

**GENERAL TERMS AND CONDITIONS
FOR SALES AND DELIVERY OF MARINE FUEL**

(These General Terms and Conditions shall apply to all contracts / sale and delivery of Marine Fuel made on or after 22 March 2017)

1. APPLICATION OF GENERAL TERMS AND CONDITIONS

- (a) These general terms and conditions (“General Terms and Conditions”) shall apply to the sale and delivery of marine fuel oil, marine diesel fuel, gas oil and similar products (“Marine Fuel”) by NewOcean Petroleum Company Limited or by any subsidiary of NewOcean Energy Holdings Limited (in each case the “Seller”) to a third party customer (the “Buyer”) buying from the Seller, whether as principal, agent, broker or otherwise. To the extent where applicable in the context, reference to the “Buyer” includes a party who has not placed an order with the Seller direct (but the Seller has been nominated to supply the Marine Fuel to such party) and such party has accepted / received the Marine Fuel from the Seller.

- (b) These General Terms and Conditions, in conjunction with the confirmation in writing from the Seller to the Buyer setting out the particular terms of each sale of Marine Fuel (“Bunker Sales Confirmation”) and the supply agreement (“Supply Agreement”), if any, entered into between the Seller and the Buyer, constitute the entire contract (“Sales Contract”) between the Seller and the Buyer and supersede all prior agreements, arrangements and understandings in respect of the same subject. In the event of a conflict between the General Terms and Conditions and the provisions in the Bunker Sales Confirmation or provisions in the Supply Agreement the provisions in the Bunker Sales Confirmation or the Supply Agreement shall take precedence. In the event of a conflict between the provisions in the Supply Contract and the Bunker Sales Confirmation, the provisions in the Bunker Sales Confirmation shall take precedence. A Sales Contract may relate to a single sale and purchase transaction or a series of transactions under a master agreement, in both cases these General Terms and Condition shall apply equally.

- (c) If the Buyer is not the owner of the vessel being supplied (the “Vessel”) / did not place an order with the Seller direct but has accepted / received the Marine Fuel from the Seller for the Vessel, these General Terms and Conditions, wherever applicable, also constitute conditions for acceptance of delivery of the Seller’s Marine Fuel by the Vessel and the acknowledge that delivery of Marine Fuel to the Vessel is made on the financial credit of the Vessel. Any Vessel taking delivery of such Marine Fuel and its owner and/or its charterer and/or intermediate bunker supplier / recipient of such Marine Fuel (if not being the Buyer) shall be deemed to have unconditionally accepted these General Terms and Conditions before commencement of the delivery, by authorized personnel of the Vessel signing on the Bunker Requisition Form, Tanker Measurement Form, or any other document

relating to delivery of Marine Fuel to the Vessel.

- (d) The Seller reserves the right to revise these General Terms and Conditions from time to time provided that unless expressly agreed by the Buyer such revision shall not affect Sales Contracts entered into prior to the date of revision.
- (e) If any provision of these General Terms and Conditions is declared illegal, invalid or otherwise unenforceable by a court of competent jurisdiction, the remainder of such provision and the Contract shall remain in effect to the fullest extent permitted at law.
- (f) In these General Terms and Conditions, titles and headings are for reference only and do not affect the interpretation of the General Terms and Conditions, and reference to a "Clause" shall mean a reference to a clause in these General Terms and Conditions.

2. ORDERS AND NOMINATION

- (a) In placing an order, the Buyer shall have sole responsibility for selecting from the range of available Marine Fuel then being supplied by the Seller the grade(s) of Marine Fuel required by the Vessel, including compatibility with Marine Fuel already used in the Vessel.
- (b) The Buyer shall nominate the Vessel in writing (which shall include telex, email or facsimile) at least SEVEN (7) calendar days in advance of the Vessels estimated date of arrival and shall specify: (i) the port of delivery; (ii) the grade(s) of Marine Fuel and quantities required; (iii) the estimated date of arrival of the Vessel; and (iv) any other information required by the Seller (the "Nomination"). If a quotation is required by the Buyer, the price quoted by the Seller is only valid for the Vessel and the estimated date of arrival specify in the Nomination.
- (c) Unless otherwise provided in a Supply Agreement or agreed between the Seller and the Buyer in writing, an order for Marine Fuel shall be binding on the Seller only upon acceptance of the Nomination by the Seller issuing the Bunker Sales Confirmation. In the case an order is made by a Buyer which acts as a broker or agent, irrespective of whether the principal is disclosed or undisclosed the Seller's acceptance shall bind the Buyer to the Sales Contract to the full extent as if the Buyer were the principal. In particular, the Buyer shall accept all obligations for payment of the price and the giving of undertakings, guarantee, or security under these General Terms and Conditions and the Supply Agreement (if any).

3. PRICE

- (a) Unless there is a specific provision in the Supply Agreement, if any, entered into

between the Seller and the Buyer, the price of the Marine Fuel to be delivered shall be the price (ex-wharf or free on board as may be applicable) specified in the Bunker Sales Confirmation. Unless otherwise stated, all prices shall be in United States Dollars and exclusive of tax and expenses. The Buyer shall bear all barging charges, delivery charges, demurrage, wharf age dues, dockage, port/harbour fees, duties and levies and any other costs and charges.

- (b) The Seller has the right to re-adjust the price, to negotiate a new price or to revoke the Sales Contract (and any Bunker Sales Confirmation issued) for a material deviation from the Nomination. The following will, without limiting the generality of the foregoing, be considered material deviation: (i) the Buyer alters the quantity required over TEN percent (10%); (ii) there is a change to the quality or specification of the Marine Fuel; (iii) the Vessel's eventual date of arrival is advanced / delayed by or beyond FOUR (4) calendar days.

4. PAYMENT

- (a) Unless otherwise specified by the Seller in writing (which shall include telex, email or facsimile) or stated in the Bunker Sales Confirmation, payment for Marine Fuel shall be made in cash on delivery of the Marine Fuel without set-off (whether legal or equitable) or counterclaim, and shall be free and clear of any bank charges, discount, withholding, deduction set-off or counterclaim. If payment is due on a day which is not a business day in Hong Kong (i.e. a day on which major banks in Hong Kong are open for business, other than a Saturday or Sunday), payment shall be made on the business day immediately preceding the due date.
- (b) In the event the Buyer fails to pay any sums under a Sales Contract the date they become due, without prejudice to any other rights or remedies available the Seller shall have the right to cancel or suspend any further deliveries under the Sales Contract or any other contract(s) with the Buyer, to appropriate any amount already paid by the Buyer, and to charge interest on the overdue payment at a rate determined by the Seller from time to time.
- (c) For the purpose of effecting payment, the Seller may require an irrevocable stand-by letter of credit for payment on the relevant due date to be opened in the Seller's favors.

5. CREDIT OF VESSEL AND ACKNOWLEDGE BY THE OWNER OF THE VESSEL

- (a) Marine Fuel delivered under a Sales Contract is expressly sold on the financial credit of the Vessel to which the Marine Fuel is delivered, in addition to the promise of the Buyer to pay. The Buyer warrants and the owner of the Vessel acknowledges that the Seller shall have the right to assert a maritime lien, attachment or claim against the Vessel, its appurtenances and accessories in favour of the Seller for all sums owing by the Buyer under the Sales Contract together with incidental cost,

charges, taxes and interests and expenses. Such remedy shall be in addition to, and not in limitation of, any other remedies available to the Seller.

- (b) Without affecting the generality of item (a) above, the Buyer and the owner of the Vessel (if not being the Buyer) warrants that the Marine Fuel to which the Vessel is supplied shall:
 - (i) subject to (ii) below, be for the operation of the Vessel and the Vessel only; and
 - (ii) before payment of the price of the Marine Fuel has been made in full, the Marine Fuel shall not be consumed and shall be clearly identified as product supplied by the Seller and shall be kept separate and not be mixed with any other fuel or lubricant from any third party, and the Buyer warrants and represents that the Marine Fuel will be identified and kept in the aforesaid manner.

and that the Seller shall have the sole option to: (aa) pursue any claim or claims for payment due to sale and deliveries made under a Sales Contract in any court or tribunal in any jurisdiction; and (bb) take such other action or actions as the Seller in its sole and unfettered discretion considers necessary and any court or tribunal in any state or country to enforce, safeguard or secure the Seller's rights in respect of the Marine Fuel supplied to the Vessel and the payment of the price, including but not limited to the arrest, seizure, attachment or other process against the Vessel. To the extent as may be permitted by law, the Buyer agrees and accepts and undertakes not to make any objection to the Seller's attachment / arrest of the Marine Fuel on board the Vessel and such Vessel.

- (c) Before payment of the price of the Marine Fuel has been made in full, and in the event the Marine Fuel are commingled with other marine fuel on board the Vessel (which, for the avoidance of doubt, is not permitted by the Seller):
 - (i) The Buyer warrants and represents that, as between the Seller and the Buyer, all other marine fuel on board the Vessel is to be treated as the property of the Buyer.
 - (ii) The Buyer agrees and accepts and undertakes not to make any objection to the Seller retaining title to, and to the extent as may be permitted by law, Seller's arrest of the Marine Fuel corresponding to the quantity or net value of the Marine Fuel delivered out of the commingled marine fuel on board the Vessel.
- (d) The Seller shall not be bound by any attempt by any person to restrict, limit or prohibit its lien or liens attaching to the Vessel unless written notice conforming to all requirements of the applicable maritime law is duly received by Seller PRIOR to the Seller issuing the Bunker Sales Confirmation to the Buyer or, if the Buyer is not the owner of the Vessel, PRIOR to the Vessel accepting delivery.

- (e) Without affecting the Seller's rights in this Clause, if the Buyer is not the owner of the Vessel the Seller shall have the right at its discretion to insist as a precondition of the sale that a payment guarantee be provided by the owner of the Vessel in a form acceptable to the Seller. The Seller shall be entitled to cancel the Sales Contract at any time if the aforesaid payment guarantee is not received from the owner of the Vessel at the request of the Seller.
- (f) Any notice by the Buyer or the owner of the Vessel that a maritime lien on the Vessel may not be created because of the existence of a prohibition of lien clause or similar clause affecting the Buyer or the Vessel, or for any other reason, must be given to the Seller in the Nomination. In the event the Buyer or the owner of the Vessel provides notice of such restriction the Marine Fuel shall be paid for in cash or equivalent prior to delivery.
- (g) The Seller's rights against the Buyer and/or the owner of the Vessel under this Clause 5 is in addition to any rights of the Seller in a Supply Agreement and any other document related to the Sales Contract, and shall not be deemed an alteration, reduction or waiver of such rights.

6. DELIVERY

- (a) The Buyer (or its agent, the identity of which the Buyer shall inform the Seller in the Nomination) shall give the Seller notice of delivery of the Marine Fuel required and provide the exact location of the Vessel at least SEVENTY-TWO (72) hours beforehand and the approximate time of tendering at least FORTY-EIGHT (48) hours beforehand. The Buyer shall specify in the notice any other information which the Seller may reasonably request.
- (b) The Buyer shall ensure that the Vessel has a free side clear of obstructions to allow safe and proper mooring of the bunker tanker (barge) to deliver the Marine Fuel, and render all necessary assistance which may reasonably be required to moor and unmoor the bunker tanker (barge). The Vessel shall moor, unmoor, hoist bunkering hose(s) from the bunker tanker (barge), free of expenses, and in any way requested to assist barge equipment to a smooth supply. The Buyer shall be responsible for all operations relating to the connections and disconnections between the delivery hose(s) and the Vessel's bunker intake manifold/pipe and ensure that the hose(s) are properly secured to the Vessel's manifold prior to commencement of the delivery.
- (c) The Buyer shall be responsible to ensure that the bunker manifold of the Vessel into which the Marine Fuel is to be deposited is suitable in all respects and complies with all relevant regulations and that the manifold is capable of receiving the full quantity of Marine Fuel ordered by the Buyer.

- (d) Before commencement of the delivery, authorized personnel of the Vessel shall sign on the Bunker Requisition Form, Tank Measurement Form, and any other related document upon gauging before pumping. Upon completion of delivery and prior to disconnecting the transfer hose, authorized personnel of the Vessel shall sign on the Tank Measurement Form and Bunker Delivery Note.
- (e) Once the Bunker Sales Confirmation has been issued, any changes or cancellation to delivery by the Buyer would entitle the Seller to charge including but not limited to barging and storage costs, and price difference. If the Vessel, for whatever reason, is unable to receive the full quantity of Marine Fuel rendered in accordance with the Buyer's order, the Seller shall have the right to invoice the Buyer for the loss incurred by having to transport the excess Marine Fuel back to the storage or by having to sell excess Marine Fuel in a degraded form at a lower price than that applicable to the grade originally nominated by the Buyer.

7. QUANTITIES AND MEASUREMENTS

- (a) The quantities of Marine Fuel delivered shall be determined from the official gauge or meter of the delivery bunker tanker (barge) at the Seller's election, or in the case of ex-wharf delivery, from the shore-meter measured and calculated according to the ISO-ASTM-API-IP petroleum measurement tables. Quantity measured on official gauge or meter (or the shore-meter in the case of ex-wharf delivery) is considered as conclusive and binding on both the Buyer and the Seller.
- (b) It shall be the obligation of the Buyer to notify the Seller of any dispute in relation to the quantity delivered at the time of delivery in an appropriate Note of Protest presented to the Seller immediately after the delivery of the Marine is completed; any remarks made by the Buyer or the Vessel on the Bunker Delivery Note and Tank Measurement Form are deemed to be invalid. If the Buyer fails to present the Note of Protest in the aforesaid manner, any such claim shall be waived and barred.
- (c) Any claim as to short delivery shall be presented by the Buyer in writing not later than FOURTEEN (14) calendar days from the date of delivery enclosing the Buyer's copy of the Tank Measurement Form or a copy thereof certified by the Buyer, failing which any such claim shall be deemed to be waived and barred.

8. SAMPLING

- (a) The Seller shall arrange for FOUR (4) representative samples of each grade of Marine Fuel, to be drawn throughout the transfer of such grade of Marine Fuel. The sampling shall, where possible, be performed in presence of both the Seller and the Buyer or their respective representatives.
- (b) The FOUR (4) samples of Marine Fuel drawn shall be sealed and labeled indicating

the Vessel's name, delivery facility, product name and date of sampling and signed by the Seller's representative and the master of the receiving Vessel or its authorized representative. The samples with seal number marked on Bunker Delivery Note are considered as the merely valid trading samples.

- (c) Two of the samples shall be retained by the Seller after delivery of the Marine Fuel to the receiving Vessel for approximately SIXTY (60) days. The other two samples shall be retained by the receiving Vessel.
- (d) If the Marine Fuel is delivered by more than one bunker tanker (barge), the sampling procedure shall be repeated.

9. QUALITY WARRANTY AND CLAIM

- (a) Other than the warranty expressly stated in this Clause 9, no conditions, guaranties or warranties, express or implied, for merchantability, fitness or suitability of the Marine Fuel for any particular purpose is given or made by the Seller or under any law or statute.
- (b) The Seller warrants that the Marine Fuel delivered under the Sales Contract conforms to the specifications, including permissible variance, for the grade of Bunker Fuel as set forth in the Bunker Sales Confirmation. If the Bunker Sales Confirmation does not specify the permissible variance for the grade of Bunker Fuel in question, item (c) below shall apply.
- (c) In the event that the Buyer is not satisfied with the quality of the Marine Fuel delivered, the Buyer shall make an appropriate Note of Protest and present such Note of Protest to the Seller together with a report from an independent surveyor (or other expert) on representative samples taken in accordance with the General Terms and Conditions within FOURTEEN (14) days from the date of delivery of the Marine Fuel. If the Buyer fails to present the Note of Protest in the aforesaid manner, any such claim shall be waived and barred.
- (d) Subject as otherwise stated in the Bunker Sales Confirmation, no claim in respect of the Quality of the Marine Fuel shall be admitted in respect of any deficiency of density when the difference between the delivered and representative samples inspection by independent surveyor (or other expert) is not more than 0.0020g/cm.

10. APPLICATION OF SINGAPORE CODE OF PRACTICE FOR BUNKERING

Unless otherwise provided in these General Terms and Conditions or elsewhere in the Sales Contract, the latest version of Singapore Code of Practice for Bunkering SS600 relating to delivery of Marine Fuel by bunker tankers and procedures for bunker surveying shall apply

as if incorporated in the General Terms and Conditions.

11. PASSING OF RISK AND RETENTION OF TITLE

Subject to any provision to the contract in the Sales Contract and/or the Bunker Requisition Form:

- (a) The Seller shall retain the legal and equitable title to the Marine Fuel which shall only pass to the Buyer when the Seller has received in full the price and all amounts outstanding in connection with the respective delivery, irrespective of whether the Buyer and/or owner and/or charterer of the Vessel and/or recipient of the Marine Fuel and/or any intermediate bunker suppliers (if not being the Buyer) have paid the value of the Marine Fuel to their respective contractual counterparty (if not being the Seller).
- (b) Risk in the Marine Fuel shall pass to the Buyer when the Marine Fuel pass the flange connection at the end of the Seller / physical supplier delivery hose or pipe connected to the Vessel.
- (c) The Buyer and/or owner and/or charterer of the Vessel and/or recipient of the Marine Fuel and/or any intermediate bunker suppliers (if not being the Buyer) acknowledge and accept that the Marine Fuel is and remains the property of the Seller prior to the Seller receiving the price and all amounts outstanding referred to in sub-paragraph (a) hereof.
- (d) Prior to the Seller receiving the price and all amounts outstanding referred to in sub-paragraph (a) hereof, the Buyer shall hold the Marine Fuel and/or the price and/or any proceeds of sale and/or proceeds of arranging the delivery of the Marine Fuel as bailee and/or trustee for the Seller without prejudice to the Seller's right to assert a maritime lien, attachment or claim against the Vessel more particularly set out in Clause 5 hereof.
- (e) Further, prior to the Seller receiving the price and all amounts outstanding referred to in sub-paragraph (a) hereof, no transfer, assignment, encumbrance, lien, mortgage, attachment, pledge, charge, or similar security should and could be made / created by the Buyer over the Marine Fuel or proceeds from the Marine Fuel, and any such transfer, assignment, encumbrance or security in any form is deemed to be invalid. In the event the Buyer attempts to make / create or makes / creates such alleged transfer, assignment, encumbrance or security in any form, the Seller may at its sole discretion terminate any Sales Contract(s) with the Buyer and/or suspend delivery of the Marine Fuel under any contract(s) with the Buyer and/or obtain possession of the Marine Fuel already supplied forthwith.
- (f) The Seller has accepted the order for delivery on the Buyer's undertaking to authorize the Seller to give notice to the receivers and/or the Vessel, to which the

Marine Fuel has been delivered, of the Seller's right and title to the Marine Fuel and/or the price and/or sale proceeds as the Principal and/or Beneficiary.

12. POLLUTION PREVENTION AND RESPONSIBILITY

- (a) In the event that the Marine Fuel is spilled or otherwise escaped during the loading or discharging of any receiving Vessel in the performance of the Sales Contract, the Buyer shall be responsible to take such measures when necessary to protect against or alleviate any resulting pollution damage or as required by any governmental authority.
- (b) In the event such incident is the result of any defect in the Vessel or her equipment or any fault or act of neglect of her master, crew, agent or representative, the Buyer shall procure that the party owning or chartering the Vessel shall cause the Vessel to assume any and all responsibility for penalties, cleanup expenses, and cost that may be incurred as a result of such incident.

13. FORCE MAJEURE

- (a) Neither the Buyer nor the Seller nor its supplier shall be responsible for the damages caused by delays, failure to perform in whole or in part any obligation under the Sales Contract (other than the payment of money), or non-compliance with any of the terms hereof when such delay, failure or non-compliance is due to or results from causes beyond the reasonable control of the affected party, including, without limitation, acts of God, fires, floods, perils of the sea, war (declared or undeclared), terrorist activities, embargoes, accidents, strikes, labor disputes, failure or shortage of vessel or barge service normally available to the Seller or its supplier, to breakdown of or damage to, or shortage in facilities used for production, refining or transportation of Marine Fuel, acts in compliance with requests of any governmental authority or person purporting to act therefore, or any other similar causes. The expression "or any other similar causes" is deemed to include, without limitation, the failure, cessation, termination or curtailment of any of the existing or contemplated sources of Marine Fuel of the Seller. Without affecting the generality of the foregoing, in the event of strike and labour disputes neither the Seller or the Buyer shall be required to settle any labour dispute against its will.
- (b) The Seller shall not be required to make up any deliveries and the Buyer shall not be liable to accept any deliveries of the Marine Fuel excused due to occurrence of any event of force majeure.

14. TERMINATION, SUSPENSION ETC

Without prejudice to any rights and remedies, the Seller may by notice to the Buyer terminate the Sales Contract(s) with immediate effect if:

- (a) The Buyer is in breach of any of its obligations under these General Terms and Conditions or any Sales Contract;
- (b) An application is being made or any proceeding is being commenced, or any order or judgment is being given by any court, for the liquidation, winding-up, bankruptcy, insolvency, dissolution, administration, rehabilitation or reorganization or similar of the Buyer;
- (c) An suspension of payment, cessation to carry on business or making of any special arrangement with its creditors by the Buyer;
- (d) Any act is being done or event is occurring, which, under the applicable law, has a substantially similar effect to any of those acts or events;
- (e) The Seller has reason to anticipate any of the events described in paragraphs (a) to (d) above.

On termination of any Sales Contract, all sums owed by the Buyer to the Seller shall become immediately due and payable.

Without prejudice to any other rights or remedies, the Seller may in its sole discretion suspend deliveries, vary the stipulated method of payment or forthwith terminate any Sales Contract with immediate effect if the Buyer is in breach of any of its obligation under the Sales Contract, including the obligations to make payment within the time stipulated in the Sales Contract and not to create security over the Marine Fuel.

15. INSURANCE

The Buyer is responsible for effecting and maintaining in force adequate insurance which will fully protect the Seller, its agents, brokers and authorized personnel and all third parties from all risks, hazards and perils associated with or arising from the Sales Contract and the actual delivery of the Marine Fuel.

16. TRANSLATION

These General Terms and Conditions have been translated into Chinese (which is for easy reference only). If there is any conflict, inconsistency or ambiguity between the English version and the Chinese version, the English version shall prevail.

17. GOVERNING LAW

The Sales Contract, including these General Terms and Conditions, shall be governed by and construed in accordance with the laws of Hong Kong Special Administrative Region (Hong Kong) and the parties hereby irrevocably agree to submit to the exclusive jurisdiction of the Hong Kong courts.

NewOcean Petroleum Company Limited, Hong Kong
22 March 2017