LLC "YUZHNO-RUSSKAYA"

Oil Company

RECIPIENT : THE PRINCIPAL BUYER/SELLER MANDATE

SOFT CORPORATE OFFER

WE YUZHNO-RUSSKAYA OIL COMPANY, WITH LEGAL RESPONSIBILITY UNDER PENALTY OF PERJURY HEREBY CONFIRM THE AVAILABILITY AND CAPABILITY TO SUPPLY THE UNDER LIST PRODUCT FOR IMMEDIATE SPOT AND CONTRACT SALES. THE SUPPLY IS GUARANTEED TO MEET THE SPECIFICATIONS AND PASS THROUGH THE STRINGENT REQUIREMENTS OF SGS OR EQUIVALENT. FINANCIAL STATEMENT FROM THE BUYER'S BANK CLARIFYING BUYER'S FINANCIAL CAPABILITY WILL BE REQUIRED TO CONSIDER BUYER'S NEGOTIATIONS. ONLY DIRECT NEGOTIATIONS FROM END BUYERS, REPRESENTATIVE AND MANDATES WILL BE CONSIDERED.

DESTINATION FOR SPOT: ANY SAFE WORLD PORT (ASWP) INCOTERMS: CIF

INSURANCE: PAID BY SELLER, COVERING 100% OF SHIPMENT VALUE

DISCHARGE PORT FOR FOB RUSSIA: NOVO / VLADIVOSTOK / NAKHODKA / PRIMOSK /KOZMINO

DISCHARGE PORT OF THE WORLD HOUSTON AND ROTHERDAM

INSPECTION: SGS ON SELLER'S COST AT THE LOADING PORT

COMMISSION STRUCTURE: SELLER'S SIDE – 50% BUYER'S SIDE – 50%

RUSSIAN AVIATION KEROSINE COLONIAL GRADE (54)

ORIGIN: RUSSIAN FEDERATION

GRADE: EXPORT STANDARD BLEND

QUANTITY: 1,000,000 BBL SPOT CIF ANY SAFE WORLD PORT WITH R&E INTO YEARLY CONTRACT

SPOT PRICE: US$ 40.00 GROSS / US$36.00 NET PER BBL

QUANTITY: 1 MILLION BBL TRIAL SHIPMENTS & 2 MILLION BBL X 12 MONTHS

FOB PRICE: US$ 44.00 GROSS/ US$ 42.00 NET PER BBL

D2 DIESEL GASOIL GOST LO-02-62-305-82

ORIGIN: RUSSIAN FEDERATION

LLC YUZHNO-RUSSKAYA

ADDRESS: 355003, Stavropol Territory, Stavropol City, Lomonosov Street, DOM 23, OFFICE 510 | INN: 2634106466 OGRN : 1202600002868 Email : yuzhno-russkaya@mail.ru

LLC "YUZHNO-RUSSKAYA"

Oil Company

SELLER'S PROCEDURE FOB RUSSIAN PORT

1) Buyer Issues Icpo With Attestation To Seller
2) Seller Issues c.i. And Pipe Line Storage Reservoir Receipt Of Product And Nor (Notice Of Readiness) From The Pipeline Injection Or Transportation Company To Commence The Injection Of The Product Into Buyer Leased Ex-Shore Tank At Loading Port.
3) Buyer Sign c.i. And Return Back To Seller.
4) Within 24-48 Hours Maximum, After Buyer Provides To Seller Its Leased Ex-Shore Tank Storage Agreement And Tank Receipt Plus Tank Clearance Prior To Tank Injection, Seller Commences The Injection Of The Product

Into The Buyer Leased Ex-Shore Tanks. Upon Completion Of The Injection
Of The Product, Seller Provides To Buyer The Below Listed Proof Of Product Documents;
— a. Sgs Or Saybolt Or Intertek Or Similar Laboratory Analysis Report Of The Quality Of Product

(Taken From The Auto Sampler During The Time Of Injection Of The Product Into The Storage Tanks.)
— b. Pipeline Injection Report
— c. Certificate Of Conformity Of The Product.
— d. Dta (Dip Test Authorization)
5) Upon Buyer's Receipt Of The Above Proof Of Product Document And Confirmation Of The Quality & Quantity Of The Product, Buyer Makes Payment For The Total Value Of The Product Injected Into The Buyer Leased Ex-Shore Tank Via Mt103-t/t And Simultaneously Seller Issues To Buyer The Certificate Of Ownership Of The Product And All Exportation Documentation Of The Product. Seller Issues Contract/Spa To Buyer. Seller And Buyer Complete The Contract/Spa For Immediate Effect To Allow Delivery Of Product Within 30 Days Of The First Product Delivery To Buyer Tank, As Per Contract/Spa.
6) Buyer Lifts The Product And Seller Pays All Beneficiary Fees Involved In The Transaction By Funding The Pay Order, Per The Pay Order, As a Condition Hereof And Of The Commercial Invoice (Ci) And/Or Contract/Spa.

SELLER PROCEDURE CIF ASWP

1. Seller Issues The Sale And Purchase Agreement For Signing By Buyer.

2. Buyer Sends Back The Signed And Sealed Contract To The Seller.

. The Signed Contract (Hand Signed Or Electronically Signed) Will Be Lodged With The Respective Banks And Seller Sends Following Documents To The Buyer As a Partial Proof Of Product:
a. Statement Of Availability Of Product.
b. Commitment To Supply The Product With The Allocation Number.
c. Company Registration Certificate.
d. Commercial Invoice To Be Signed Back As Confirmed And Approved By Buyer's Bank.
e. Sample Of The Fully Funded Lc To Be Signed Back By Buyer's Bank As Accepted And Approved.
4. Within Ten (10) Banking Days, Buyer's Bank Sends To Seller's Bank a Confirmed Irrevocable, Cash Backed Documentary Letter Of Credit (Irdlc) For The Total Amount Of The First Month Delivery In Full Accordance With The Approved Verbiage Of Seller' Bank.

LLC YUZHNO-RUSSKAYA

ADDRESS: 355003, Stavropol Territory, Stavropol City, Lomonosov Street, DOM 23, OFFICE 510 | INN: 2634106466 OGRN : 1202600002868 Email : yuzhno-russkaya@mail.ru

5. Within Ten (10) Days Upon Confirming The Dlc At His Bank, Seller Makes Shipment Of Product In Accordance With The Terms And Conditions Of The Signed Sales And Purchase Agreement6. Subsequently Seller Issues The Shipping Documents According To TheContract To Executive Bank Before Sailing Of The Vessel To The Buyer's Destination/Discharge Port;
a. Copy Of Refinery Commitment To Supply & Product Availability.
b. Copy Of Charter Party Agreement & Vessel q88.
c. Certificate Quality And Quantity Report By Sgs/Oti Issued At The Loading Port.
d. Certificate Of Origin.

e. Bill Of Lading.
f. Cargo Manifest.
g. Tank Receipts
h. Copy Of Port Storage Agreement.
i. Pre-Injection Receipt
j. Maritime Insurance Policy
7. Upon Arrival Of The Product At The Buyer's Destination Port, The Buyer Conducts Inspection Of The Product By Sgs/Oti Or Similar And Upon Satisfaction Seller Transfers Title Ownership To The Buyer.
8. After Successful Delivery Of The First Monthly Shipment Of The Product, Buyer Transfers The Full Amount Of The Following Month's Delivery To Maintain The Letter Of Credit And Contract Continues For Subsequent Eleven (11) Months Subject To This Contract.

SELLER IS RESPONSIBLE TO PAY ANY AND ALL BENEFICIARY/CONSULTING FEES ASSOCIATED WITH THIS TRANSACTION/CONTRACT TO THE POINT OF LOADING BUYER'S VESSEL/TANKAGE. BUYER RESERVES THE RIGHT TO CHANGE BANKS AS NEEDED, WITH PROPER NOTIFICATION TO SELLER. THIS OFFER EXPIRES WITHIN SEVEN (7) DAYS FROM ISSUE, IF CONTRACT/SPA HAS NOT BEEN FINALIZED BETWEEN PARTIES AND/OR IS NOT IN-PROCESS WITHIN THIS TIMEFRAME; THIS DOCUMENT WILL BE RENDERED NULL AND VOID. BUYER'S FINAL TRANSACTION APPROVAL IS DEPENDENT UPON A POSITIVE OUTCOME OF FINAL CONTRACT/SPA/CI NEGOTIATIONS.

"UPON ACCEPTANCE OF THE ABOVE TERMS FOR TRANSACTING; THE BUYER IS EXPECTED TO INSERT THE REFINERY'S TERMS & TRANSACTION PROCEDURES AS ABOVE EITHER FOR SPOT, FOB OR FOR CIF BASIS IN HIS ICPO FOR SELLER'S IMMEDIATE PROCEEDINGS"

LLC YUZHNO-RUSSKAYA

BEST REGARDS

Mr Mikhail Bulavin
Director : Yuzhno-Russkaya Oil Company
Phone : +7 965 100-57-48