, benefits, bonuses, participation fees and/or commissions received as a result of the contributions of the parties in the agreement, relating to any and all transactions will be allocated as mutually agreed.
8. This agreement is valid for any and all transactions between the parties herein and shall be governed by the enforceable law in Russian Federation Courts, Australian courts, Canadian courts, USA courts, English courts, French courts, Singapore courts, or under Swiss laws in Zurich, in the event of dispute, the arbitration laws of states will apply.
9. The signing parties hereby accept such selected jurisdictions as the exclusive venue. The duration of the agreement shall perpetuate for two (2) years from the date hereof.

B). AGREEMENT TO TERMS:

1. Signatures of this agreement received by the way of facsimile, mail and / or e-mail shall be deemed to be an executed contract. Agreement enforceable and admissible for all purposes as may be necessary under the terms of the agreement.
2. All signatures 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.
3. By signing above, both parties acknowledge this agreement as valid and accept other party's electronic signature as original hand-written signature, and thus enforceable in any court.

THE FORMAT OF BANK DOCUMENTARY CREDIT SWIFT MT 700 IS AS FOLLOWS:

```
----- Instance Type and Transmission -----
Notification (Transmission) of Original sent to SWIFT (ACK)
Network Delivery Status: Network Ack
Priority/Delivery : Normal
Message Input Reference: XXXX XXXXXXXXXXXXXXX000000000 -----
```

```
----- Message Header -----
Swift Input : FIN 700 Issue of Doc Cred
```

SENDER:
BANK NAME:
BANK ADDRESS:
ACCOUNT NO:



玉龍國際貿易有限公司
Yulong International Trade Co., Ltd.

40757 台中市西屯區市政路402號32F之1,
32F.-1, No. 402, Shizheng Rd., Xitun Dist.,
Taichung City 407, Taiwan (R.O.C.)

TEL:+886-4-22547568
FAX:+886-4-22547758
e-mail:cs@yulong128.com

Ref No:

CONTRACT No:

ACCOUNT NAME:
BANK SWIFT:
BANK OFFICER:

RECEIVER:
BANK NAME:
BANK ADDRESS:
SWIFT:
ACCOUNT NAME:
ACCOUNT NUMBER:
BANK TELEPHONE NUMBER:
BENEFICIARY COMPANY NAME:
ADDRESS:

----- Message Text -----

27: Sequence of Total
1/1
40A: Form of Documentary Credit IRREVOCABLE TRANSFERABLE
20: Sender's Reference xxxxxxxxxxxx
21: Documentary Credit Number xxxxxxxxxxxx
31C: Date Of Issue xxxx/xx/xx

40E: Applicable Rules
UCP LATEST VERSION
31D: Date and Place of Expiry xxxx/xx/xx (180 days validity)
51A/ APPLICANT BANK:
50/ APPLICANT:
59/ BENEFICIARY: _____

52A: Issuing Bank - FI BIC XXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXX
50: Applicant XXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXX

**59: Beneficiary - Name & Address

**32B: Currency Code, Amount
Currency: USD
Amount : 000,000,000

41D: Available With...By... - Name & Address

42C: Drafts at... SIGHT

42A: Drawee - FI BIC XXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXX

**44C: Latest Date of Shipment
The latest shipment date is the 21 days after the receiver's bank receives DLC.

**45A: Description of Goods &/or Services
COMMODITY: DIESEL OIL EN590 (50PPM)



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FAX:+886-4-22547758
e-mail:cs@yulong128.com

Ref No:

CONTRACT No:

QUANTITY: .000 MTS (+/- 05 PCT)
AMOUNT: USD, 000,000.00 (+/- 05 PCT)
46A: Additional Conditions

DOCUMENTS BEARING A DATE PRIOR TO THE ISSUING OF THIS LETTER OF CREDIT ARE NOT ACCEPTABLE.

ALL DATES ON DOCUMENTS MUST FOLLOW THE SWIFT FORMAT ALL (YYMMDD).
ALL SIGNATURES SEALS REQUIRED ON ANY DOCUMENTS MUST BE AS OR PER THE ISSUING INSTITUTION'S RECORD.

ALL DOCUMENTS MUST BEAR THE ISSUING INSTITUTION'S DOCUMENTARY CREDIT REFERENCE NUMBER.

THIRD PARTY DOCUMENTS ARE NOT ACCEPTABLE.
DRAWING EXCEEDING THIS CREDIT AMOUNT IS NOT ACCEPTABLE.
ALL DOCUMENTS PRESENTED MUST BE IN STRICT

----- Instance Type and Transmission -----
Notification (Transmission) of Original sent to SWIFT (ACK)
Network Delivery Status: Network Ack
Priority/Delivery : Normal
Message Input Reference: XXXX 000000XXXXXXXXXXXX000000000

----- Message Header -----
Swift Input : FIN 700 Issue of Doc Cred
Sender:
Receiver:

TERMS OF THIS LETTER OF CREDIT

8. ALL INSTITUTION CHARGES OTHER THAN THOSE OF ISSUER ARE FOR BENEFICIARY'S ACCOUNT.

9. ALL DOCUMENTS MUST BE ORIGINALLY ISSUED IN THE ENGLISH LANGUAGE.

10. THE ISSUING BANK WILL EFFECT PAYMENT ON DUE DATE UNDER THIS CREDIT TO THE BENEFICIARY BANK IN ACCORDANCE WITH THEIR INSTRUCTION UPON RECEIPT OF REQUIRED DOCUMENTS WHICH FULLY COMPLY WITH THE LC TERMS AND UPON PAYMENT FROM THE APPLICANT.

71B: Charges

ALL BANK CHARGES OUTSIDE ISSUER COUNTRY ARE FOR THE ACCOUNT OF THE BENEFICIARY.

47: Period for Presentation
DOCUMENTS TO BE PRESENTED WITHIN 21 DAYS

48: Confirmation Instructions
DOCUMENTS TO BE PRESENTED WITHIN 21 DAYS WITHIN THE VALIDITY OF CREDIT

49: Instr to Payg/Acceptg/Negotg Bank

ALL DOCUMENTS ARE TO BE FORWARDED UNDER ONE COVER QUOTING OUR, LC REF NO. TO REP OFFICE: FRANKFURT GERMANY.



玉龍國際貿易有限公司
Yulong International Trade Co., Ltd.

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TEL:+886-4-22547568
FAX:+886-4-22547758
e-mail:cs@yulong128.com

Ref No:

CONTRACT No:

THIS DLC SHALL BE INTERPRETED IN ACCORDANCE WITH THE LAWS OF GERMANY AND IS SUBJECT TO THE TERMS AND OTHER CONDITIONS GOVERNING THE ISSUANCE OF THIS CREDIT, CREDIT NORMS OF THE ISSUING INSTITUTION AND UCP 600.

72: Sender to Receiver Information

XXXXXXXXXX KINDLY REQUEST YOUR GOOD BANK TO FORWARD ALL DOCUMENTS TO
XXX BANK XXXXXXXXXXXX XXXXXXX SWISS

----- Message Trailer-----



SIGNATORIES

Buyer's company name

HAN WEI SHIPPING AGENCY CO., LTD

name
(GENERAL DIRECTOR)

TSAI HUNG-TSE
 GENERAL MANAGER)

END OF DOCUMENT