



GENERAL TERMS AND CONDITIONS FOR SALE OF MARINE FUELS BY TRILLION ENERGY PTE. LTD.

OCTOBER 2013

1. APPLICATION

The following general terms and conditions is applicable for the sale of Marine Fuels and all related products by Trillion Energy Pte. Ltd. to all buyers as defined below.

2. DEFINITIONS

In these general terms and conditions, the following shall mean as follows:

- 2.1 "Buyer" means the entity or entities named in the Sales Confirmation buying the Marine Fuels under a Contract with the Seller, including the vessel to which the Marine Fuels are supplied, her registered owners, operators, charterers, managers, and any other party ordering the Marine Fuels.
- 2.2 "Seller" means Trillion Energy Pte. Ltd., incorporated in Singapore with registration No. 201323821M, and registered address at 7 Temasek Boulevard, #06-06, Suntec Tower One, Singapore 038987.
- 2.3 "Contract" means an agreement by the Buyer to buy and a corresponding agreement by the Seller to sell.
- 2.4 "General Terms" means these terms and conditions in force as of 1st October 2013.
- 2.5 "Marine Fuels" means Marine Fuel Oil or Bunker Oil and related products of any type or grade as delivered by the Seller
- 2.6 "Vessel" means the ship or vessel to which a Marine Fuels delivery is made and/or on board which it is consumed.

3. PRICE

- 3.1 The price of Marine Fuels shall be the price quoted by the Seller and accepted by the Buyer as confirmed in the Contract. The buyer shall also pay the Seller for any and all taxes, levies, duties, expenses, and delivery charges incurred in connection with the delivery of such Marine Fuels under the Contract which shall be included in the Seller's invoice to the Buyer.
- 3.2 The agreed price in the Contract shall be valid for the range of dates or lay-can as stated in the Contract. Where final delivery dates do not fall within the range of dates or lay can as stated in the Contract, the Seller reserves all rights to a revision of price or to cancel any or part of the Contract.

4. QUANTITY

- 4.1 The quantity of Marine Fuels shall be determined at the Seller's option from the gauge or meter of shore or barge tanks. Such determination of quantity shall be final and binding. The Buyer shall have the right to be present or be represented by a person or a body that is mutually agreed between Seller and Buyer, which must be agreed at the time of confirmation of Contract.
- 4.2 Any claims regarding the quantity of the Marine Fuels delivered shall be notified verbally and in writing by the Buyer or the Master or Chief Engineer of the Vessel to the Seller at the conclusion of the delivery of the Marine Fuels while the delivery hoses are still connected. Any notification inserted in the Bunker Delivery Note shall not qualify as notice herein and the Seller shall under no circumstances be deemed to have accepted such notice or protest to the Physical Supplier.
- 4.3 Any discrepancies must be indicted on the original Bunker Delivery Note. The Seller shall not accept any claim for short delivery based on figures obtained by measuring the Marine Fuels in the Vessel's tanks after the delivery hoses have been disconnected. In such case, all agreed information in the Bunker Delivery Note shall be final and binding.
- 4.4 Any claims pertaining to shortage in quantity must be lodged in writing together with the note of protest within five (5) days from the date of delivery. Failing which the claim is time-barred

5. QUALITY

- 5.1 The Buyer shall be solely responsible for the selection and nomination of the correct grade of Marine Fuels for use in the Vessel, including the determination of compatibility with Marine Fuels that are already on board the Vessel.
- 5.2 Any claims regarding the quality of the Marine Fuels delivered shall be based strictly on tests and analysis carried out as soon as possible by a mutually agreed independent laboratory. The said tests and analysis shall be based on a retained sample taken during the delivery and its number or seal number must be expressly stipulated in the Bunker Delivery Note. Tests and analysis results based on any other samples not stipulated in the Bunker Delivery Note will not be recognized.
- 5.3 In order for a claim as to the quality of the Marine Fuels delivered to be valid and considered, the Buyer must lodge the claim to the Seller in writing stating the full details together with its supporting documents within fourteen (14) calendar days from the date of its delivery. Thereafter, the Buyer's rights to such a claim shall be extinguished and the Seller shall not be responsible for any relevant damages, loss and costs incurred by the Buyer.

6. NOMINATION

- 6.1 The Buyer shall give the Seller, unless otherwise agreed by the Seller, a minimum of seventy two (72) hours advance notice (excluding Saturdays, Sundays and Public Holidays), of the requested date of delivery and to provide full details including Vessel name, local agent contacts, quantity and grade of Marine Fuels and any other details required by the Seller.

- 6.2 In the event that the Vessel's Estimated Time of Arrival (ETA) or actual arrival time at the delivery port falls outside the lay-can of the Contract, the Seller shall be under no obligation whatsoever to comply with the Buyer's request to change the date and/or time of the delivery of the Marine Fuels.
- 6.3 In the event of cancellation of Contract by the Buyer and/or the Seller's claim against the Buyer for any loss and/or damage, the Buyer shall be liable for cancellation charges and/or compensation which shall be on a mark to market basis as at the date of cancellation. The Seller shall also be entitled to apply a cancellation fee of United States Dollars (USD) 10 per Metric Tonne for each grade of Marine Fuels under the Contract.

7. DELIVERY

- 7.1 The Buyer shall be responsible for all connections and disconnections of the delivery hose(s) to the Vessel, and shall ensure that the Marine Fuels is received by the Vessel at the time of delivery.
- 7.2 The Buyer shall be responsible for any and all demurrage, detention or additional expenses incurred by the Seller if the Buyer or the Vessel fails to receive the Marine Fuels at the time for delivery. In addition, if the Buyer or the Vessel fails to take delivery of the Marine Fuels or any part thereof, the Buyer shall be liable to compensate the Seller for any loss or damage which the Seller may suffer as a result of such failure, including but not limited to any loss of profit on any resale of the Marine Fuels.
- 7.3 In the event of delay or failure to deliver the Marine Fuels, the Seller shall not be liable to the Buyer or any other entity for any claim, loss or damage unless such delay or failure to deliver is caused by the Seller's negligence.

8. TITLE AND RISK

- 8.1 The Seller retains title to the Marine Fuels delivered to the Vessel until the Invoice for the particular delivery has been paid in full. The Seller has this right according to the law of the place of delivery or according to the law of the Vessel's flag state or according to the law at the location where the Vessel is found.
- 8.2 Risk in the Marine Fuels, including loss, damage, deterioration, evaporation, or any other condition or incident related thereto shall pass to the Buyer at the time the Marine Fuels passes the bunker connections of the delivering facility. The Buyer warrants that representatives from the Vessel shall be responsible for ensuring that the Marine Fuels is received in a safe way.

9. PAYMENT

- 9.1 Payment terms for the delivery of Marine Fuels shall be mutually agreed in advance between the Buyer and the Seller. In the absence of such terms being specified, payment by the Buyer shall be made to the Seller on a Cash in Advance basis prior to the delivery.
- 9.2 Payment shall be made in full, free of bank charges, without discount or deduction, and without set-off for any claim or counterclaim of any nature whatsoever.

- 9.3 Payment shall be made to the Seller by bank transfer, according to the payment instructions given in the Seller's invoice or any copy forwarded by fax, e-mail or by any other means. The Seller shall be under no obligation to provide any accompanying documents with the invoice such as the Bunker Delivery Note or other delivery documents.
- 9.4 Payment made after due date stated on each invoice will be charged an interest of two (2) percent per month. The interest rate will be charged monthly from the due date of the invoice, without prejudice to any other right or claim of the Seller. Interests will be added to the principal amount as it becomes due.

10. INDEMNITY

- 10.1 The Buyer shall indemnify the Seller or the Seller's supplier against all claims, damages, liabilities, fines, penalties, and any other expenses of whatever kind incurred due to or in connection with the act, omissions, negligence and default of the Buyer, its servants, Vessel crew, or agents in the receipt, usage, storage, or transportation of the Marine Fuels delivered.
- 10.2 The Buyer undertakes to indemnify the Seller against any claims, damages, liabilities, fines, penalties, and any other expenses of whatever kind related to the Contract instituted by third parties against the Seller to the extent such claims exceeds the Seller's liability towards the Buyer according to Clause 11.

11. LIABILITY

- 11.1 The Seller's liability for any claim or damage whether arising from quality, quantity, accident, delay, spill, pollution or any other cause whatsoever, shall be limited to a maximum of the price of the Marine Fuels contracted to be delivered as confirmed in the Contract.
- 11.2 The Seller shall not be liable for any consequential losses whatsoever, including, without limitation, any loss of hire, loss of freight, delay, demurrage, charter hire, detention, increased cost or expenses for obtaining replacement fuel, howsoever caused.

12. FORCE MAJEURE

- 12.1 The Seller shall not be liable for any loss or damage of any nature resulting from any breach, delay or non-performance under the Contract to the extent such is caused (i) by any circumstances beyond the Seller's direct control, or (ii) by a disruption in the supply or source of the Marine Fuels such as production, distribution, storage, transportation facilities or any other facilities intended by the Seller's supplier, due to war or war-like situations, riots, strikes, congestions, government intervention, unavailability of means of transport, weather, act of God, or similar situations.
- 12.2 The Seller shall not be required to remove any such cause or replace the affected source of supply or facility, and in the event of an actual or anticipated shortage of supply that directly or indirectly prohibits the Seller from fulfilling its own requirements as well as those of its customers, the Seller may allocate available quantities of Marine Fuels to the Seller and the Buyer, at the Seller's absolute discretion.

12.3 In the event of a failure of delivery as provided under clause 12.1, the Seller may, but is under no obligation, to source, procure or obtain alternative Marine Fuels or other products, and in such case the Seller shall be entitled to receive from the Buyer payment of any additional costs for the delivery. The Buyer shall have no right of cancellation of the Contract.

13. SAFETY AND ENVIRONMENT

13.1 The Buyer shall be solely responsible to ensure that the Vessel, its crew and those involved in its operation and management observe and comply with all health, safety, and environmental laws and regulations pertaining to the receipt, handling and usage of the Marine Fuels. The Buyer warrants that the Vessel is in full compliance with all national and international trading and pollution regulations.

13.2 In the event of an oil spill or discharge occurring before, during or after the delivery of the Marine Fuels, the Buyer shall, in addition to any other obligations imposed by the law, immediately notify the appropriate governmental authorities and take or arrange whatever action necessary to respond, manage and clean up such spill or discharge, and the Buyer shall pay all costs and expenses in connection to such. If the Buyer fails to take such prompt actions as necessary, the Buyer authorizes the Seller, its supplier, and any party appointed by the Seller, to take such action on behalf of the Buyer, at the Buyer's risk and expense, and the Buyer shall indemnify the Seller against any damages, expenses, claims, liabilities of any nature, unless such oil spill or discharge is proven to be solely caused by the Seller's negligence.

14. ASSIGNMENT

14.1 The Seller reserves its rights to assign its obligations to supply Marine Fuels to any party. Assignment by the Buyer shall be made in writing and with Seller's consent only.

15. TERMINATION BY DEFAULT

15.1 Without prejudice to the foregoing, the following events shall constitute a default by the Buyer, entitling the Seller to terminate the Contract by written notice to the Buyer and claim damages against the buyer (i) Failure by the Buyer to perform any obligation under the Contract, (ii) The Buyer becomes insolvent according to the laws of the place of incorporation of the Buyer, or has a liquidator, receiver, or judicial manager appointed or enters into any arrangement of composition with its creditors.

15.2 All sums owed under the Contract by the Buyer shall become due and payable immediately upon termination of the Contract.

16. LAW AND JURISDICTION

16.1 The Contract shall be governed by the laws of the Republic of Singapore. The Seller reserves the right to revise these terms and conditions from time to time when deemed necessary and without any notice.