



Lanka Marine Services (Pvt) Limited

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Company No : PV 475

Supply of Fuel Oil through Jaya Container Terminal Oil Bank Limited

With reference the direction and approval granted by the Ministry of Energy, (DEV 8 /6/3" 21st of March 2022 and 2nd April 2022) and the procedure set by Sri Lanka Customs, reference No BP/PU/1136/Duty Paid/01/2022, dated 14th March 2022 and DEV8/6/3 dated 27th May 2022 for export oriented, power generation companies, tourism service providers registered under the Export Development Board and Sri Lanka Tourism Development Authority (SLTDA), license telecommunication service providers and other industries (hereinafter collectively referred to as "Eligible Buyer/s") requiring to purchase Fuel Oil through Bunker License Holders (BLH).

Lanka Marine Services (Pvt) Ltd ('LMS') is a pioneer in the bunkering industry and is licensed / geared to supply Fuel Oil as it is a BLH.

Fuel Oil

Annexure is attached at the end of the agreement (standard specs of which is shared).

LMS will guarantee the standard specification conforming to ISO 8217: 2017- VLSFO max 0.5% S and on request we could provide you with the typical specification of the cargo. (Cargo is comingled in one common terminal at the JCT Oil Bank)

Terms & Conditions

1. Pricing

- a. Final price will be as per the price issued on the Performa Invoice ('PI').
- b. Final PI Price is based on the prevailing price indexes, shipping cost, local duties, taxes and local handling cost, and is subject to change upon mutual consent of the parties, with limited validity.
- c. The Product to be lifted by the Eligible Buyer within 1 week from date of receipt of payment, failing which applicable storage cost will be USD 0.15 per metric ton per day.

2. Payment Terms

- a. The Eligible Buyer shall make 100% payment in advance in USD, for each invoice raised by LMS. LMS shall ensure that the quantity of the Product purchased shall be reserved for the Eligible Buyer upon such payment and available to be dispatched at any given time.
- b. LMS's responsibility and liability in respect of the Product shall end no sooner the Product is loaded to the tank trucks at JCT. Title and risk shall pass to the Eligible Buyer at this point.
- c. LMS shall initiate the process of obtaining Customs approval and any other applicable approvals required herein, immediately upon receipt of payment in full by the Eligible Buyer.
- d. In the event the Eligible Buyer requires to cancel an order placed with LMS, it shall do so within 24 hours of LMS having issued an invoice. LMS shall accept the cancellation of the order subject to the charging of a cancellation fee and related taxes and shall refund any balance monies to the Eligible Buyer.
- e. The Supplier's Bank Details shall be as follows: -

Name of the Account: **Lanka Marine Services (Pvt) Ltd**
Account Number: **5-200078-219**
Bank: **CITIBANK N.A. - COLOMBO BRANCH**
SWIFT CODE – **CITILKLX**
No.65C, Dharmapala Mawatha,
Colombo 7, Sri Lanka.

3. Operational Requirements

- a. An Eligible Buyer to provide tank trucks (with capacity of 13200 / 33000 Liters capacity tank trucks) for delivery at the Eligible Buyer's cost. LMS shall ensure that the Product is made available within 5 days on receipt of payment by the Eligible Buyer.
- b. The Product will be supplied Ex. Jaya Container Terminals Ltd. at 69, Walls Lane, Colombo 15
- c. At the time of product dispatch, a company representative to be present at the loading terminal with the company seal.
- d. An Eligible Buyer shall ensure that the tank trucks provided shall hold the following Insurance policies.
 - Comprehensive all risk policy.
 - Goods In transit (During Transportation of our products)
 - Workman compensation policy

- e. The Eligible Buyer shall also indemnify and hold LMS 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 or breach of LMS’s supply Procedure arising out of an act or omission of the Eligible Buyer or its agents or servants in receiving, using, storing or transporting Products delivered hereunder, including exposure thereto, or delay or breach by the nominated transport mode or its crew members unless the same be due to the sole proven negligence of LMS.
- f. The Product to be supplied by LMS shall be LMS’s commercial grades of Fuel as currently offered generally to its customers for similar use at the time and place of delivery. THERE ARE NO GUARANTEES OR WARRANTIES EXPRESSED OR IMPLIED AS TO THE SATISFACTORY QUALITY, MERCHANTABILITY, FITNESS OR SUITABILITY OF THE FUEL OIL FOR ANY PARTICULAR PURPOSE OR OTHERWISE. (Fuel Oil)
- g. It shall be the duty of the Eligible Buyer to take all measures to prevent any spillages and any environment pollution whatsoever whilst transporting the Product, and in the event of a spillage, the Eligible Buyer shall be responsible for the cost of clean-up or any other relevant activity to bring back the normalcy to the environment.
- h. The Eligible Buyer and LMS shall ensure that it follows and implements all necessary safety and quality measures with respect to the Product and comply with any regulations issued by the relevant authorities as applicable.
- i. Goods Delivery Note (GDN) will be issued for each loading and the Product issued from shore tank at JCT oil bank will be final and binding.
- j. Either party shall have the right to terminate this agreement at any time without assigning any reason provided a party provides the other at least 5 days advance written notice. Such termination shall require LMS to refund any advance payments received from the Eligible Buyer subject to Clause 2 (d) above.

4. Customs Requirements

- a. The Eligible Buyer is required to submit the relevant documents to LMS to register with SL Customs, Industries and Services Directorate, Bonding Division.

Export Orient companies

- Covering Letter stating the requirement and request.
- EDB Registration.
- TIN Registration Certificate.
- VAT Registration Certificate.
- BRC Registration Certificate.

Non - Export Orient companies

- Certificate of Incorporation
- Latest Form 15
- Articles of Association
- A letter from a director of the company confirming the purpose for which the fuel is being purchased and confirming that the purchased fuel would only be utilized for such purpose

b. All above certificates must be certified as 'true copy' by either by its Company Secretary or its Company Lawyer.

5. Procurement of the Product.

a. Each time the Eligible Buyer requires to purchase the Product, the Eligible Buyer must submit a letter of request to both LMS and the Director of Customs of the aforesaid Division stating the quantity, purpose / intended use along with the delivery location.

b. LMS will provide the necessary documents to SL Customs and the Department of Imports and Exports Control in order to transfer the ownership of the Products and proceed with the necessary clearance procedures to transfer the same through the JCT Oil Bank Ltd.

c. Any claim required to be raised by either party herein shall be made in writing within seven (07) days of the Product being lifted and the parties shall make every effort to amicably settle the same.

d. LMS or the Eligible Buyer shall not be liable for any loss, claim or demand of any nature whatsoever beyond their control including, but not limiting the generality of the foregoing declared or undeclared war, sabotage, terrorist actions, blockade, revolution, police action, civil unrest, industrial action, riot or disorder, embargo or trade restriction of any sort, non-availability of raw material, government or quasi-government action including health guidelines, quarantine regulations and travel restrictions, Act of God, fire, flood, earthquake, storm tide or tidal wave, explosion, accident, radiation, strike, lockout or other labour dispute or epidemic, pandemic or disease.

e. This Agreement and all transactions herein shall be governed and construed under the Laws of Sri Lanka.

f. Any dispute that cannot be resolved amicably shall be settled in a lawful court of Sri Lanka.

g. This contract will only be valid until 30th of September 2022

Contacts

Product availability and pricing.
Marketing Dept.
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Operational/Customs clearance and delivery.
Operations Dept.
Mobile : 077 756 3423 / 077 725 7095
Email : Indika.lms@keells.com/saman.lms@keells.com

Finance/Invoicing.
Finance Dept.
Mr. Ruwan Sanjeeva
Mobile : 077 787 7549
Email : Ruwan.lms@keells.com

6. Acceptance by Eligible Buyer

We, [designation] of [company name]
being an Eligible Buyer and having read and fully understood the terms and conditions set out
above, hereby consent and agree to be bound by and comply with the terms and conditions
contained herein and agree to provide accurate and true information regarding our business and
all other information required to be provided herein.

For and on behalf of:

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Name:
Designation:
Date:

Name:
Designation:
Date:
For and on behalf of:

LANKA MARINE SERVICES (PVT) LTD – Supplier

Name:

Designation:

Date:

Annexure

LANKA MARINE SERVICES PRIVATE LIMITED
SPECIFICATIONS FOR MARINE FUEL OIL 380 Cst

PARAMETER	UNIT	LIMIT	SPECIFICATION	TEST METHOD
Viscosity @ 50 C	mm ² /s	Max	380	ISO 3104
Density @ 15 C	kg/m ³	Max	991	ISO 3675 / ISO 12185
Sulphur	% (m/m)	Max	0.50	ISO 8754 / ISO 14596 / ASTM D664
Water	% (v/v)	Max	0.50	ISO 3733
Flash Point	OC	Min	60	ISO 2719
Pour Point	OC	Max	30	ISO 3016
Micro Carbon Residue	% (m/m)	Max	18	ISO 10370
Ash	% (m/m)	Max	0.10	ISO 6245
Total Sediment, aged	% (m/m)	Max	0.10	ISO 10307-2
Acid Number	mgKOH/g	Max	2.50	ASTM D664
CCAI		Max	870	
Hydrogen sulphide	mg/kg	Max	2.00	IP 570
Vanadium	mg/kg	Max	350	ISO 14597 / IP 501 / IP 470
Aluminium + Silicon	mg/kg	Max	60	ISO 10478 / IP 501 / IP 470
Sodium	mg/kg	Max	100	IP 501 / IP 470
Used Lubricating oils (ULO)		The fuel shall be free from ULO, and shall be considered to contain ULO when either one of the following condition is met.		
Calcium and Zinc; or	mg/kg	Calcium > 30 and Zinc > 15 ; or		IP 501 / IP 470
Calcium and Phosphorus		Calcium > 30 and Phosphorus > 15		

The above specifications will meet the requirements of the ISO 8217-2017 Standards for **RMG 380**