

DOK 32

To : Fuel Supplier

From: Enemalta Corporation
Church Wharf
Marsa
Malta

Date : 4th February 2008

Enemalta Corporation, a state owned utility is on the market to purchase the following products as per following details and specifications:

Product:

Zero point seven percent sulphur Fuel Oil (0.7%S) conforming to specifications attached to this offer (Attachment A) and one percent Sulphur Fuel Oil (1%S) conforming to the specifications attached to this offer (Attachment B).

Quantity:

(i) Two hundred and eighty thousand (280,000) metric tonnes +/- 10% divided into twenty (20) parcels in size as per schedule below in full, part or split cargoes of 0.7%S Fuel Oil; and

(ii) Three hundred and twenty thousand (320,000) metric tonnes +/- 10% divided into twenty (20) parcels in size as per schedule below in full, part or split cargoes of 1%S Fuel Oil.

Delivery:

The oil purchased and sold under this contract shall be delivered in full cargo lots on CIF basis to either

- (i) two safe ports/berths at Marsa Power Station Grand Harbour, Malta and Delimara Power Station, Marsaxlokk Harbour, Malta, if the two grades are delivered in one shipment; or
- (ii) one safe port/berth at Delimara Power Station, Marsaxlokk Harbour, Malta for the 0.7%S Fuel Oil, and one safe port/berth at Marsa Power Station, Grand Harbour, Malta for the 1%S Fuel Oil.

Berth limitations are as follows:

| | | |
|-------------|------------|--------------|
| Delimara PS | LOA : 200m | Draft: 8.5m |
| Marsa PS | LOA : 180m | Draft: 11.5m |

Part, or split cargoes may be accepted upon Buyer's prior approval.

Any nominated vessel is to be acceptable to Buyer. Such acceptance shall not be unreasonably withheld.

Origin

Seller is to supply EU qualified fuel oil only. In the case that the fuel oil is not EU qualified any importation duties or other charges arising directly from this condition will be for sellers account. Before each delivery seller is to nominate refinery of origin, for buyer's approval.

Laydays:

The fuel oil will be delivered to Malta on or about the following **INDICATIVE** dates:

| Date | Marsa PS (1%S) | Delimara PS (0.7%S) |
|---------------------------------|----------------|---------------------|
| 1 st wk May 08 | 14 500 MT | 15 500 MT |
| 4 th wk May 08 | 15 500 MT | 14 500 MT |
| 3 rd wk June 08 | 18 000 MT | 12 000 MT |
| 2 nd wk July 08 | 18 000 MT | 12 000 MT |
| 4 th wk July 08 | 18 000 MT | 12 000 MT |
| 3 rd wk August 08 | 18 000 MT | 12 000 MT |
| 1 st wk September 08 | 18 000 MT | 12 000 MT |
| 1 st wk October 08 | 14 000 MT | 16 000 MT |
| 4 th wk October 08 | 15 500 MT | 14 500 MT |
| 3 rd wk November 08 | 14 500 MT | 15 500 MT |

| Date | Marsa PS (1%S) | Delimara PS (0.7%S) |
|--------------------------------|----------------|---------------------|
| 2 nd wk December 08 | 15 500 MT | 14 500 MT |
| 4 th wk December 08 | 14 500 MT | 15 500 MT |
| 4 th wk January 09 | 15 500 MT | 14 500 MT |
| 3 rd wk February 09 | 14 500 MT | 15 500 MT |
| 2 nd wk March 09 | 15 500 MT | 14 500 MT |
| 2 nd wk April 09 | 14 500 MT | 15 500 MT |
| 1 st wk May 09 | 15 500 MT | 14 500 MT |
| 4 th wk May 09 | 14 500 MT | 15 500 MT |
| 3 rd wk June 09 | 18 000 MT | 12 000 MT |
| 1 st wk July 09 | 18 000 MT | 12 000 MT |

The delivery dates given above are only indicative for tendering purposes and are not binding. The exact dates of delivery may vary considerably from the above schedule, and will be given according to the "Scheduling Clause" hereunder.

Scheduling Clause:

By not later than 10 days prior to the delivery of each parcel in Malta, Buyer will indicate a 3-day layday period around the aforementioned days.

Price:

The offered price for CIF one or two safe berths at Marsa Power Station and Delimara Power Station, is to be in US\$ / MT in air based on Platts European Market Scan quotations for 1% sulphur fuel oil Mediterranean Basis average of the month of delivery.

An **indicative fixed price quotation** should also be submitted for consideration.

The quantity to be invoiced will be the metric ton quantity reported on the Bills of Lading measured in air for full cargoes. In the case of part cargoes being accepted by Buyer, and no separate Bill of Lading exists, the quantity to be invoiced will be the quantity landed in buyer's storage as confirmed by customs and independent inspectors.

Payment:

In U.S. dollars in 30 / 60 / 90 calendar days, on open account or Standby Letter of Credit, after the delivering vessel's NOR date at Malta, against presentation to Buyer of a fax invoice and the usual shipping documents (including full set 3/3 original Bills of Lading).

Quality and Quantity ascertainment:

a) Quality

The quality of the product delivered shall comply with the specifications set out in Attachment A and as evidenced on the Refinery's certificate of quality which shall be based upon the Refinery's laboratory test report. The Refinery's certificate of quality will be countersigned by the appointed independent inspector who would have **witnessed the lifting of the sample from the shore tank and who would have witnessed the full analysis in the laboratory of the fuel sample**. If these procedures cannot be guaranteed at load port, then the binding quality will be that reported by a mutually appointed independent inspector at discharge port, based on a full analysis carried out on a volumetric ship's composite sample lifted and prepared by the independent inspector on vessel's arrival.

As the fuel will be discharged into multiple tanks at different installations it is **imperative** that the quality of the fuel in each individual ship's tank is homogeneous and identical to the volumetric ship's composite sample. The inspectors at discharge port will be requested to report the density of each ship's tank.

b) Quantity

The quantity of product delivered shall be ascertained as per country of origin customs regulations in force at load port and will be evidenced on the *sellers* certificate of quantity.

The *sellers* certificate of quantity may be countersigned by the appointed independent inspector.

The certificate of quantity shall be treated, in the absence of fraud or manifest error, as being conclusive and binding on both parties as to the quantity of the product delivered.

The quantity stated on the certificate of quantity shall be the one reported on the Bills of Lading which will be dated according to the date on which the aforementioned ascertainment is completed.

In the case of part cargoes without a separate Bill of Lading and / or if inspector appointed at load port (see below) declares that he is not satisfied that the proper controls have been taken to ascertain the quantity declared on the Bill of Lading, then the binding quantity will be that declared by a mutually appointed independent inspector at discharge port, to have been received in the shore tanks.

Inspection:

A mutually acceptable independent inspector is to be appointed at load port to witness the quality and quantity ascertainment. Costs of inspection will be shared equally by Seller and Buyer. In the case when the binding quality and quantity are those to be declared at discharge port (see above) the inspection costs at discharge port, and not those of load port, will be shared equally by Seller and Buyer.

For part cargoes, up to contracted quantity per shipment laytime shall be 48 hours. For part cargoes, more than the contracted quantity per shipment, laytime shall be prorated based on contracted quantity.

Risk and Property:

The risk and property in the product delivered hereunder shall pass to the Buyer as the product passes the tankship's permanent hose connection at the loading terminal.

Laytime:

The time allowed to the Buyer for the discharge of the Seller's vessel shall be 48 running hours, SHINC, in the case of one shipment two berths, and 36 running hours in the case of one shipment one berth, commencing 6 hours after NOR tendered or when vessel is all fast at discharge berth, whichever is earlier. For the purpose of calculating running hours, discharge shall be deemed to be completed upon disconnection of discharge hoses

Demurrage:

If any, demurrage will be calculated in accordance with the charter party rate, terms and conditions. Claim(s) shall be received by Buyer within 90 days of the Completion of Discharge date, otherwise claim will be null and void.

Insurance:

Seller to provide a certificate of marine open cover institute Clause A insurance from a first-class insurance covering minimum 110 percent of the full cargo value, covering all risks including war, strikes, riots, civil commotion's risks and in-transit losses howsoever caused in excess of 0.5 percent of the Bill of Lading quantity and contamination irrespective of percentage.

Assignment:

Neither the Seller nor the Buyer shall assign the whole or any part of his rights and obligations hereunder, whether directly or indirectly, without the prior written consent of the other party.

Law and jurisdiction:

This agreement shall be governed by and construed in accordance with English law. Any controversy, dispute or claim whatsoever arising out of or in connection with this contract or the breach thereof shall be subject to the exclusive jurisdiction of the high court of justice in London. For the avoidance of doubt this will not prevent either party from taking proceedings in any other jurisdiction to obtain security or ancillary relief or to enforce any order or judgement.

Force majeure:

Neither the Seller nor the Buyer shall be liable in damages or otherwise for any failure or delay in performance of any obligation hereunder other than the obligation to make payment where such failure or delay is caused by force majeure, being any event, occurrence or circumstance reasonably beyond the control of that party, including without prejudice to the generality of the foregoing, failure or delay caused by or resulting from acts of god, strikes, fires, floods, wars (whether declared or undeclared), riots, destruction of the oil, embargoes, accidents, restrictions

imposed by any governmental authority (including allocations, priorities, requisitions, quotas and price controls). The time for Seller to make or Buyer to receive delivery hereunder shall be extended during any period in which delivery shall be delayed or prevented by reason of any of the foregoing causes, up to a total of ten days. If any delivery hereunder shall be so delayed or prevented for more than ten days, either party may terminate the agreement with respect to such delivery upon written notice to the other party.

ISPS Provisions:

i) Sellers shall procure that the vessel shall comply with the requirements of the International Code for the Security of Ships and of Port Facilities and the relevant amendments to Chapter XI of SOLAS (ISPS Code).

ii) the vessel shall when required submit a Declaration of Security (DoS) to the appropriate authorities prior to arrival at the discharge port.

iii) notwithstanding any prior acceptance of the vessel by the Buyer, if at any time prior to the arrival of the vessel at the discharge port the vessel ceases to comply with the requirements of the ISPS Code:

a) Buyer shall have the right not to berth such nominated vessel at the discharge port and any demurrage resulting shall not be for the account of the Buyer.

b) Seller shall be obliged to substitute such nominated vessel with a vessel complying with the requirements of the ISPS Code. If title and risk to the cargo on board the vessel subsequently substituted pursuant to iii) b) has already passed to the Buyer, such title and risk shall be deemed to have reverted to the Seller provided always that the statement given by the Buyer is credible, supported with appropriate documents and the Buyer has made it clear in writing that the Buyer wanted to reverse risk and title in the cargo back to the Seller. Should that be the case such reversal shall only take place upon receipt of the said document together with Buyer's clear intention.

iv) the Buyer's liability to the Seller under this agreement for any costs, losses or expenses incurred by the vessel, the charterers or the vessel owners resulting from the failure of the discharge port/terminal/installation to comply with the ISPS Code shall be limited to the payment of demurrage and costs actually incurred by the Seller in accordance with the provisions of this clause.

Other:

Where not inconsistent with the above, INCO terms 2000 with latest amendments for CIF sales to apply.

Security Stocks:

The successful supplier would be required to enter into a delegated security stock agreement with Enemalta to make available as security stocks a quantity of 150,000 MT of 1% fuel oil in favour of Enemalta located in Malta or in other countries within the European Community so as to enable Enemalta to meet its security stocks obligations under L.N. 237 of 2002 and to the Security Stock Directive 2006/67/EC.

Suppliers are required to indicate the quantity of stocks that would be held in Malta and those held in other countries within the European Community together with an indication of fees payable (if any).

N.B. *Clauses in the above document are indicative of our requirements and are subject to negotiation and change at the adjudication stage.*

You are invited to submit your offers by fax no 00356 21 242962 or e-mail chairman@enemalta.com.mt by the **25th February 2008 at 14:00 CET** indicating clearly where your offer differs from the above. Otherwise, it will be assumed that your offer complies in all respects to the specifications and requirements as stated above and which will form an integral part of any agreement / contract concluded.

The Corporation may also consider OUTTURN basis offers.

The right is reserved to refuse even the most advantageous offer without any reason being given.

Any queries re above invitations are to be made on fax no 00356 22208222 or on phone numbers 00356 22208200 / 5 or 00356 22980350.

Ing Alexander Tranter
Chairman

SPECIFICATIONS**0.7%S Heavy Fuel Oil**

| Property | Value - Range | ASTM Test Method |
|----------------------------|------------------|------------------|
| Density @15°C | 0.995 max | D 1298 |
| Sulphur Content | 0.7% max | D 1552 |
| Flash Point | 65 °C min | D 93 |
| Pour Point | 30 °C max | D 97 |
| Ash content (m/m) | 0.1% max | D 482 |
| Water by distillation | 1.0 max | D 95 |
| Sediments by extraction | 0.15 max | D 473 |
| Viscosity @ 50 °C | 400cSt max | D 445 |
| Viscosity Redwood 1 @ 100F | 3 600 max | |
| Conradson Carbon (m/m) | 15% max | D 524 |
| Stability | 2 max | D 4740 |
| Asphaltenes (m/m) | 7 % max | IP 143 |
| HFT | 0.1 max | IP 375 |
| Vanadium ppm | 100 max | D 5863/B |
| Nickel | report | D 5863/B |
| Aluminum + Silicon | report | IP 337 |
| Sodium ppm | 40 max | D 5863/B |
| Net heating value | 9 500Kcal/kg min | D240 |

SPECIFICATIONS**1%S Heavy Fuel Oil**

| Property | Value - Range | ASTM Test Method |
|---|------------------|------------------|
| Density @15°C | 0.995 max | D 1298 |
| Sulphur Content | 1.0% max | D 1552 |
| Flash Point | 65 °C min | D 93 |
| Pour Point (1 st April – 30 th Nov) | 30 °C max | D 97 |
| Pour Point (1 st Dec – 31 st Mar) | 5 °C max | D 97 |
| Ash content (m/m) | 0.1% max | D 482 |
| Water by distillation | 1.0 max | D 95 |
| Sediments by extraction | 0.15 max | D 473 |
| Viscosity @ 50 °C | 400cSt max | D 445 |
| Viscosity Redwood 1 @ 100F | 3 600 max | |
| Conradson Carbon (m/m) | 15% max | D 524 |
| Stability | 2 max | D 4740 |
| Asphaltenes (m/m) | 7 % max | IP 143 |
| HFT | 0.1 max | IP 375 |
| Vanadium ppm | 100 max | D 5863/B |
| Nickel | report | D 5863/B |
| Aluminum + Silicon | report | IP 337 |
| Sodium ppm | 40 max | D 5863/B |
| Net heating value | 9 500Kcal/kg min | D240 |