

C.I. PACIFIC FUELS INTERNATIONAL S.A.S

**GENERAL CONDITIONS FOR F.O.B. SALES
OF
MARINE PRODUCTS AND BUNKERS**

2011 – 00 Edition

**BOGOTA D.C., COLOMBIA
Tel. (57-1) 6444200**

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**C.I. PACIFIC FUELS INTERNATIONAL S.A.S GENERAL CONDITIONS – FOB
CONTRACT FOR PURCHASE/SALE OF MARINE PRODUCTS AND
BUNKERS**

THE PROVISIONS OF THESE GENERAL CONDITIONS SHALL BE SUBORDINATED TO THE SPECIAL PROVISIONS TO THE EXTENT THERE IS ANY INCONSISTENCY BETWEEN BOTH DOCUMENTS.

C.I. PACIFIC FUELS INTERNATIONAL S.A.S. (CIPFI) SHALL CONDUCT ITS F.O.B. SALES OF MARINE PRODUCTS AND BUNKERS IN ACCORDANCE WITH THESE GENERAL CONDITIONS AND THE SPECIAL PROVISIONS CONTAINED IN THE SALE/PURCHASE AGREEMENT BETWEEN CIPFI AND THE BUYER.

THESE GENERAL CONDITIONS ARE EFFECTIVE AS OF July 1st, 2011.

SECTION 1. DEFINITIONS.

In the Agreement (as hereinafter defined) unless the context otherwise requires:

- 1.1 “Affiliates” means a legal entity which controls or is controlled by an entity which controls, a party.
- 1.2 “AFRA” means Average Freight Rate Assessment published by the London Tanker Brokers’ Panel.
- 1.3 “Agreement” means these General Conditions (including Annex A, where applicable, the Schedules attached hereto) together with the Special Provisions.
- 1.4 “All Fast” means the Vessel has been moored; connected to the buoy, port or Bunker Delivery Equipment (vessel, barge, truck or by any other means).
- 1.5 “API” American Petroleum Institute
- 1.6 “ASTM” American Society for Testing and Materials
- 1.7 “Banking Day” shall mean a day other than a Saturday or Sunday on which commercial banks are open for business in New York, New York, U.S.A.
- 1.8 “Barrel” means a volume equal to 42 gallons of the United States of America of 231 cubic inches per gallon or in metric tons (2204.6 pounds) corrected, at a temperature of sixty (60) degrees Fahrenheit (F) or 15 degrees C, and a pressure of 14,696 pounds per square inch (PSI). Each gallon equals 3.7853 liters.
- 1.9 “Berth” means a berth, dock, anchorage, submarine line, single point or single berth mooring facility, offshore location, alongside vessels or lighters or

any other loading or discharge place as may be indicated by the party in question.

1.10 “Bunker Delivery Receipt (BDR)” means the document whereby the Buyer acknowledges receipt of the Marine Products and Bunkers, which shall specify the date on which the last cargo hose is disconnected after delivery to Buyers Vessel, without prejudice to the terms of the Special Provisions. It shall include but not be limited to, Vessel name, date of loading, quantity, quality, and any observations made by buyers/sellers agreement. It shall not have amendments, free and clear of any liens, clean BDR.

1.11 “Bunkers Delivery Equipment” means the Seller’s equipment delivery method barge, vessel, truck or shore tanks by means of which delivery of the Marine Products and Bunkers is made pursuant to this Agreement.

1.12 “Buyer” means the person, company or vessel that purchases the Marine Products and Bunkers from the Seller under the conditions contained in the Agreement.

1.13 “Calendar Day” means a 24 hour period starting at 00:01 hours Colombian time on any given day and ending at 24:00 hours Colombian time on the same day counted according to the Gregorian calendar including Saturdays, Sundays and holidays and non working days.

1.14 “Cargo” means the full quantity loaded or to be loaded onboard the Nominated Vessel in accordance with the provisions herein.

1.15 “Charter Party” means the charter party or other contract between the Buyer and the owner or operator as the case may be, of the Nominated Vessel.

1.16 “Customary Anchorage” means the place where the Nominated Vessel may remain anchored within the zone defined as a DIMAR/SPT authorized site for arriving at the nominated Loading Point, Terminal or Anchored Places.

1.17 “Day” means a 24 hour period starting at 00:01 hours Colombian time on any given day and ending at 24:00 hours Colombian time on the same day, counted according to the Gregorian calendar excluding Saturdays, Sundays and holidays and non Working Days

1.18 “Deadweight” means total carrying capacity of the vessel including cargo, fuel, fresh water, stores, lubricant oil, ballast and surplus for sagging and hogging.

1.19 “Demurrage” means the economic compensation made in cash, through a bank deposit or by wire transfer, which the Seller pays to the Buyer for having exceeded the Laytime agreed upon as per the Special Provisions.

1.20 “DIMAR and SPT” means “Dirección General Marítima”, the Colombian Marine Authority and “Superintendencia de Puertos y Transporte”, the Colombian Port Authority.

1.21 “Discharge Terminal” means the Berth at which the Marine Products and Bunkers to be delivered hereunder are to be discharged.

1.22 “ETA” means the estimated time and/or date of arrival of the Nominated Vessel at the Loading Point, Terminal or Anchored Places.

1.23 “Event of Force Majeure” shall have the meaning ascribed to it in Section 17 below.

1.24 “FOB shall have the meaning ascribed thereto in Incoterms 2010 (International Chamber of Commerce, Publication 715 E), under the specification that delivery of the Marine Products and Bunkers from Seller to Buyer shall be deemed to be made when such Marine Products and Bunkers pass the flange connecting the delivery hoses of the Bunkers Delivery Equipment with the intake manifold of the Nominated Vessel except as modified by the Agreement, provided further that, if there is any inconsistency or conflict between Incoterms 2010 and the Agreement, the Agreement shall prevail.

1.25 “Gross Standard Volume” means the total volume of all petroleum liquids and sediment and water, excluding free water, corrected by the appropriate volume correction factor (CtI) for the observed temperature and API gravity, relative density, or density to a standard temperature such as 60°F or 15°C and also corrected by the applicable pressure correction factor (CpI) and meter factor.

1.26 “Independent Inspector” shall be the independent inspector nominated by the Seller.

1.27 “ISPS Code” means International Code for the Security of Ships and of Port Facilities and the relevant amendments to chapter XI of SOLAS (ISPS Code), as adopted by the Republic of Colombia by Decree 730 of 2004.

1.28 “Laytime” means the thirty-six (36) hour period granted to the Seller to load the Nominated Vessel or any other time period agreed to by the Buyer and Seller in the Special Provisions.

1.29 “Loading Date” means the date agreed upon between Seller and Buyer for delivery of the Marine Products and Bunkers, according to Section 8 of this Agreement.

1.30 “Loading Point, Terminal or Anchored Places” means the Loading point, Terminal or Anchored Places where delivery of the Marine Products and Bunkers to the Nominated Vessel shall be made.

1.31 “Marine Products and Bunkers” means IFO’s, Marine Diesel and Lubricants, among other products, of the grade specified in the Agreement which have been stabilized and are suitable for loading into vessels or for delivery by such other method as is specified in this Agreement.

1.32 “MARPOL” means the International Convention for the Prevention of Pollution from Ships, issued in London in 1973/1978 and approved by the Colombian Congress through Laws 12 of 1981 and 257 of January 15, 1996.

1.33 “Metric Tons” (MT): A unit of mass equal to 1,000 kilograms (2,205 pounds).

1.34 “Nominated Vessel” means the tanker vessel meeting the requirements of Annex A that is nominated by the Buyer and approved by the Seller pursuant to Section 9.1 below, to which the Marine Products and Bunkers shall be delivered.

1.35 “Notice of Readiness” or “NOR”, means the valid notice of readiness to load or discharge, as the case may be, as given by the master of the Nominated Vessel (or his/her representative) to the Seller (or its representative) at the Loading Point, Terminal or Anchored Places.

Solely for the purpose of establishing the commencement of the Laytime period and receiving the Nominated Vessel at the Loading Point, Terminal or Anchored Places, the NOR is subject to acceptance by the Bunker Delivery Equipment operator. Such operator must have verified that the Nominated Vessel is acceptable in all respects, and complies with all applicable standards and requirements to commence mooring, both from operational and safety standpoints. In addition, the ship must be inside the Customary Anchorage of the nominated Terminal before tendering the NOR. If all these requirements are not fully met the NOR will not be a valid NOR under this Agreement and the Laytime period shall not commence.

1.36 “P & I Club”: Protection and Indemnity Insurance (P&I) is an insurance association that provides cover for its members, who will typically be ship-owners, ship-operators or demise charterers.

1.37 “Port Regulations” shall mean the laws, decrees, resolutions, and any other decision(s) having the force of law, which govern all aspects of public and private port activities in Colombia and which must be complied with by the persons, entities and companies involved directly or indirectly in such activities. Port Regulations include Law 1 of 1991 which sets forth the general principles and framework that governs Colombia’s private and public port activities and the “Reglamento de Condiciones Técnicas de Operación” of the Loading Point, Terminal or Anchored Places and any law, decree, resolution which may modify these.

1.38 “Refined Products” shall mean any hydrocarbon substance obtained through the refinement of Crude Oil.

1.39 “Seller” means C.I. PACIFIC FUELS INTERNATIONAL S.A.S. also known as CIPFI and any of its successors or Affiliates.

1.40 “Special Provisions” means the contract, telex or other form of agreement in which the Seller and the Buyer agree to execute a sale-purchase agreement of Marine Products and bunkers under these General Conditions. Such Special Provisions together with these General Conditions shall constitute the Agreement.

1.41 “Terminal Operator” means the company handling the operations at the Loading Point, Terminal or Anchored Places.

1.42 “U.S. Dollars” means dollars of the United States of America.

1.43 “Vessel Experience Factor” means a factor based on the compilation of the history of the total calculated volume vessel measurements, adjusted for on-board quantity or remaining on board, compared with the total calculated volume shore measurements.

1.44 “Working Days” means working days in the Republic of Colombia, as established by the Colombian authorities.

1.45 “Worldscale” means the most recent published edition of the Worldwide Tanker Nominal Freight Scale for tanker vessels.

SECTION 2. ACCEPTANCE OF THE OFFER AND PRICE CALCULATION.

Once the Buyer’s offer is received and accepted in writing or by electronic means by the Seller, the terms and conditions negotiated and stipulated in the Special

Provisions and these General Conditions, including Annex A, where applicable, its Schedules, shall constitute the Agreement, which shall be final, conclusive and irrevocable. No terms and conditions set forth in a Buyer's offer that conflict with or are supplemental to the terms and conditions negotiated and stipulated in the Special Provisions and these General Conditions, including Annex A, where applicable, its Schedules, shall constitute part of the Agreement between the Buyer and the Seller. Neither the Buyer nor the Seller are entitled to unilaterally modify any of the terms of the Agreement following its acceptance by the parties.

PRICES

The price to be paid for the Marine Products and Bunkers shall be agreed between Seller and Buyer and specified in writing in the Special Provisions and applied to the volume of Marine Products and Bunkers delivered as determined in accordance with Section 3 hereof. Prices are in U.S. Dollars exclusive of taxes and duties FOB per Barrel

All taxes, duties and additional delivery charges, including, but not limited to, barging or truck charges if applicable, night, weekend or holiday surcharges or overtime charges, or other delivery charges customary to the port, are for the account of Buyer. Seller reserves the right to pass on to Buyer any increase imposed on Seller or on sales by Seller by any governmental authority subsequent to the date the price is offered or delivery is made, whether retroactive or not, and for this purpose Buyer expressly waives any applicable statute of limitations. Any changes on the original Marine Products and Bunkers nomination and cost under the original contract will be on Buyer's account and will have to be confirmed by Seller in writing.

SECTION 3. INSPECTION AND DETERMINATION OF QUANTITY AND QUALITY

QUANTITY

(3.a) The quantity of Marine Products and Bunkers delivered shall be determined, at Seller's option, by measurements in accordance with either (1) the ASTM/API/IP Petroleum Measurement Table whichever is in use at the supply facilities, for Seller's shore tanks or Seller's Bunkers Delivery Equipment or (2) Seller's meters shall be measured by certified meters in the delivery lines, where meters are available, or by taking the temperature and measuring the content of the Bunker Delivery Equipment tanks. Buyer will be charged on the basis of these measurements. Buyer has a right to have, at its own expense, its representative or an independent inspector present during measurement, but determination of quantity shall be made solely by Seller, and such determination shall be conclusive. In the event of delivery to the Nominated Vessel, the amount

of Marine Products and Bunkers delivered shall, at Seller's option, be determined either by measurements of shore tanks or by meters at the point of delivery from the Bunkers Delivery Equipment and the amount so determined shall be conclusive. Seller will invite any Buyer's operational vessel officer to witness the measurement indicated above.

(3.b) Sampling by Seller shall be done throughout the Marine Products and Bunkers Delivery Equipment. Seller shall take three (3) representative samples of each grade of Marine Products and Bunkers to be delivered. Buyer shall have the right to have its representative witness and Seller shall invite them to come on board for the drawing of the samples. The aforementioned samples shall be securely sealed and labeled, numbered and identified by name of the Vessel, delivering facility, product, delivery date, Bunker Delivery Receipt number and place of delivery. One (1) sample shall be given to Buyer's representative, one (1) sample shall be given to Seller's representative and the other one (1) shall be retained by Seller or Seller's Independent Inspector who should keep it for at least sixty (60) Days from the date of delivery in a safe place, for verification of the quality thereof, if required. If Buyer makes a claim or complaint within thirty (30) days of the date of delivery in accordance with Section 4 below, based on the analysis of the retained sample supplied to Buyer's representative, Seller or Seller's Independent Inspector retained samples, shall be submitted for analysis to an independent laboratory. The independent laboratory analysis shall be conclusive as to the quality of the product delivered. The analysis shall be established by tests in accordance with ISO 8217 and/or any other specifications agreed to between Buyer and Seller. Unless otherwise agreed, the expenses of the analysis by the independent laboratory services shall be borne equally between the Buyer and the Seller.

QUALITY

(3.c) The quality of the Marine Products and Bunkers deliveries shall be determined by taking sufficient samples from the delivery lines by use of automatic flow proportional line sampling devices as described in the API Manual and in the ASTM Standards or by manual measurements in the delivery equipments as described in the API Manual and in the ASTM Standards. The required sample analyses shall be undertaken in accordance with the latest published methods.

The provisions of Chapter 17 of the API Manual "Inspection Practice for Marine Petroleum Cargoes" shall apply to the inspection of the Nominated Vessel.

In the event that manual measurements and sampling are required, they shall be carried out in accordance with the API Manual and ASTM Standards.

The Independent Inspector or the Seller (if no Independent Inspector is designated) shall issue the certificates of quality for each shipment of Marine

Products and Bunkers based on Bunkers Delivery Equipment according to the provisions contained herein. Absent fraud or manifest error, such certificates shall be binding and conclusive between the Seller and the Buyer for all purposes. They shall also constitute the basis for preparing the Bunker Delivery Receipt and invoice for the relevant shipment.

Except as expressly set forth in this Agreement the Seller makes no, and hereby specifically disclaims any, representations or warranties, expressed or implied, regarding any Marine Products and Bunkers, including any implied warranty of merchantability or fitness for a particular purpose and implied warranties arising from the course of dealing or course of performance, and the sale of Marine Products and Bunkers under this Agreement is being made on an "as is" basis only.

SECTION 4. PRESENTATION OF CLAIMS

(4.a) Any dispute as to the quantity of the Marine Products and Bunkers delivered must be noted by the party affected at the time of delivery, in a letter of protest. Any claim as to short delivery shall be presented to Seller by Buyer in writing within fifteen (15) Calendar Days of the date of delivery, failing which any such claim shall be deemed to be waived and absolutely barred.

(4.b) Any claim as to the quality of the Marine Products and Bunkers delivered must be submitted by Buyer to Seller in writing within fifteen (15) Calendar Days of the date of delivery. If Buyer fails to submit a quality claim fifteen (15) Calendar Days of the date of delivery, any such claim shall be deemed to be waived and absolutely barred. Buyer shall base its quality claim solely on an analysis of the retained sample provided by Seller at the time of the delivery as provided for in Section (3b) above. Buyer shall furnish Seller the results of testing of the retained sample to enable Seller to properly evaluate the claim.

(4.c) Notwithstanding the provisions of Section 3(b) and 3(c), it is the duty of Buyer to take all reasonable actions, including retention and burning of fuel in accordance with Seller's instructions, to eliminate or minimize any costs associated with an off-specification or suspected off-specification supply. Seller's obligation hereunder shall not exceed direct expenses incurred for removal and replacement of fuel and shall not include any consequential or indirect damages, including without limitation, demurrage and any actual or prospective loss of profits. If Buyer removes such fuel without the consent of Seller, then all such removal and related costs shall be for Buyer's account.

(4.d) Seller shall not be responsible for any claim arising in circumstances where there is or has been commingling of fuel delivered by Seller with other fuel aboard the Vessel or Buyer Delivery Equipment.

(4.e) Seller agrees to reply promptly to any complaint or claim by Buyer with intent to settle any such claim within forty-five (45) Calendar Days of receipt of claim, provided that such claim has been submitted in the terms described in 4f hereunder. Where Buyer and Seller cannot come to agreement on such claim within ninety (90) calendar Days counted as of the date of the letter of protest, either party may invoke arbitration in accordance with the provisions of Section 21 below.

(4.f) Nothing in this Section 4 shall relieve the Buyer of its obligation to make payments in full when due as provided herein.

The parties agree to the following procedures when dealing with claims regarding quantity and quality of the Marine Product and Bunker's deliveries.

(1) Any claim brought under this Agreement shall be in writing, with notice provided to the Seller by the Buyer fifteen (15) Calendar Days after the date of delivery, and full documentation shall be provided to the Seller by the Buyer within fifteen (15) Calendar Days after the notice date.

(2) In the event of claims with respect to the quality of Marine Products and Bunkers delivered, either party may request that the retained & sealed sample by the Seller or the Seller's Independent Inspector be opened and analyzed by a mutually agreed independent third party laboratory. The results of the analysis shall be binding on the parties for the purposes of this Agreement.

(3) The Buyer shall provide the Seller with all documentation supporting any claim brought under this Section as may be requested by the Seller.

It is hereby agreed that presentation of a claim pursuant to this Section shall in no way alter or affect the validity of the quality and/or quantity shown on the Bunker Delivery Receipt. Bunker Delivery Receipt should be clean and should not have any amendments or corrections, must be as the original withheld by the supplier. Additionally, such a claim shall not release the Buyer from its obligation to honor and pay the full amount of the invoice that the Seller issues to the Buyer in respect of any shipment of Marine Products and Bunkers.

Any claim failing to meet the conditions stated herein shall be barred from recognition and shall be deemed waived and having no effect.

Where the parties agree to settle a claim made pursuant to this Section, the terms of such settlement shall be in written form. Any payment made as a result of such settlement shall be covered by a credit/debit note that shall not affect, delay or hinder the full and timely payment of the invoice tendered by the Seller to the Buyer.

SECTION 5. UNITARY PRICE AND TOTAL AMOUNT.

The price for each nomination of the Marine Products and Bunkers delivered under this Agreement shall be calculated and paid solely and exclusively in U.S Dollars per net Barrel, in accordance with the net price agreed set forth in the Agreement and the volume as described in Section 3 of this Agreement, as evidenced in the Bunker Delivery Receipt. The final unitary price shall be rounded to four decimal places.

SECTION 6. PAYMENT TERMS.

(6.a) Payment shall be made by Buyer. The Buyer shall pay the Seller the full price in accordance with all terms and conditions established in the Special Provisions, in U.S. Dollars, without discount, offset or deduction upon receipt by Buyer of written, telegraphic or other notification of quantities delivered and amounts due. The total invoice amount shall be paid through a wire transfer directly to the Seller's nominated bank, Buyer's failure to make payment in full of the amount noted by Seller shall be a breach of Buyer's obligations hereunder and Buyer agrees that any claims related to the delivery do not constitute a valid defense against Seller's claim for payment in full.

(6.b) Payment made by wire transfer should be forwarded to:

HELM BANK

Torre World Trade Center Piso 19
Calle 53 Este – Marbella – PANAMA
Phone (507) 2652820

For the account of:

C.I. PACIFIC FUELS INTERNATIONAL S.A.S.

ACCOUNT NUMBER: 102025490

ABA ROUTING NUMBER:

SWIFT NUMBER: BCTOPAPA

Intermediate Bank

CITIBANK N.A.

HELM BANK Account at Citibank: 36225789

SWIFT CITIUS33

111 WALL STREET

NEW YORK, NY – ESTADOS UNIDOS

(6.c) The Buyer shall notify (or shall instruct its bank to notify) the Seller as soon as payment has been made, quoting the date on which payment was made, the amount, the name of the bank effecting payment and details of each invoice to which the payment relates (Client, Vessel name, Delivery date and Bunker Delivery Receipt number). Such notification shall be sent to C.I. PACIFIC FUELS INTERNATIONAL S.A.S. by emailing to: bunkers@pacificrubiales.com.co.

(6.d) Payment shall be considered past due if not received by Seller within thirty (30) Calendar Days from the date of delivery. Overdue payments shall be subject, at Seller's sole discretion, to a service charge at the rate of twelve percent (12%) per annum, furthermore, there will be an additional administrative handling and collection charge amount of six percent (6%) per annum. All the above will be calculated on a year of three hundred sixty (360) Days. Notwithstanding the above, said interest and charges will be adjusted according to any changes in the pertinent laws, decrees or regulations. The interest charges shall be in addition to any other remedies or claims to which the Seller may be entitled under this Agreement.

If at any time Seller considers Buyer's financial condition inadequate to meet Buyer's obligation hereunder, the Seller shall be entitled to require the Buyer to make prepayment for the Marine Products and Bunkers or to provide a payment guarantee or other form of security satisfactory to the Seller in its sole discretion and Seller may declare any amount then outstanding from Buyer to be immediately due and payable.

(6.e) If payment is made directly to the Seller's nominated bank, the Buyer agrees to make such payment in the amounts set forth in the invoice to the designated bank account of the Seller in immediately available funds, no later than 12:00 noon New York City time on the thirty (30) Calendar Days following Bunker Delivery Receipt date, or the terms and conditions established in the Special Provisions, as where the actual invoice date, If the payment due date falls on Saturday or bank holiday, in New York City other than a Monday, payment shall be made on the last preceding Banking Day. If the payment due date falls on a Sunday or a bank holiday falling on a Monday in New York City, payment shall be made on the next succeeding Banking Day.

(6.f) If payment is made through an irrevocable documentary or stand-by letter of credit, the Buyer shall open an irrevocable letter of credit for payment purposes no later than ten (10) Working Days before the Loading Date, payable to the Seller. The letter of credit shall cover not less than 110% of the value of the Cargo in U.S. Dollars. The letter of credit shall indicate that all bank expenses and or commissions shall be paid by the Buyer, and shall be opened or confirmed to the Seller's satisfaction through first class international bank acceptable to the Seller. The letter of credit must be issued in the format provided for that purpose by the Seller.

The letter of credit shall be valid for sixty (60) Days from the Bunker Delivery Receipt date, during which period the Seller can present the shipping documents. The Seller shall have no obligation to commence loading of the Marine Product and Bunker's unless and until all the terms and conditions of the letter of credit as well as any amendment thereto, have been approved by the Seller.

If, in its sole discretion, the Seller determines that the financial condition of the Buyer or the bank through which it opens or confirms any letter of credit becomes or is likely to become a payment risk, the Seller shall be entitled to require the Buyer to make prepayment for the Marine Products and Bunkers or to provide a payment guarantee or other form of security satisfactory to the Seller in its sole discretion.

The Buyer shall pay for all expenses related to the payment process, including (but not limited to) the opening of the letter of credit, draft commissions, amendment costs and discrepancy fees, if any, among other costs and commissions.

SECTION 7. COSTS.

The Seller shall be responsible for the payment of all duties, taxes and costs which may be imposed by any Colombian authority on the export of the Marine Product and Bunkers sold under this Agreement. The Buyer shall be responsible for all rates, taxes, insurance, duties and costs charged in respect of the Nominated Vessel by the Colombian authorities, or in respect of the Marine Product and Bunkers by non-Colombian authorities, and the Seller shall not make any payment or provide any compensation with regard to such expenses.

SECTION 8. LOADING DATE.

(8.a) The Loading Date shall be the day as specified in the Special Provisions.

(8.b) If this Agreement provides for more than one delivery of the Marine Products and Bunkers, deliveries shall be distributed evenly throughout the term of this Agreement and Loading Dates for each delivery shall be specified in the Special Provisions. If during any period of time for which the Buyer has an obligation to lift a given quantity of Marine Products and Bunkers, the Buyer lifts a quantity less than the quantity nominated for such period, the Seller, in addition to the other remedies available to it under this Agreement, shall not be obligated to supply such shortfall during any subsequent period. If the additional or shortfall volume is requested to be included then the Seller reserves the right to confirm the negotiated price in writing prior to the delivery.

SECTION 9. VESSEL NOMINATIONS AND DELIVERIES

(9.a) Buyer shall nominate a Vessel at least three (3) Working Days in advance of the Estimated Time of Arrival (hereinafter "ETA") proposed by Buyer, specifying

vessel name, ETA and grades and quantities of Marine Products and Bunkers required. When such nomination is accepted and such acceptance is confirmed in writing by Seller, the ETA proposed by Buyer or otherwise agreed between Buyer and Seller shall become the Accepted Delivery Date. Seller reserves the right to cancel any nomination without liability on the part of Seller and without prejudice to any rights Seller may have against Buyer if the Nominated Vessel does not arrive at the Loading Point, Terminal or Anchored Places and present itself for delivery at the Loading Date.

(9.b) Buyer or the Nominated Vessel's local agent shall give Seller's local representative at the delivery Loading Point, Terminal or Anchored Places, at least forty-eight (48) hours advance notice, excluding Saturdays, Sundays and holidays, of each delivery, confirming product and quantities and other delivery details. Where such delivery date is not at the Loading Date as specified according to Section 8 of this Agreement, then acceptance must be in writing by Seller. Where forty-eight (48) hours advance notice is not given and Seller does not accept the proposed new Loading Date, then Seller shall in normal circumstances use reasonable efforts to make delivery in a timely manner.

(9.c) Delivery of the Marine Products and Bunkers will be made by Bunkers Delivery Equipment. The Buyer shall provide a free and safe Berth alongside the Nominated Vessel to receive the Marine Products and Bunkers from Bunkers Delivery Equipment and to render all necessary assistance, which may reasonably be required to safely moor and unmoor the Bunkers Delivery Equipment or to connect or disconnect the delivery hose(s) and, in general, to receive in a safely condition the Marine Products and Bunkers.

(9.d) Buyer shall notify Seller and Seller shall agree in writing, prior to delivery, of the maximum allowable pumping rate and pressure and Buyer and Seller shall agree on communication and emergency shutdown procedures in connection therewith.

(9.e) Buyer shall notify Seller, in writing, prior to delivery of any special conditions, difficulties, peculiarities, deficiencies or defects in respect of or particular to the Nominated Vessel, which might adversely affect the delivery of Marine Products and Bunkers.

(9.f) Where delivery is required during other than regular business hours, and is permitted by applicable regulations, Buyer shall be fully responsible for and pay all overtime and extra expenses incurred.

(9.g) In case of delay in delivery caused by Buyer, Buyer shall pay any demurrage or detention charges incurred by Bunker Delivery Equipment at usual rate. Such demurrage and/or detention charges shall be paid by Buyer within five (5) calendar Days after Seller's invoice is delivered to Buyer or to the Nominated Vessel's agent.

(9.h) Any additional cost incurred by Seller in the delivery of the Marine Products and Bunkers shall be on the account of the Buyer.

(9.i) In the event Buyer fails to take delivery, in whole or in part, of the quantities nominated, Buyer shall be responsible for any costs resulting from such failure, including the cost of the Marine Products and Bunkers in full as if delivery had taken place, unless Seller agrees otherwise in writing. ~~also~~ Buyer shall also be responsible for any costs and expenses incurred by Seller to downgrade the Marine Products and Bunkers.

(9.j) Seller shall always use reasonable efforts to adjust to changes in Buyer's schedule. However, Seller shall not be liable for demurrage paid or incurred by Buyer due to any delay in delivery of Marine Products and Bunkers where:

- 1) The Loading Date was not accepted by Seller as outlined in Section 8 (a and b)
- 2) Forty-eight (48) hours' notice, as defined in Section 9(b), was not properly given.
- 3) Bunkers Delivery Equipment arrived in a timely fashion and performed according to accepted practice.
- 4) Conditions as set forth in Section 11 below existed.
- 5) Seller was ready and able to perform.
- 6) Conditions onboard Nominated Vessel resulted in failure to receive Marine Products and Bunkers.

(9.k) If possible, the Vessel shall provide segregated tankage to receive the contracted quantity of Marine Products and Bunkers.

(9.l) On Buyer's cancellation of a nomination, or portion thereof, within 48 hours of the delivery time and date as to which notice was provided under Section 9(a) and 9(b) C.I. PACIFIC FUELS INTERNATIONAL S.A.S. shall be entitled to a fee of \$15.00 U.S. Dollars per metric ton of Marine Products and Bunkers by way of liquidated damages and as compensation for Seller's relinquishing its rights under the Agreement. The parties hereto agree that determining the amount of damages to Seller arising from cancellation would be impracticable and extremely difficult and for that reason the above rate of compensation is considered fair and equitable.

(9.m) Seller is entitled to withhold delivery of the Marine Products and Bunkers if there is any amount due by Buyer arising out of this Agreement or any other previous agreement between the parties, in which case there will be a delayed delivery attributable to Buyer and provision (9.i) shall apply.

(9.n) The price of the Marine Products and Bunkers and any other charges that Seller can collect from Buyer pursuant to this Agreement shall constitute a valid

maritime lien against the Nominated Vessel, and Seller is therefore entitled to exercise such a maritime lien before any competent court and to take any lawful measure to enforce it, including, but not limited, to the arrest of the Nominated Vessel.

VESSEL NOMINATION.

The Buyer shall nominate a vessel meeting the requirements set forth in Annex A of these General Conditions to take delivery of the Marine Product and Bunkers hereunder during such Loading Date. The Buyer's nomination shall be in writing, shall confirm compliance with the requirements of Annex A, and shall be accompanied by the following information with respect to the Nominated Vessel:

- (i) The name of the vessel, date built and flag.
- (ii) The cargo.
- (iii) The number of grades to be loaded.
- (iv) Quantity to be loaded.
- (v) The ETA of the vessel.
- (vi) The destination(s) of the vessel.
- (vii) The length of the vessel.
- (viii) Date of arrival within Loading
- (ix) Deadweight Tonnage.
- (x) Vessel classification.
- (xi) On board equipment for pollution control.
- (xii) Maximum loading rate.
- (xiii) Insurance Coverage for Pollution and Collision.
- (xiv) Maritime agent in Colombia.
- (xv) Protection & Indemnity Club. (P & I Club)
- (xvi) Full written instructions regarding the particulars and destination of the Bunker Delivery Receipt and such other customary documentation which may be required (and, for the avoidance of doubt, (i) the Buyer shall be liable for all costs resulting from any delays in loading Marine Products and Bunkers under this Agreement due to failure by the Buyer to supply such information in a timely manner, and (ii) any such delays shall not count as used Laytime, or, if the Nominated Vessel is on Demurrage, as time on Demurrage).
- (xvii) Details of any cargo on board if loading a part cargo, and
- (xviii) Any such other information as may be requested by the loading bunker operator from time to time.

Approval or disapproval of a vessel nomination shall not be unreasonably withheld by the Seller. Approval of a vessel nomination by the Seller shall not involve the assumption by the Seller of any kind of liability for damages, costs or claims that the Buyer may suffer as result or in connection with the activities performed by the Buyer under this Agreement.

The Seller shall be entitled to reject a vessel nominated by the Buyer if it considers, in its discretion, that the vessel does not meet Port Regulations or any of the requirements set forth in Annex A. The Seller shall provide written acceptance or rejection of the vessel nominated by the Buyer within forty eight (48) hours following the vessel's nomination as per Section 9.b above. If and when accepted by the Seller, the vessel nominated by the Buyer shall be considered a Nominated Vessel for all purposes herein. Any acceptance of a Nominated Vessel by the Seller pursuant to this Section shall be understood to be valid only for the applicable Loading Period.

The Buyer is hereby advised that the bunker delivery Operator may suspend or delay loading or order removal of an anchored or an All Fast vessel, when, in the reasonable opinion of the bunker delivery Operator, such ship does not meet the operational and safety standards of the mooring. In any such event, the Seller shall be released from any liability on account of any damages and/or losses of any nature incurred by the Buyer, irrespective of whether the vessel's nomination was previously accepted by the Seller.

The Buyer shall provide the Seller, upon the Seller's request, with copies of all certificates and insurance policies held with respect to the vessel being nominated.

In addition to other requirements set forth in the Agreement (including its Annex A); the Nominated Vessel shall comply with the requirements of the ISPS Code.

SECTION 10. NOTIFICATION OF THE ESTIMATED DATE AND TIME OF ARRIVAL (ETA).

(10.a) The Buyer shall arrange for its Nominated Vessel to inform the Seller and the bunker delivery operator, in writing, by telex, telegram, telefax or email, directly or through the Buyer's maritime agent, of the estimated date and arrival time of the Nominated Vessel. Each such notification shall occur once the Vessel is seventy-two (72), forty-eight (48), twenty-four (24) and twelve (12) hours from its anticipated arrival at the Loading delivery point agreed.

(10.b) The Seller shall not be responsible for Demurrage, dead freight charges or any other costs attributable to the failure by the Buyer or the Nominated Vessel's master to notify the Seller and/or the bunker delivery Operator of the estimated date and time of the Nominated Vessel's arrival in accordance with Section 11.a.

SECTION 11. NOTICE OF READINESS (NOR).

(11.a) The Buyer shall cause the Nominated Vessel to provide NOR to the bunker delivery operator when each of the following requirements has been fulfilled:

- The Nominated Vessel is anchored at the place indicated by the bunker delivery operator and is fully ready to receive the cargo.
- All immigration procedures have been fully accomplished.
- All necessary clearances have been received from the Colombian customs authorities and/or the port authorities.
- The Nominated Vessel is ready to load in all other respects.

(11.b) Notwithstanding the provisions of Section 11.a, the NOR can be communicated before the conditions specified in items (11.a) of Section 11 above have been fulfilled, if, according to customary practice at the loading of Marine Products and Bunkers, such conditions can only be fulfilled once the Nominated Vessel anchors at the designated site.

(11.c) Once the Nominated Vessel anchors, if the Marine Products and Bunkers delivery operator or the mutually nominated independent inspector finds that the Nominated Vessel is not ready to load, such NOR shall be deemed to be without effect and the Buyer shall be required to cause the Nominated Vessel to issue another NOR when the Nominated Vessel is fully ready to load.

(11.d) The NOR can be communicated by letter, telex, telegram, email, telefax, radio or telephone, provided, however, that if communicated by radio or telephone, it shall be confirmed immediately thereafter in written form.

SECTION 12. SHIP MOORING CONDITIONS.

(12.a) The Buyer shall cause the Nominated Vessel to observe and comply with all applicable Port Regulations from the time of its arrival at the port where the Marine products and Bunkers delivery is located through loading and until its departure therefrom.

(12.b) The Buyer acknowledges that it is aware of the characteristics of the loading equipment, all applicable Port Regulations, including, without limitation, those Port Regulations related to ship mooring conditions, ship loading conditions, stay periods, delays, quantity and quality measurements procedures, and tank storage and delivery.

(12.c) The Buyer shall instruct the master of the Nominated Vessel to cooperate with the bunker delivery Operator as necessary to carry out the mooring and loading operations. The master of the Nominated Vessel shall be responsible for the crew's performance during the Nominated Vessel's mooring operations.

(12.d) The Buyer shall ensure that the master of the Nominated Vessel complies with the loading instructions issued by the bunker delivery operator. The operation, including mooring, departure, loading, and other contingencies shall be performed in compliance with:

(1) OCIMF/OCS International Safety Guide for Oil Tankers and Terminals (ISGOTT) – Fourth Edition, 1996 (or its latest revision).

(2) OCIMF/OCS Ship to Ship Transfer Guide (Petroleum) Second Edition. 1988 (or its latest revision), and

(3) The Port Regulations.

The foregoing documents are hereby fully incorporated by reference into this Agreement.

The Nominated Vessel must have all the equipment and facilities required to carry out the loading at the bunker delivery equipment, in accordance with items (1), (2) and (3) of Section 12.d above.

The Buyer must obtain from DIMAR, through Buyer's maritime agent in Colombia, approval for the Nominated Vessel to enter the port where the loading equipment is located and anchor at least 24 hours before the Nominated Vessel's arrival.

SECTION 13. LAYTIME.

(13.a) Except as otherwise agreed in the Agreement and regardless of the volume of Marine Products and Bunkers loaded, the Buyer shall allow the bunker delivery operator thirty-six (36) running hours of Laytime within which to load the Nominated Vessel, starting six (6) hours after the NOR has been tendered in accordance with Section 11 of this Agreement, or when the Nominated Vessel is totally All Fast at the Loading Point, Terminal or Anchored Places, or otherwise instructed whichever occurs first.

(13.b) If the Nominated Vessel arrives before the Day of the nominated Loading Period and tenders NOR before the Loading Date, such Laytime shall begin at six (6) a.m. local time on the first Day of the Loading Date, or when the Nominated Vessel is totally All Fast at the Loading Point, Terminal or Anchored Places, or otherwise instructed, whichever occurs first.

(13.c) If the Nominated Vessel arrives after the Day of the Loading Date, the Seller, at its own discretion, reserves the right to load or abstain from loading the Nominated Vessel. In this case Laytime shall commence when the Nominated Vessel is totally All Fast at the Loading Point, Terminal or Anchored Places or

otherwise instructed. The Seller shall not be responsible to the Buyer or any third parties for any dead freight charges, costs or Demurrage that might arise as a result of the late arrival of the Nominated Vessel.

(13.d) In all cases Laytime shall end when delivery hoses have been disconnected from the Nominated Vessel.

SECTION 14. ADJUSTMENT OF LOADING TIME.

The time elapsed under any one of the following instances shall not be calculated as Laytime or Demurrage:

(14.a) The time during which the Nominated Vessel is in internal transit from the place of anchorage or any other waiting place, including time waiting for daylight, for a change of tide, for the arrival of tugboats or the pilot, or from the interval between the time the Nominated Vessel weighs anchors until the Nominated Vessel is totally All Fast at the Loading Point, Terminal or Anchored Places, or otherwise instructed.

(14.b) Time spent complying with local legislation and authorities (e.g. the waiting time spent on customs paperwork, immigration procedures, completion of the corresponding documents and certificates); delays caused by the ship owner or the Nominated Vessel's operator due to loading prohibitions or restrictions imposed by the port authorities, including nighttime docking.

(14.c) Time spent during the deballast, cleaning and/or maintenance of tanks, pumps and internal pipes, or any other activity connected solely to the Nominated Vessel, unless these operations are carried out simultaneously with the loading operations.

(14.d) Time elapsed due to the immobilization, inefficiency, repairs or other problems attributable to the Nominated Vessel, including operational restrictions that the vessel may present for receiving the cargo.

(14.e) Time elapsed as a result of failure by the Nominated Vessel to comply with requirements for the Nominated Vessel under the Agreement or Port Regulations.

(14.f) Time lost due to a fire or explosion occurring on board the Nominated Vessel, labor disputes, strikes, a work slowdown, blockage, work stoppage or abstention from work involving the master, officers, or crew of the Nominated Vessel or of the tugboats or pilots.

(14.g) Time elapsed as a result of leakage or spillage Marine Products and Bunkers or threat of leakage or spillage Marine Product and bunker's in or from the Nominated Vessel.

(14.h) Time elapsed as a result of delay or suspension of loading ordered by the Seller or by the Terminal Operator due to the existence of an unsafe condition in the Nominated Vessel.

(14.i) Time elapsed as a result of delay or suspension of loading because the Buyer has not fully complied with the payment terms.

(14.j) Time elapsed as a result of delay caused by the maritime agent in applying for DIMAR's approval.

(14.k) Any other delay caused by the Buyer, the Buyer's maritime agent, or the Nominated Vessel.

(14.l) All fees, rates, charges and duties on the vessel cargo, and all freight charges incurred within the territory of the country where the loading port is located, including but not limited to custom overtime, port charges and bar tolls shall be for the account of Buyer. However no special charges shall be made to the vessel for using the berth or loading buoy designated by the terminal.

SECTION 15. DEMURRAGE.

(15.a) The Seller shall be responsible for the Demurrage that the Buyer may suffer as a result of the Nominated Vessel not being loaded within the stipulated Laytime as per Section 14; provided, however, that no Demurrage shall be paid for the time during which the Seller cannot deliver or is delayed in the delivery of, Marine Products and Bunkers for reasons that fall under the provisions of Sections 9.a, 10, 11.a, 14 or 17, or where such Demurrage is incurred as a result of a fault attributable to the Nominated Vessel, or if the loading is suspended at the request of the Nominated Vessel. The Buyer shall not have the right to claim losses or damages directly or indirectly resulting from any Demurrage caused by any of the reasons that fall under the provisions of Sections 9.a, 10, 11.a, 14 or 17, or where such Demurrage is incurred as a result of a fault attributable to the Nominated Vessel, or if the loading is suspended at the request of the Nominated Vessel.

(15.b) Should the Seller be responsible for Demurrage, payment shall be made by the hour or fraction thereof in excess of the agreed Laytime, in accordance with the terms and rate stipulated in the Charter Party, so long as such rate is within the market levels for similar vessels and cargo. For the purpose of calculating Demurrage at the Loading bunker delivery equipment, a time of thirty-six (36) hours will be allowed for loading.

(15.c) In the event that there is not a Charter Party, that the daily rate for the Nominated Vessel's Demurrage is not stipulated, or that the rate stipulated in the Charter Party is above the market levels for similar vessels and cargo, then reasonable market rates for the payment of Demurrage shall be calculated.

(15.d) Any claim brought under this Section shall be in writing, with notice provided to the Seller by the Buyer within twenty eight (28) Calendar Days after the Bunker Delivery Receipt, and full documentation provided to the Seller by the Buyer within eighty (80) calendar Days after the Bunker Receipt Date, upon reasonable request by the Seller. Such documents may include but are not limited to: a copy of the Charter Party, time sheets at the Discharge Terminal, Nominated Vessels owner/operator invoice charging Demurrage cost to the Buyer, copies of ETA notices sent to the Seller, letters of protest and NOR at the Loading Point, Terminal or Anchored Places and Discharge Terminal, among any other documents reasonably requested by the Seller.

Failure by the Buyer to submit a timely Demurrage claim as required by this Section shall bar such claim from consideration and shall be construed as a waiver of such claim by the Buyer.

SECTION 16. TITLE AND RISK TRANSFER PROVISIONS.

(16.a) Title and risk with respect to the Marine Products and Bunkers shall pass from the Seller to the Buyer where delivery is made in FOB terms, according to INCOTERMS 2010 (International Chamber of Commerce, Publication 715 E), under the specification that delivery of the Marine Products and Bunkers from Seller to Buyer, and therefore transference of title and risk, shall be deemed to be made when such Marine Products and Bunkers pass the flange connecting the delivery hoses of Bunkers Delivery Equipment with the intake manifold of the Nominated Vessel. At such time of transfer, the title shall be good and marketable, free and clear of any liens, encumbrances or other adverse claims and of any obligation to pay any royalties or Colombian national or local taxes. The Seller shall have no responsibility whatsoever for any loss, damage, deterioration or evaporation of the Marine Products and Bunkers, or any damage caused or alleged to be caused thereby, after title and risk with respect to the Marine Products and Bunkers have passed to the Buyer in accordance with this Section.

All liability for loss or damage to property, personal injury, or any environmental damage or contamination, before, during or after the loading, caused by the Nominated Vessel or its crew shall be borne by the Buyer.

(16.b) The Seller shall have no responsibility whatsoever, once risk has passed in accordance with the terms of this Agreement, for any taxes and duties

established by any national, federal, state or local authority on the income or the ownership of the Marine Product and Bunker's, or upon any other transactions that may result from, or be related to the sale of the Marine Products and Bunkers by the Buyer to any of its customers outside Colombia.

SECTION 17. FORCE MAJEURE.

Buyer or Seller will be excused from its obligations hereunder to the extent that performance of either or both is delayed or prevented by circumstances beyond its or their control (Force Majeure) including, but not limited to, acts of God, weather, harbor conditions, fire, explosions, mechanical breakdown, strikes, plant shutdowns, civil disturbances and government regulations. However such Force Majeure shall not excuse Buyer's obligation to make payment for Marine Products and Bunkers received. Seller shall not be liable for any Demurrage or other costs resulting from any such delay or failure to perform on the part of Seller.

SECTION 18. SUPPLY SHORTAGES.

In the event performance by Seller becomes impracticable for any reason, including, but not limited to, orders, requests or suggestions by any official body relating to supplies, priorities, rationing or allocations of crude oil from which Marine Products and Bunkers are derived or any other petroleum products, Seller may reduce or stop deliveries in such a manner as it may in its sole discretion determine and shall be relieved of its obligation to perform hereunder. In all such cases, the Seller shall have no obligation to deliver any shortfall amount of Marine Products and Bunkers unless the parties otherwise agree in writing.

SECTION 19. BREACH.

Subject to Section 18 hereof, in case of failure of the Seller or the Buyer to comply with any of their material respective obligations under this Agreement the other party may, without prejudice to any other rights or recourses available to it, consider such failure as a breach of this Agreement and terminate same or unilaterally suspend its performance until such failure is corrected, and in both cases, may claim direct damages caused by the breach of this Agreement.

SECTION 20. NO WAIVER.

Except as otherwise expressly stated in this Agreement, no failure on the part of either party to exercise and no delay in exercising, and no course of dealing with respect to, any right, power or privilege, or to enforce any of the terms and conditions under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The remedies provided herein are cumulative and not exclusive of any remedies provided by law.

No waiver or omission by either party to require performance by the other party of any of the terms and conditions of the Agreement and no forbearance or indulgence granted or shown by either party to the other shall release, discharge or in any manner affect or prejudice the right of a party at any time to require strict and full performance by the other of any or all of the terms and conditions of the Agreement to be performed subsequent to any such waiver, omission, forbearance or indulgence.

SECTION 21. APPLICABLE LAW AND ARBITRATION.

ARBITRATION

All disputes and claims arising in connection with the sale of Marine Products and Bunkers to which these General Terms and Conditions of Sale apply shall be referred to arbitration conducted in the City of New York, USA in accordance with the Arbitration Rules of the International Chamber of Commerce.

This Agreement is to be governed by and interpreted according to the laws of New York, excluding its choice of law principles and without application of the Convention on Contracts for the International Sale of Goods.

GOVERNING LAW

Any and all claims, demands, causes of action, disputes, controversies and other matters in question arising out of or relating to this agreement, including any question regarding its breach, existence, validity or termination, which the parties do not resolve amicably, shall be finally resolved by binding arbitration administered by the International Chamber of Commerce and conducted pursuant to its Rules of Arbitration by three arbitrators. Each party shall nominate one arbitrator within thirty (30) Days of the filing of the arbitration, and the two arbitrators so appointed shall nominate the presiding arbitrator within thirty (30) Days after the latter of the two arbitrators has been confirmed. If a party fails to nominate its party-appointed arbitrator or if the two party-appointed arbitrators cannot reach an agreement on the presiding arbitrator within the applicable time period, then the International Chamber of Commerce shall appoint the remainder of the three arbitrators not yet appointed. The place of arbitration shall be New York, New York. The proceedings shall be in the English language. The award

shall be made in Law. The resulting arbitral award shall be final and binding, and judgment upon such award may be entered in any court having jurisdiction thereof. Any monetary award rendered by the arbitrators shall be payable in US dollars.

However, Seller and Buyer may agree that arbitration be conducted in Bogotá DC, according to the rules of the Arbitration Center of the Chamber of Commerce of Bogotá. In such a case, the Arbitration panel shall be formed by three (3) arbitrators, which shall be nominated by mutual agreement between the parties. If the parties do not make such agreement as to the names of any of the arbitrators, the panel, or the arbitrator or arbitrators not designated by the parties, shall be nominated by the Director of the Arbitration Center of the Chamber of Commerce of Bogotá, from List A or Arbitrators. The Arbitration Panel shall make its award in Law.

The United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards dated June 10, 1958, New York, shall apply to any award rendered by the arbitrators in accordance with this Section.

SECTION 22. DESTINATION.

The Seller agrees to enter into the Agreement based on the Buyer's express undertaking with regard to usage and destination of the Marine Products and Bunkers stipulated in the Agreement. The Buyer hereby warrants that the Marine Products and Bunkers shall enjoy the usage and destination as stipulated in the Agreement, and the Marine Products and Bunkers shall be used only for vessel consumption and by any means be used for resale and or local consumption between ports.

Notwithstanding the above, the Buyer may modify the usage or destination of the Marine Products and Bunkers with the Seller's written consent. Such consent, unless otherwise agreed by the Seller, must be given prior to the loading date and, in any case, prior to any change in the usage or destination of the Marine Products and Bunkers. The new usage or destination of the Marine Products and Bunkers must not contravene any legal local provision.

The Buyer's failure to comply with any of the provisions of this Section shall entitle the Seller (without prejudice to any other rights and remedies it may have under this Agreement) to cancel the Agreement, suspend further deliveries of Marine Products and bunkers under the Agreement, and dispose of any undelivered Marine Products and Bunkers in any manner elected by the Seller.

At the Seller's request, the Buyer shall provide all necessary documentation required to verify the final destination of the Marine Products and bunkers under this Agreement.

SECTION 23. LIMITATION OF REMEDIES.

Neither the Seller nor the Buyer shall be liable for specific performance, for lost profits or other business interruption damages, or for special, consequential, incidental, punitive, exemplary or indirect damages, in tort, contract or otherwise, of any kind, arising out of or in any way connected with the performance, the suspension of performance, the failure to perform or the termination of the Agreement. In particular, the Seller shall not be liable for more than the difference between the prevailing market price and the contract price of the Marine Products and Bunkers to be delivered hereunder; or be liable for any loss of profit or revenues, loss of use of or increased expense of operation of any equipment, impairment of goods, cost of capital or modifications to or substitutions for the Marine Product and Bunker's, facilities or services, downtimes costs, cost of overhead, or other loss resulting from the shutdown of any facilities of the Buyer, including, but not limited to, claims of the Buyers' customers due to added costs or losses, service interruption or failure of supply.

SECTION 24. INDEMNIFICATION.

Buyer shall indemnify and hold Seller harmless from and against any and all claims, demands, suits or liabilities for damage to property or for injury or death of any person, or for non-compliance with any requirement of any governmental entity arising out of an act or omission of Buyer or its agents or servants in receiving, using, storing or transporting Marine Products and Bunkers delivered hereunder, including exposure thereto, unless the same be due to the sole negligence of Seller.

SECTION 25. NOTICE.

Except as otherwise provided in this Agreement, all notices, statements and other communications to be given hereunder by one party to the other shall be deemed to have been sufficiently given if in writing, and delivered by hand, sent by special mail or by telex or facsimile to the address of the other party specified in this Agreement. The notices, statements and communications shall be deemed received, by telex or email, on the Calendar Day after being sent, and by letter delivered by hand or sent by special mail, on the date of the acknowledgment of receipt thereof. Any change of address shall be advised to the other party in writing, with at least fifteen (15) Calendar Days' prior notice.

Seller:**C.I. Pacific Fuels International S.A.S.**

Barrio Manga Edificio Twins Bay
Piso 25, Oficina 2503.
Departamento de Bolivar.
Cartagena - Colombia
Tel: (575) 6930150
Email: sarieta@pacificrubiales.com.co
Attn: Executive Vice-President

Buyer:

To the Buyer's address indicated in the Special Provisions, or if not indicated therein, to Buyer's main office.

SECTION 26. MISCELLANEOUS.**(26.a) Severability**

If any provision of this Agreement is invalid or unenforceable in any jurisdiction then, to the fullest extent permitted by law (a) the other provisions hereof shall remain in full force and effect in such jurisdiction, (b) such invalidity or unenforceability shall not affect the validity or enforceability of such provision in any other jurisdiction and (c) the parties hereto shall negotiate in good faith to substitute therefor a provision in accordance with the spirit and purpose of this Agreement.

(26.b) Consents

Each of the Seller and the Buyer shall be responsible for obtaining all consents, authorizations, approvals and assurances of whatsoever nature necessary to enable it to comply with its obligations under the Agreement.

(26.c) Conflict

In the event of conflict or inconsistency between these General Conditions and the Special Provisions, the Special Provisions shall prevail over these General Conditions.

(26.d) Modification

The Seller is entitled, by written notice to the Buyer, to amend or modify these General Conditions in order to incorporate changes related to international or government regulations, new procedures adopted by the Terminal Operator, or any other event that may affect the performance of the Agreement. Any such amendment or modification shall take effect immediately upon the sending by the Seller of such written notice, whereupon this Agreement shall automatically be amended accordingly, without the need for any further action. If in the event the incorporated amendments or modifications to this General Conditions substantially affect the performance of this Agreement, the Seller or the Buyer, shall have the right to terminate this Agreement.

Except as otherwise expressly provided above the provisions of this Agreement may be amended or modified only by an instrument in writing signed by the parties.

(26.e) Telephones

Each party hereby acknowledges to the other party and consents that such party may, without further notice, tape record telephone conversations between the parties' respective representatives in connection with this Agreement or other commercial matters between the parties.

(26.f) Entire Agreement

The Agreement contains the entire agreement between the Seller and the Buyer with respect to the matters set forth in the Special Provisions and supersedes all prior agreements, whether oral or written, in connection therewith. In all matters not expressly referred to or covered in the Agreement, the provisions for F.O.B. sales contained in the Incoterms 2010 (as amended from time to time) shall apply, provided that, if there is any inconsistency or conflict between Incoterms 2010 and the Agreement, the Agreement shall prevail.

(26.g) Warranties

Except as otherwise expressly set forth in the Agreement, the Buyer and the Seller each warrant that it has not in connection with the Agreement relied upon any representations, whether written or oral, made by or on behalf of the other party but has relied exclusively on its own knowledge, judgment and expertise.

(26.h) The U.N. Convention

The United Nations Convention on Contracts for the International Sale of Goods of Vienna 11th April 1980 shall not apply to this Agreement.

SECTION 27. SAFETY AND ENVIRONMENTAL PROTECTION

(27.a) Buyer is familiar with the health effects related to the Marine Products and Bunkers supplied hereunder and with relevant protective safety and health procedures for the handling and use of such Marine Products and Bunkers. Buyer shall adhere to such safety and health procedures while using or handling Marine Products and Bunkers. Buyer shall also facilitate the dissemination of health and safety information to all employees, users, and others potentially exposed to the Marine Products and Bunkers sold hereunder. Buyer shall be responsible for compliance by its employees, agents, and other users with all health and safety requirements or recommendations related to the Marine Products and Bunkers supplied hereunder and shall exert its best efforts to assure that any of its employees or agents, users, and others avoid frequent or prolonged contact with or exposure to the Marine Products and Bunkers both during and subsequent to delivery. Seller or Seller's supplier accepts no responsibility for any consequence arising from failure by Buyer, its employees or

agents, any users, or any other party to comply with relevant health and safety requirements or recommendations relating to such contact or exposure.

(27.b) If a spill occurs while Marine Products and Bunkers are being delivered, Buyer shall promptly take such action as is reasonably necessary to remove the spilled Marine Products and Bunkers and mitigate the effects of such spills. Seller is hereby authorized, at its option and at the expense of Buyer, to take such measures and incur such expenses (whether by employing its own resources or contracting with others) as are reasonably necessary in the judgment of Seller to remove the spilled Marine Products and Bunkers and mitigate the effects of such spills. Buyer shall cooperate and render such assistance as is required by Seller in the course of such action. All expense, claims, loss, damage, liability and penalties arising from spills shall be borne by the party that caused the spill. If both parties are at fault, all expense, claims, loss, damage, liability and penalties shall be divided between the parties in accordance with the respective degrees of fault.

(27.c) In the event of a spill during fueling, Buyer shall provide Seller with such documents and information concerning the spill and any programs for the prevention of spills as may be required by Seller or by law or regulations applicable in the port where the spill occurred.

(27.d) Buyer warrants that the Marine Products and Bunkers purchased hereunder are for the operation of the nominated Vessel and that Vessel only.

(27.e) Buyer warrants that the Vessel is in compliance with all applicable national and international laws and regulations. The Vessel is subject to Seller's acceptance and will not be supplied fuel unless free of all conditions, difficulties, peculiarities, deficiencies or defects which might impose hazards in connection with its mooring, unmooring or bunkering.

ANNEX A

Nominated Vessel Requirements

In order to be approved by the Seller as a Nominated Vessel, a vessel nominated by the Buyer must comply with the following requirements:

1) General.

The vessel shall:

- Have P & I (Protection & Indemnity) Insurance
- Have maximum classification from Lloyds of London or other similar internationally recognized classifying organization.
- Comply with MARPOL and any other international treaties or agreements adopted by the Colombian government.
- Have watch and deck officers assigned to the vessel able to communicate in English.
- Be a current member in good standing of the International Vessel Owners Pollution Federation Limited (ITOPF).
- Hold the International Safety Management (ISM) Code Certificate.
- Hold a certificate of insurance of the kind provided for in the Civil Liability Convention for Oil Pollution Damages (CLC Certificate) issued to it by a signatory state.
- Be covered by insurance in the maximum available per incident through any P & I Club international group member. Such insurance shall include, but not be limited to, excess pollution liability insurance in the maximum amount available per incident.
- Be in full compliance with the requirements set forth in the OCIMF/OCS International Safety Guide for Oil Tankers and Terminals (ISGOTT) – Fourth Edition, 1996 (or its latest revision), and OCIMF/OCS Ship to Ship Transfer Guide (Petroleum) Second Edition. 1988 (or its latest revision).
- Arrive at the Terminal with clean ballast which shall be unloaded in daylight.

2) Physical Characteristics.

The vessel shall have:

- Min/Max. total displacement according to the technical characteristics of the Colombian Terminal at which the vessel is calling.
- Oxygen content in its cargo tanks of no more than 8%.
- Minimum arrival draft of a level at which the propeller is fully submerged.

3) Vessel Type.

The vessel shall be of the following types:

- Wet and semi-wet deck seal type vessel.
- Segregated Ballast Tanks (SBT) type vessel.

The vessel shall not be of the following types according to the technical characteristics of the Colombian Terminal at which the vessel is calling:

- Dry deck seal type vessel.
- Clean Ballast Tanks (CBT) type vessel.
- Combination carriers.
- Deepwell pump vessels.

4) Equipment.

The vessel shall possess, in a fully operational state, the following:

- An inert gas system (IGS).
- A Base VHF radio in CCR.
- Closed cargo operation capability.
- A fully operational 10 ton minimum Safe Working Load (SWL) crane.
- A fully operational 15 ton minimum Safe Working Load (SWL) bow capstan.
- A Bow stopper AKD/SMITH type 200 ton Safe Working Load (SWL).
- Manifold flanges according to the technical characteristics of the Terminal at which the vessel is calling

5) Other.

Such additional requirements as may be imposed by the Terminal Operator and/or under Colombian Law the Port Regulations, or as may be set forth in such treaties as might in the future be ratified by the Colombian Congress.