

**GENERAL TERMS AND CONDITIONS OF LUKOIL BULGARIA BUNKER Ltd.
FOR THE SALE OF MARINE BUNKER FUELS AND LUBRICANTS - MAY 2008**

1. INTRODUCTION

These General Terms and Conditions shall apply to all bunker deliveries to vessels whether as Seller or as representative of other seller(s) for unless the Sellers expressly confirm otherwise in the Confirmation note. Each delivery shall constitute a separate contract.

2. DEFINITIONS

2.1. **Agreement** means an agreement between the Seller and the Buyer concluded by way of exchange of written confirmation messages (including facsimile, telex or e-mail). The Agreement shall incorporate these terms and conditions.

2.2. **Seller** includes in addition to the Seller itself, its servants, agents, assigns, subcontractors and any and all other persons acting under the Seller's instructions in fulfilment, compliance or observance of the Agreement, unless the context otherwise requires.

2.3. **Buyer** means the party/ies so described in the Nomination/and/or Confirmation Note, together with any agent, principal, associate, manager, partner, servant, parent company, subsidiary, owner or shareholder thereof.

2.4. **Vessel** means the vessel, ship or craft duly nominated to receive Products as specified in the Buyer's Nomination.

2.5. **Supplying Company /Supplier** means the person/company which physically supplying the Products to the Vessel, together with these persons' and/or companies' servants, agents, successors, sub-contractors and assignees.

2.6. **Product** means marine bunker fuel, oil, lubricants, etc., the exact fuel grade and specification to be agreed upon in writing between the Seller and the Buyer

for every delivery separately and as finally specified in the Confirmation note.

2.7. **Point of Delivery** means the precise place at which delivery of the Products is to be effected as provided in the Nomination, or as thereafter confirmed, advised or revised by the Seller or the Supplier.

2.8. **Unit Price** means the cost of metric ton or other unit of the Product in United States Dollars (USD) or other currency as agreed between the parties.

2.9. **Basic Cost** means the basic cost of the Product calculated by multiplying the Unit Price by the quantity of the Product delivered to the Vessel.

2.10. **Confirmation** means a confirmation message sent to the Buyer by the Seller to confirm conclusion of the Agreement.

3. BROKERS AND AGENTS

3.1. Unless the party with whom the Seller is corresponding specifically declares to the Seller prior to dispatch by the Seller of a confirmation note that the party with whom the Seller is corresponding is not the Buyer and in the same time provides to the Seller the full name and address of the Buyer, then the party with whom the Seller is corresponding shall be deemed to be the Buyer.

3.2. Without prejudice to the provisions of clause 3.1 in the event that the party with whom the Seller is corresponding is an agent of the Buyer then the party with whom the Seller is corresponding shall be jointly and severally liable with the Buyer to perform the Buyer's obligations under the contract notwithstanding that the party with whom the Seller is corresponding purports to contract as a mere agent.

4. ENTIRETY AND VALIDITY OF THE AGREEMENT

These terms and conditions together with the Confirmation constitute the entire Agreement. No derogation, addition or amendment of the Agreement shall be in force or in effect unless or until expressly agreed between the parties. If any provision of the Agreement is invalid to any extent or unenforceable, the remainder of the Agreement shall not be affected thereby.

5. NOMINATION

5.1 All information regarding the delivery of the Products (i.e. vessel's name, agents, E.T.A., quantity, grade etc) will be notified by the Buyer to the Seller in writing. Any change to the above will be notified in writing by the Buyer to the Seller on due time prior to delivery

5.2 The Buyer shall inform the Seller directly or through Buyer's Agent at least 48 hours prior (excluding weekends and holidays) of vessel's readiness to receive delivery and the exact required quantity of the Products. Such notice shall be deemed cancelled if the Vessel has not arrived within 2 days after the Vessel's earliest estimated lifting date, as per the Nomination. In such a case, the Seller reserves the right to refuse delivery of the Products, as already nominated or to renegotiate the prices/quantities.

6. DELIVERY

6.1. **Means of delivery:** Delivery of the Products shall be effected in one or more consignments at the Place of Delivery by such means as the Seller shall deem appropriate in the circumstances.

6.2. **Connection:** The Buyer shall make all connections or disconnections and provide all necessary equipment to receive promptly each and every consignment of the delivery. The Buyer is responsible for ensuring that the Product is delivered at a safe rate and pressure and that all

equipment utilized thereof is in a safe and satisfactory condition.

6.3. Seller shall not be liable to the Buyer for any loss or demurrage due to congestion of the terminal, or prior commitments of the available barges.

6.4. **Restrictions:** The Seller shall not be required to deliver Products into any of the Vessel's tanks or other places which are not regularly used for bunkers.

6.5. In the event of delivery by barge, the Buyer shall in its own expense provide a clear and safe berth for the barge alongside the vessel's receiving lines and shall provide all necessary facilities and assistance required to effect delivery

6.6. If the Buyer causes delays to Seller's or Supplying Company's facilities in effecting deliveries, Buyer shall pay demurrage at Seller's or Supplying Company's established rates, and reimburse the Seller or the Supplying Company for all other expenses in connection therewith.

6.7. **Overtime:** Where delivery is required during other than regular business hours, and is permitted by applicable regulations, Buyer shall pay all overtime and extra expenses incurred.

6.8. **Title:** Delivery shall be deemed complete when the oil has passed the flange connecting the Physical supplier's delivery facilities with the receiving facilities provided by the Buyer. However, ownership of the Products shall pass to the Buyer only after the price has been received by the Seller.

6.9. **Risk:** The Sellers' responsibility for product shall cease and the Buyer shall assume all risks and liability relating thereto, including loss, damage, deterioration, depreciation, contamination, evaporation or shrinkage of Product and responsibility for loss, damage and harm caused by pollution or in any other manner to third parties at the time Product leaves the Physical supplier's delivery facilities.

6.10. **Measurement:** The quantities of the Product delivered hereunder shall be determined at the physical Supplier's

option by one of such generally recognized methods of measurements as is appropriate in the circumstances and in accordance with the local customs requirements.

6.11. Specification: The Product to be delivered shall be as specified in the Confirmation or, otherwise, it shall be one of the Seller's commercial grades of Product currently offered generally to its customers at the time and Place of Delivery for marine bunkering and lubrication purposes. No other warranty as to the quality or fitness of the Product for any purpose shall be contained in the Agreement.

6.12. Compatibility and Segregation: Responsibility for establishing compatibility of the Product delivered with any other product or products and for segregating or co-mingling the same rest solely with the Buyer.

6.13. Substitution: Subject to the provisions of this Clause, the Seller may discharge its obligation to deliver the Product specified in the Confirmation by supplying, in substitution thereof, Product of a different grade and/or brand name always provided that such substitute Product is of equal or superior quality to that specified in the Confirmation.

6.14. Availability: The Seller shall ensure that the Product is delivered on the date of delivery as scheduled between the parties, but the Seller shall not be responsible for any loss, expense, damage or increased costs incurred in consequence of the Buyer's failure to provide the Vessel in time or the Vessel's delay or restraint for any other reason whatsoever.

6.15. Delay: In the event that the Vessel's arrival at the Place of Delivery is delayed or is likely to be delayed the Buyer must so advise the Seller. The Buyer should also ensure that the Vessel's agent at the Place of Delivery is similarly informed and that the agent advises the Physical Supplier accordingly. At the Buyer's request the Seller shall use its best endeavours to deliver the Product to a delayed Vessel on the terms originally agreed but reserves the right to pass on to the Buyer all additional

costs including increased Basic Cost arising from the Vessel's delayed arrival.

6.16. Notice and Other Delivery Requirements: The Buyer shall give the Seller at least 48 hours prior notice (excluding Sabbaths, holidays and other non-working days on the place of supply) of deliveries required, specifying the name of the Vessel, Vessel's agents, estimated dates of arrival and departure, grade and quantity of the Product. The Buyer or Vessel's local agents shall give to the Seller or a physical supplier at least 24 hours notice of the Vessel's readiness to receive the Product and provide the Vessel's IMO number, flag, destination and any other information required for customs clearance. Notice must be given during the Seller's normal business hours (Monday to Friday inclusive, 08.30-17.30 local time). Notice given outside these hours shall be deemed to have been given at 08.30 on the first business day thereafter.

7. DOCUMENTS

On completion of the delivery the Master of the Vessel or Buyer's representative shall give to the Supplying Company any form required by the Supplying Company properly signed and stamped of which one copy shall be retained by the Master or the representative of the Buyer.

8. CANCELLATION AND BREACH

8.1. In the event of the Buyer at any time cancelling bunker order or the Vessel failing to take delivery of part or all of the requested Products the seller shall have the right to pursue a claim against both the Buyer and the Vessel for all losses and damages thereby suffered including loss of profit.

8.2. The Seller may use this right without prejudice to the Seller's other rights for damages or otherwise pursuant to these terms.

8.3. The Buyer agrees to reimburse the Seller for overtime and/or other additional expenses incurred due to the failure of the

Buyer, its servants or Vessel's local agents to provide the Seller or a physical supplier with sufficient prior notice of amendments of delivery time, quantity changes or cancellations.

9. PRICE

9.1. Unit Price: Where in the Confirmation the Unit Price is stated not to be subject to variation the Unit Price shall not to be varied unless otherwise agreed between the Parties in writing. In all other cases having agreed the Unit Price of the Product the Seller will endeavour to refrain from making any increase and if required shall be specifically and expressly agreed with the Buyer in writing. Notice of increase shall be given during the Seller's normal business hours (Monday to Friday inclusive, 08.30-17.30 local time). Notice given outside these hours shall be deemed to have been given at 08.30 on the first business day thereafter. In such event the Buyer may forthwith give written notice of cancellation of the Agreement to the Seller. If no such notice is received by the Seller within two (2) hours after it has served the notice of increase, the Buyer shall be deemed to have agreed to the revised Unit Price and the Contract so revised shall remain in full force and effect.

9.2. Additional Costs: In addition to the Basic Cost of the Product the Buyer agrees to pay for any charges raised in respect of taxes, freight, barge, vehicle, wagon or clean up costs including overtime or other such payments; insurance, pilotage; port dues and any and all like costs to the Seller as and when are advised to the Buyer and together with the Basic Costs shall for all purposes constitute the price due from the Buyer to the Seller for the Product supplied.

9.3. Proof of Delivery. The Buyer or his representative should attend delivery and obtain at that time all outstanding information relating to delivery including the exact quantities and precise specification of the Product delivered. Unless otherwise requested by the Buyer

prior to dispatch by the Seller of the Confirmation note the Seller shall be under no obligations at any time to produce to the Buyer any evidence of Delivery to the Vessel. It is expressly agreed that the furnishing by the Seller of proof of Delivery is not a pre-requisite to payment of the price

10. PAYMENT

In most cases special terms of payment shall be agreed and set out in the Confirmation. Each of the following terms shall apply unless the Confirmation provides otherwise:

10.1. The payment shall be made in United States Dollars (USD) to the bank account specified by the Seller in full without set-off, counterclaim, deduction and/or discount free of bank charges to the bank account indicated by the Seller on the respective invoice(s) so as to ensure that the Seller receives the full amount due to it on or before the Due Date.

10.2. The Due Date is as provided in the Confirmation or Invoice, or in default the date of Delivery.

10.3. Timely payment is of the essence of the Agreement. As timely payment shall be considered the day of verification of the Seller's bank account with the amount due by the Buyer.

10.4. If the Buyer fails to make payment on or before the Due Date, it shall be charged with a penalty in the amount of 2.5 % (two and a half per cent) of the outstanding sum per calendar month calculated on a daily basis starting from the Due Date up to receipt of the cleared outstanding funds by the Seller, but not more than 50% from the total amount of the sum due for the delivery. The penalty accrued shall be added to and become the part of the outstanding sum. In the event that such rate of interest specified in the Agreement is in the excess of that permitted by relevant law, it shall be substituted by the maximum rate of interest so permitted..

10.5. Payment shall be made by way of telegraphic, swift or rapid electronic transfer to the bank account specified by the Seller. All bank and other charges, if any, incurred in connection with funds remittance shall be for the Buyer's account. Notice of remittance including identifying references shall always be given to the Seller.

10.6. Payments received by the Seller from the Buyer or other party acting on behalf of the Buyer notwithstanding any specific requests to the contrary shall be applied to settle the outstanding sums in the following order:

- * accrued financial and other charges in respect of transactions for which the principal sum has been previously paid.

- * accrued financial and other charges arising from all other transactions

- * any principal sum or sums due or outstanding commencing with the oldest and proceeding chronologically thereafter to the most recent.

- * Any principal sum which the Seller knows or reasonably expects to fall due at a future date.

10.7. The Buyer and the Owner of the Vessel are jointly and severally liable for payment. The vessel stamp on the bunker delivery receipt shall evidence that the owner of the Vessel has agreed to incur such liability.

10.9. The overdue payments shall constitute a lien against the Vessel to the extent permitted by pertinent local law.

10.10. The Seller may in good faith vary, amend, withdraw, substitute or supplement the terms relating to payment at any time in the course of a transaction in such a manner as it, at its absolute discretion, considers necessary to protect its interests.

10.11. If at any time reputation, standing, creditworthiness, liquidity or solvency of the Buyer thereof gives to the Seller a reasonable cause for concern, the Seller may, without prejudice to all other rights and remedies which it may have, give a notice to the Buyer that credit facilities from the Seller to the Buyer are withdrawn

or suspended as the case may be and all outstanding sums shall thereupon fall due for immediate payment.

10.12. All legal and other costs and expenses incurred by either party including those of either party's legal department and of other lawyers acting on behalf of such party in connection with the other party's failure to comply with any term of the Agreement shall be for the defaulting party's account.

11. CLAIMS, DISPUTES AND PRECAUTIONS

11.1. Notification: A written notice of claim or a potential claim must be given to the Seller within the time limit specified in these terms and conditions or in the Confirmation. It is the Buyer's responsibility to ensure that the notice is received by the Seller whose confirmation of receipt should always be sought.

11.2. Sufficiency of Information: To enable the Seller to investigate and pursue a claim, the notice must provide sufficient information for the Seller to be able to identify the relevant transactions, the nature of the complaint and the loss or damage alleged. Any notice which does not give such sufficient information shall not be valid. For the same reason the Buyer shall provide a full and complete response to any and all questions, inquiries and requests made by the Seller concerning the claim and the matters relating thereto.

11.3. Categories of Claims: For the purposes of these terms and conditions all possible claims and disputes arising out of the Agreement are divided into three categories:

- * 11.3.1. Quantity claims and disputes.

- * 11.3.2. Quality claims and disputes.

- * 11.3.3. Other claims and disputes.

***11.3.1. Quantity Claims and Disputes**

11.3.1.1. These are most easily avoided by ensuring high standards of checking before, during and after delivery by an officer of the Vessel's crew or other senior representative of the Buyer.

11.3.1.2. Bulk deliveries ex-barges, wagons and vehicles must be checked by tank-dipping to measure the contents and ensure full turn-out.

11.3.1.3. Flow meters must be checked for seals correct settings and calibration and general condition. All these checks must be carried out before and after delivery of each consignment and each barge, wagon or vehicle tank load.

11.3.1.4. The delivery must be supervised at all times and care must be taken in ensuring that all documentation is complete and accurate before signing and stamping. Any alleged discrepancies can only be accepted in the form of a "Letter of Protest". No comments will be allowed to be written on the delivery receipt.

11.3.1.5. When delivery is controlled and quantity measured by an independent surveyor, the results of his measuring are final and obligatory for both parties.

11.3.1.6. The Seller shall not accept a claim for short delivery based on the figures obtained by measuring the Product in the Vessel's tanks.

11.3.1.7 The Seller will not accept any claims for short delivery where these receiving procedures are not followed.

11.3.1.8. The time limit for receipt of a notice of a quantity claim by the Seller is 7 (seven) calendar days starting from the date of delivery or a shorter period if agreed between the Parties and specified in the Confirmation.

*** 11.3.2. Quality Claims and Disputes**

11.3.2.1. It is the Buyer's responsibility to ensure that the Product tendered for the supply is that required by the Vessel and is delivered into correct tanks.

11.3.2.2. At least 2 (two) identical samples of each consignment must be taken during the process of delivery of the Product immediately to the Vessel. The samples shall be securely sealed and provided with labels showing the Vessel's name, identity of delivery facility, Product name, delivery date and place and seal number, authenticated with the Vessel's stamp and signed by the Seller's representative and the

Master of the Vessel or his representative. The seal numbers shall be inserted into the Bunker Delivery Receipts (BDR), and by signing the BDR both parties agree to the fact that the samples referred to therein are deemed valid and taken in accordance with the requirements as specified in this clause. One (1) set of samples must be retained by the Physical Supplier, the other one (1) sets must be retained by the Buyer or the receiving Vessel. One sample shall be retained by the Seller for ninety (90) days after delivery of the Bunkers, or if requested by the Buyer in writing, for as long as the Buyer reasonably required.

11.3.2.3. The Buyer and Seller agree that only analyses of sealed samples taken as "drip samples" at the sampling valve on the bunkering barge shall form the basis of documentation that bunker oil was substandard or "off-spec" when delivered. In case that drip sampling is not available onboard barge, tank-truck or shore tank, representative samples shall be taken as a composite of each tank divided with 1/3 from each the top/mid/bottom of the tanks of Supplier's facilities. No samples subsequently taken shall be allowed as (additional) evidence.

11.3.2.4. Any samples drawn from the Receiving Vessel's tanks shall not be valid as an indicator of the quality supplied.

11.3.2.5. If the Buyer has grounds to believe that the Product supplied does not meet the relevant specification contained in the Confirmation or is defective, the Buyer shall immediately:

11.3.2.5.1. Take all reasonable steps to mitigate the consequences of having been supplied with possibly defective or incorrect Product;

11.3.2.5.2. give a notice containing full details of possibly defective or incorrect Product to the Seller together with information about the Vessel's position, destination and ETA; the quantity and location of all bunkers on board the Vessel, the rate and the quantity of consumption since delivery and the location immediately prior to consumption of

bunkers consumed; for each of the three preceding supplies to the Vessel: quantity, quality and specification of the Product supplied, the place and the date of supply and the name of the supplier;

11.3.2.5.3. inform the Seller of the whereabouts of the Buyer's set of samples.

11.3.2.6. When the Buyer raises a quality claim and gives a notice to the Seller, the former is deemed to have retained its set of sealed samples in full and to be ready to present it for analysis to a reputable independent testing laboratory approved by the Seller. The analysis of the samples shall be conducted in accordance with the established procedures in the presence of the Seller's representative. In the event that the Buyer is unable or unwilling to present its samples for analysis within 28 (twenty eight) calendar days starting from the date of the Seller's request to do so, the Seller may proceed with the Physical Supplier's samples analysis. The results of such analysis shall be binding upon the parties to the Agreement.

11.3.2.7. If it is alleged that any equipment or machinery has been damaged by a defective Product, full details and evidences of the alleged damage must be given to the Seller as early as possible. The damaged item must be preserved and provided for inspection on demand of the Seller or its representative at any reasonable time.

11.3.2.7. The time limit for the Seller to receive a notice of a quality claim is 7 (seven) calendar days starting from the date of delivery or a shorter period if specified in the Confirmation.

*** 11.3.3. Other Claims and Disputes**

Notice of any other claim excepting all claims relating to or associated with those relating to the matters of quality and quantity, shall be given to the Seller as soon as possible but in any event not later than 28 (twenty-eight) calendar days after delivery. If the Confirmation provides for a shorter period, such shorter period shall apply.

*** 11.4. Summary of Time Limits**

11.4.1. Quantity claims and disputes — 7 (seven) calendar days.

11.4.2. Quality claims and disputes — 7 (seven) calendar days.

11.4.3. Other claims and disputes — 28 (twenty-eight) calendar days.

11.4.4. Time period for presenting a notice of any claim to the Seller shall commence from the date of delivery of the Product in question.

11.4.5. All time limits for any claim are subject to substitution by a shorter time limit agreed between the Parties and stipulated in the Confirmation.

11.5. The Buyer shall be obliged to make payment in full and fulfil all other obligations in accordance with the terms hereof, whether or not they have any claims or complaints.

12. FORCE MAJEURE. EXEMPTION OF LIABILITY

12.1 The Seller, the Seller's supplier or the Buyer shall not be liable for any loss, damage or demurrage due to any delay or failure in performance (a) because of compliance with any order or request of any government authority, or person purporting to act therefore, or (b) when supply of the Product or any facility of production, manufacture, storage, transportation, distribution or delivery contemplated by the Seller's supplier is interrupted, unavailable or inadequate for any cause whatsoever is not within the immediate control of the Seller or the Seller's supplier, including (without limitation) if such is caused by:

12.1.1. Act of God.

12.1.2. Act of war. Act of public enemies.

12.1.3. Quarantine restrictions.

12.1.4. Strikes or lockouts or stoppage or restraint of labour from whatever cause, whether partial or general.

12.1.5. Riots and civil commotions.

12.1.6. Saving or attempting to save life or property at sea.

12.1.7. Any other cause arising without the actual fault or privity of the party being in breach of the Agreement, or without the

fault or neglect of the agents or servants thereof.

12.2. The Seller or the Seller's supplier shall not be required to remove any such cause or replace any effected source or supply or facility if doing so shall involve additional expense or a deviation from the Seller's or the Seller's supplier's normal practices. The Seller or the Seller's supplier shall not be required to make any deliveries omitted in accordance with this clause at any later time.

12.3. If the Buyer exercises reasonable diligence, the Buyer shall not be liable for failure to receive any particular delivery if prevented there from by force majeure. The Buyer shall indemnify the Seller or the Seller's supplier for any damage caused by the Buyer, the Buyer's agent or employees in connection with deliveries hereunder.

12.4 In the event that the Seller, as a result of force majeure, can only deliver a superior grade of bunkers, the Seller is entitled to offer the said grade, and the Buyer must accept delivery thereof and pay the applicable price.

12.5. The circumstances mentioned above and duration thereof shall be evidenced by the certificate issued by the competent authorities at the place where such circumstances took place, such as by national Chambers of Commerce, etc.

13. LIABILITY

13.1. Liabilities of the Seller for consequential damages is excluded. In any event and notwithstanding anything to the contrary herein, liability of the Seller shall under no circumstances exceed the invoice value of the Bunkers supplied under the relevant agreement to the relevant Vessel.

13.2. The Buyer shall be liable towards the Seller and herewith undertakes to indemnify the Seller for any and all damages and/or costs suffered or otherwise incurred by the Seller due to a breach of contract and/or fault or neglect of the Buyer, its agents, servants, (sub) contractors, representatives, employees and the officers, crews and/or other people

whether or not onboard of the respective vessel(s). The Buyer furthermore undertakes to hold the Seller harmless in case of any third party institutes a claim of whatever kind against the Seller with direct or indirect relation to any agreement regulated by these terms and conditions. Third party shall mean any other (physical or legal) person/company than the Buyer.

13.3. No servant or agent of the Seller (including independent (sub) contractors from time to time employed by the Seller) shall be liable to the Buyer for loss, damage or delay, while acting in the course of or in connection with its employment and/or agency for the Seller. Without prejudice to the above every exemption, limitation, condition and liberty herein contained, and every right, exemption from liability, defence or immunity of whatever nature applicable to the Seller or to which it is entitled hereunder shall also be available and shall extend to protect every such servant, representative or agent of the Seller acting as aforesaid.

14. COMPENSATION

14.1. Notwithstanding the foregoing, in the event that the Seller is found to be liable to the Buyer, the total amount payable by way of compensation other than in respect of personal injury or death shall not exceed the price charged to the Buyer for Product supplied under the Contract. It is a pre-condition to the payment of any compensation by the Seller that all sums standing due to the Seller from the Buyer are first paid and settled.

15. ARREST OF THE VESSEL

15.1. The Buyer if not owner of the Vessel hereby expressly warrants that he has the authority of the owner to pledge the Vessel's credit as aforesaid and that he has given notice of the provisions of this clause to the owner. The Seller shall not be bound by any attempt by any person to restrict, limit or prohibit its lien or liens attaching to a Vessel unless notice in writing of the

same is given to the Seller before it sends its Nomination to the Buyer.

15.2. No disclaimer stamp of any type if applied on the delivery receipt will change or waive the Seller's rights against the Vessel.

15.3. Notwithstanding anything to the contrary herein and without prejudice to any rights or remedies otherwise available to the Seller, the Buyer, by its acceptance of these conditions, expressly authorizes the Seller to arrest the Vessel in question, or any other Vessel owned or operated by the Buyer, under any applicable jurisdiction as security for the obligations of the Buyer.

15.4. Should the Buyer fail to make any payment to the Seller immediately when due the Seller may dispose of such arrested Vessel whether by sale or otherwise as applicable under the relevant jurisdiction.

15.5. Any costs or expenses of whatever kind incurred by the Seller in respect of such arrest shall be for the sole account of the Buyer and shall be added to the claim for which arrest is made.

16. SPILLAGE, ENVIRONMENTAL PROTECTION

16.1. If a spill occurs while the Product is being delivered, the Buyer shall promptly take such action as is necessary to remove the spilled Product and mitigate the effects of such spill.

16.2. Without prejudice to the generality of the foregoing the Seller is hereby authorized in its full discretion at the expense of the Buyer to take such measures and incur such expenses (whether by employing its own resources or by contraction with others) as are necessary in the judgment of the Seller to remove the spilled Product and mitigate the effects of such spill. The Buyer shall cooperate and render such assistance as is required by the Seller in the course of the action. All expenses, claims, costs, losses, damages, liability and penalties arising from spills shall be borne by the party that caused the spill by a negligent act or omission. If both parties have acted negligently, all

expenses, claims, losses, damages, liability and penalties, shall be divided between the parties in accordance with the respective degree of negligence.

16.3. The burden of proof to show the Seller's negligence shall be on the Buyer. The Buyer shall give the Seller all documents and other information concerning any spill or any program for the prevention thereof, that are required by the Seller, or are required by law or regulation applicable at the time and place of delivery.

17. LAW AND JURISDICTION

16.1. The Agreement is subject to the law of the Republic of Bulgaria. Any dispute shall be held to the Arbitration court to the Bulgarian Chamber of Commerce and Industry as per its Rules for cases based on arbitration agreements, for which this clause shall be considered as arbitration agreement. So however that nothing in this clause shall, in the event of a breach of the Agreement by the Buyer, preclude the Seller from taking any such action or actions as it shall in its absolute discretion consider necessary to enforce, safeguard or secure its rights under the Agreement in any court or tribunal or any state or country.

18. INSURANCE

The Buyer is responsible for effecting and maintaining insurances which will fully protect the Buyer, the Seller and all third parties from all risks, hazards and perils associated with or arising from the Agreement.

19. LICENSES, PERMITS AND APPROVALS

Either party is responsible for obtaining respective necessary permits, licenses and approvals required to enable either party to execute all their rights and obligations under the Agreement.

20. WAIVER

Failure to enforce any right by any party to the Agreement against any other party shall not be a waiver of the right or in any way affect the validity of the Agreement. In particular, granting of any additional time by the Seller to make payment or waiving or reducing of any financial or other charges shall not prevent the Seller at any time thereafter from relying upon its strict contractual rights.

21. VALIDITY

21.1. These terms and conditions shall be valid and binding for all offers, quotations, prices and deliveries, where LUKOIL Bulgaria Bunker is Supplier, or any associated company, representative or agent as of May 2008, or at any later date.

21.2. These terms and conditions are available on the website www.lukoil-bunker.bg, on which site as well the Sellers may notify of any further amendments, alterations, changes or verifications to same. Such amendments, alterations, changes, etc. are deemed to be a part of the entire terms and conditions once same have been advised on the website.