

To; End buyer/ Buyer Intermediary

## **SOFT CORPORATE OFFER (SCO)**

We, **JOINT STOCK COMPANY "NKL TRADING"**, the issuer on behalf of our end seller hereby confirm with full legal and corporate responsibility, our end sellers readiness and capability to supply Russian crude oil and refined petroleum products listed below, on yearly a contract (CIF) and spot deal (FOB) under the specified terms and conditions.

### **INFORMATION - PETROCHEMICAL PRODUCTS**

**ON THE TERMS:** (FOB ROTTERDAM & HUSTON OR CIF / ASWP).

**ORIGIN:** RUSSIAN FEDERATION

**LOADING PORTS:** PRIMORSK/KOZMINO/VLADIVOSTOK/NAKHODKA/NOVOROSSIYSK/ROTTERDAM PORT

**PAYMENT TERMS:** MT103/TT FOR THE VALUE OF THE GOODS

**INSPECTION:** SGS/CIQ OR EQUIVALENCE AT BOTH LOADING AND UNLOADING PORTS.

## **AVAILABLE PRODUCTS AND PRICES (RUSSIAN ORIGIN)**

### **RUSSIAN MAZUT M100 (GOST-10585/75/99)**

MIN. QUANTITY: 50.000 MT

MAX. QUANTITY: 100.000 MT PER MONTH

PRICE CIF/ASWP: \$170 GROSS / \$160 NET PER MT

PRICE FOB: ROTTERDAM: \$160 GROSS / \$150 NET PER MT

COMMISSION: \$10.00USD PER MT TO BE SHARED 50/50 BY BOTH SIDES

### **RUSSIAN DIESEL VIRGIN D6 FUEL OIL**

QUANTITY: 100.000.000 GALLONS FOR FIRST MONTH

MAX: 200.000.000 GALLONS CONTRACT X 12 MONTHS WITH POSSIBLE R&E

PRICE FOB: \$0.70 GROSS / \$0.66 NET PER GALLONS

COMMISSION: \$0.04 USD PER GALLONS TO BE SHARED \$0.2 Seller side /\$0.2 Buyer Side

### **RUSSIAN AVIATION KEROSENE COLONIAL GRADE "54" (JET FUEL) GOST 10227-86**

QUANTITY: 1.000.000 BBLs FOR FIRST MONTH

MAX: 5.000.000. BBLs CONTRACT X 12 MONTHS WITH POSSIBLE ROLLS AND EXTENSION

PRICE FOB: \$35.00 GROSS / \$31.00 NET PER BBLs

COMMISSION: \$4.00USD PER BBLs TO BE SHARED \$2 Seller Side /\$2 Buyer Side

**NON NEGOTIABLE F.O.B – FREIGHT ON BOARD TRANSACTION PROCEDURE (TANT TO TANK INJECTION)**

1. BUYER SENDS ICPO ON RECEIPT OF SOFT OFFER ALONG WITH TANK STORAGE AGREEMENT (TSA) PROOF OF STORAGE TANK AVAILABILITY.
2. SELLER ISSUES COMMERCIAL INVOICE/CI, FOR THE AVAILABLE QUANTITY IN THE STORAGE TANK TO BUYER, BUYER SIGNS AND RETURNS TO SELLER.
3. SELLER ISSUES DIP TEST AUTHORIZATION TO BUYER, BUYER AND STORAGE LOGISTICS COMPANY SIGN AND RETURN.
4. SELLER VERIFIES BUYER TANK FARM AND ISSUES POP DOCUMENTS:
  - AUTHORITY TO VERIFY (ATV)
  - FRESH SGS REPORT.
  - AUTHORITY TO SELL AND COLLECT
  - PUMPING REPORT (INJECTION REPORT)
  - CERTIFICATE OF ORIGIN.
  - TANK STORAGE RECEIPTS. (TANK RECEIVER INCLUDING TANK NO)
  - REFINERY COMMITMENT TO SUPPLY
  - EXPORT LICENSE
5. BUYER ORDERS SGS TO CONDUCT DIP TEST OF THE PRODUCT IN THE SELLER'S TANK AT BUYER EXPENSE.
6. UPON SUCCESSFUL DIP TEST, SELLER ISSUE INJECTION SCHEDULE AND INJECTS THE FUEL INTO BUYER'S LEASED STORAGE TANK AND SELLER SUBMITS THE FULL INJECTION REPORT TO THE BUYER.
7. BUYER MAKES 100% PAYMENT BY MT103 TT WIRE TRANSFER FOR THE TOTAL PRODUCT AND SELLER PAYS COMMISSION TO ALL SELLER SIDE INTERMEDIARIES AS BUYER LIKewise PAYS COMMISSIONS TO ALL BUYER SIDE INTERMEDIARIES INVOLVED IN THE TRANSACTION WITHIN 24 HOURS AFTER CONFIRMATION OF THE BUYER'S PAYMENT.

**NON NEGOTIABLE F.O.B – FREIGHT ON BOARD TRANSACTION PROCEDURE (CI, DIP & PAY)**

1. BUYER ISSUES ICPO ACCORDING TO SELLER'S TRANSACTION PROCEDURES WITH THEIR BANKING DETAILS AND ALONG WITH TSA.
2. SELLER ISSUE COMMERCIAL INVOICE OF THE PRODUCT IN TANKS AT THE PORT; BUYER AND BUYER'S LOGISTICS SIGN AND RETURN BACK COMMERCIAL INVOICE TO SELLER.
3. SELLER ISSUE TO BUYER PPOP LISTED BELOW:
  - GPS COORDINATE-TANK STORAGE RECEIPT (VALID FOR 48 HOURS ON WEEKDAYS) (TSR) WITH SCANNED BARCODE.
  - UNCONDITIONAL DIP TEST AUTHORIZATION LETTER (DTA)
  - AUTHORIZATION TO SELL AND COLLECT
  - SGS REPORT (LESS THAN 48 HOURS IN ROTTERDAM)
  - AUTHORIZATION TO VERIFY THE PRODUCT FOR PHYSICAL VERIFICATION (ATV)

- SHIPPING COMPANY NOTICE OF READINESS
- GUARRANTEE LETTER FROM REFINERY
- CONFIRMATION LETTER TO BUYERS BANK
- PRO-FORMA INVOICE
- DLC/ MT700 VERBIAGE or SBLC/MT760
- NOTORIZED SIGNED CONTRACT

5. UPON RECEIVING CONFIRMATION OF THE PARTIAL POP TO THE BUYER'S BANK, THE BUYER'S BANK SWIFT DOCUMENTARY LETTER OF CREDIT (DLC).

6. AFTER CONFIRMATION OF THE BUYER'S PAYMENT INSTRUMENT, THE SELLER WILL ISSUE TO THE BUYER'S BANK THE FULL SHIPMENT DOCUMENTS / FULL PROOF OF PRODUCT (POP) PLUS 2% PERFORMANCE BOND (PB) VIA SWIFT BANK TO BANK. UPON ACCEPTANCE OF THE BUYER'S PAYMENT INSTRUMENT COVERING THE FIRST TRIAL SHIPMENT BY THE SELLER (DLC).

7. THE SGS INSPECTION WILL BE BORNE BY THE SELLER AT THE LOADING SEAPORT AND THE BUYER AT THE DISCHARGE SEAPORT.

8. SHIPMENT COMMENCES AS PER CONTRACT

9. THE BUYER'S BANK UPON ARRIVAL OF THE CARGO AT THE DISCHARGE PORT, PAYMENT WILL BE MADE FOR ARRIVAL CARGO SHIPMENT BY THE BUYER VIA MT103 100% AFTER SGS INSPECTION AT DISCHARGE PORT.

10. THE SELLER WILL RELEASE PAYMENTS TO THE INTERMEDIARIES INVOLVED ACCORDING TO IMFPA SIGNED BY ALL THE PARTIES WITHIN 48 HOURS OF RECEIVING PAYMENT OF THE PRODUCT FROM THE BUYER'S BANK, SECOND SHIPMENT PROCEED ACCORDINGLY.

#### AUTHORIZED SIGNATORY



Torgan Vasily Vasilievich  
General Director  
JSC NKL TRADING