

## OWNERS

## NNPC /JOINT VENTURE OPERATORS

FOR FOB/TTT, TTO DEALS

**JHYHDE INTERNATIONAL / G C C / G I S**

(HEREINAFTER CALLED THE LEGAL MANDATES)

ON BEHALF OF

**NIGERIAN NATIONAL PETROLEUM CORPORATION**

Email: payments@tofenergy.com

Phone: + 1 469 522 3418 / + 27 82 254 1058

### **Technical specifications**

PRODUCT: NNPC Standard Export Grade "Nigerian" Light Crude Oil

#### **SPECIFICATIONS:**

Specific Gravity:	0.8459
Water Content:	0.2% Vol. max
BSW:	0.6% Vol. max.
Pour point:	Below 40 Degree F. max
Salt:	LB per 1,000 bbl, 12, max
Total Sulphur, wt%:	0.14 max
Reid Vapor Pressure:	6.52 PSIG, max
Carbon Residue, wt%:	1.0, max.
VINI, PPM wt:	2.0
Vis, cst @ 37.8 Deg C.:	3.47, min.
Yield C1-C4 wt%:	2.10

### **TRANSACTION PROCEDURE : (FOB)**

THE PRODUCT> NIGERIAN BONNY LIGHT CRUDE OIL

SOURCE> NNPC CONCESSIONAL LIFTING EQUITY (off OPEC ALLOCATION)

DELIVERY: FOB

DISCOUNT US\$5.00 gross and US\$3/bbl net to buyer, US\$1.00 per bbl to each side of the agency.

QUANTITY: 1, 000,000 -2000,000 Barrels

CARGO CONFIRMATION> This should be done at NNPC Bonny Terminal Screen

PROCEDURE

(For Banking, Vessel nominations, Deliveries and Payments)

## **PROCEDURE FOR FOB/TTT**

- 1. Seller shall issue Sales & Purchase Agreement draft with Seller's full Banking Coordinates.**
- 2. Buyer and Seller sign and seal Contract including banking Coordinates and exchange the signed copy by electronic mail. The electronic signed copy by both parties is considered legally binding and enforceable and MUST not be changed. The executed SPA is lodged in their respective banks.**
- 3. Buyer nominates a vessel of 2,000,000 barrel and sends to seller the CPA, Charter Receipt and the Q88 and advises seller of vessel's ETA Nigerian water to enable Seller program accordingly.**
- 4. Buyer swifts an Irrevocable Standby Letter of Credit or a Documentary Letter of Credit of USD\$500,000 to seller's nominated account as guarantee for payment to seller after vessel is manifested/programmed for lifting in buyer's name.**
- 5. Seller programs buyer's nominated vessel for loading in accordance with ETA Nigerian waters in the name of buyer as owner and consignee of the cargo with stem/windows and Laycan dates etc. Seller provides to buyer all programming details for verifications, including NNPC Pin Code number for the transaction that can be accessed on **NNPC Bonny Terminal** screen showing the buyer's name as purchaser and the nominated vessel. The US\$500,000.00 SLC is paid by Swift to seller's account.**
- 6. Buyer opens LC to Seller/NNPC Bank for the total amount of the cargo.**
- 7. NNPC confirm the Laycan, vessel arrives Nigerian water and NNPC call the vessel to port for that date.**
- 8. CPA for the vessel is confirmed with the shipping agent and a copy provided to Seller.**
- 9. Vessel is loaded with Q&Q performed at loading port.**
- 10. Full documentation is issued in the name of Buyer.**
- 11. Buyer's bank pays for the cargo by swift/ktt to sellers and intermediaries account as in the SPA**
- 12/ loaded cargo sails to buyer's chosen port of discharge.**

===== **TEXT OF LETTER OF CREDIT**

WE, (BANK OF THE BUYER) ----- HEREBY OPEN OUR **IRREVOCABLE CONFIRMED NON-OPERATIVE, DIVISSIBLE, AND TRANSFERABLE LETTER OF CREDIT** IN FAVOUR OF JHYHDE INTERNATIONAL TRUST Address: (TBN) = USD IN ....BANK FOR THE AMOUNT ..... UNITED STATES DOLLARS ONLY (US\$XXXXXXXX) **TO COVER 60 days** AND ONE DAY AFTER DATE OF ISSUANCE FOR FURTHER CREDIT TO NIGERIAN NATIONAL PETROLEUM CORPORATION (NNPC).

PAYMENT UNDER THIS LETTER OF CREDIT IS AVAILABLE UPON BENEFICIARY'S FIRST **WRITTEN DEMAND AGAINST PRESENTATION OF FULL SET OF DOCUMENTS** AS AGREED IN THE CONTRACT AND **CLEARIFICATION OF NON-FULFILLMENT OF OBLIGATIONS BY THE BUYER (VIA SWIFT WIRE) DEMAND HEREUNDER MUST BE MARKED DRAWN UNDER LETTER OF CREDIT**

NUMBER \_\_\_\_\_ DATED \_\_\_\_\_ AVAILABLE WITH US FOR PAYMENT AT SIGHT AGAINST PRESENTATION OF THE FOLLOWING DOCUMENTS:

- 1) COPY OF COMMERCIAL INVOICE
- 2) NON-NEGOTIABLE COPY OF BILL OF LADING
- 3) BENEFICIARIES WRITTEN STATEMENT CERTIFYING, THAT MESSRS \_\_\_\_\_ **HAVE FAILED TO FULFILL THEIR PAYMENT OBLIGATION WITH REGARDS TO THE ABOVE MENTION SHIPMENT.**
- 4) BENEFICIARIES WRITTEN STATEMENT TO CONTAIN DECLARATION THAT THE ORIGINAL SHIPPING DOCUMENTS HAVE BEEN SENT BY THEM DIRECTLY TO MESSRS. \_\_\_\_\_ IN ACCORDANCE WITH THEIR INSTRUCTIONS.

REIMBURSEMENT INSTRUCTIONS:

UPON RECEIPT BY US OF THE ADVISING BANK'S SWIFT, CERTIFYING THAT THEY ARE IN POSSESSION OF BENEFICIARY'S DRAFT DRAWN UNDER AND IN CONFORMITY WITH THE TERMS OF THIS GUARANTEE, AND THAT THEY HAVE DISPATCHED THE DRAFT TO US BY AIR COURIER SERVICE, WE WILL EFFECT PAYMENT BY SWIFT WIRE TRANSFER AS PER ADVISING BANK'S INSTRUCTIONS WITHIN THREE (3) BANKING DAYS (I.E. DAYS ON WHICH BANKS ARE OPEN FOR BUSINESS IN U.S.A, U.K AND SOUTH AFRICA). OTHER INSTRUCTIONS: AS PER CONTRACT NO.

**UPON EXECUTION OF PARA 8** OF PROCEDURE BY SELLER, THIS **IRREVOCABLE CONFIRMED, NON-OPERATIVE, DIVISSIBLE AND TRANSFERABLE LETTER OF CREDIT** IS AUTOMATICALLY ACTIVATED AND OPERATIVE.

PLEASE SEND THE DRAFT VIA COURIER SERVICE TO:

BANK NAME & ADDRESS:

THIS LETTER OF CREDIT IS SUBJECT TO UNIFORM CUSTOMS AND PRACTICE FOR LETTER OF CREDITS 1993 REVISION,

ICC PUBLICATION NO. 500 (LATEST EDITION). ALL CHARGES ACCRUE TO THE ACCOUNT OF THE APPLICANT.

THIS IS A CALLABLE OPERATIVE INSTRUMENT, NO MAIL CONFIRMATION WILL FOLLOW.

BY.....

AUTHORIZED BANK SIGNATURE

BY.....

AUTHORIZED BANK SIGNATURE

UNQUOTE

THE LETTER OF CREDIT WILL BE ISSUED UPON RECEIVING THE FOLLOWING:

A CONFIRMATION THAT **SELLER HAS NOMINATED A VESSEL IN BUYER'S NAME FOR ONE WAY VOYAGE CHARTER TO BUYER'S AGREED PORT OF DESTINATION, MANIFESTS SAME ON NNPC SCREEN FOR THE MONTH SHOWING**

1. PROVISIONAL LIFTING PERMITS WITH STEM AND WINDOW DETAILS

2. NAME AND IMO. NUMBER OF NOMINATED VESSEL IN BUYER'S NAME

## CIF DEALS

### **SUPPLIER'S DATA:**

COMPANY: **JHYHDE INTERNATIONAL / TOF ENERGY**

(HEREINAFTER CALLED THE LEGAL MANDATES)

ON BEHALF OF

**NIGERIAN NATIONAL PETROLEUM CORPORATION**

Email: [payments@tofenergy.com](mailto:payments@tofenergy.com)

ADDRESS : 90 Washington Valley Road  
CITY/STATE : Bedminster New Jersey 07921  
COUNTRY : United States of America  
PRESENTED BY : Jyde Adelakun (president TOF ENERGY)  
E-MAIL ADD : [jyde@jhyhdeinternational.com](mailto:jyde@jhyhdeinternational.com)

### **CARGO INFORMATION:**

**The product offered by the Seller and accepted by the Buyer is Bonny Light Crude Oil that shall be lifted from NNPC Bulk approved equity agent's share Off OPEC Record. The verifiable POP therefore is established after Buyer has shown POF as prescribed in the SPA.**

### **VERIFICATION shall be limited to**

- (a) **Llyod's Intelligence in the case of CPA**
- (b) **Internal database of NNPC in the case of Lifting Rights.**

### **Technical specifications**

PRODUCT: NNPC Standard Export Grade "Nigerian" Light Crude Oil

### **SPECIFICATIONS:**

Specific Gravity:	0.8459
Water Content:	0.2% Vol. max
BSW:	0.6% Vol. max.
Pour point:	Below 40 Degree F. max
Salt:	LB per 1,000 bbl, 12, max
Total Sulphur, wt%:	0.14 max
Reid Vapor Pressure:	6.52 PSIG, max
Carbon Residue, wt%:	1.0, max.
VINI, PPM wt:	2.0
Vis, cst @ 37.8 Deg C.:	3.47, min.
Yield C1-C4 wt%:	2.10

## **Price**

- a. The price to be paid shall be based on the O & Q report for each shipment based upon out-turn barrels, inside customs and per "DTD Brent" (DTB) assessment as published in Platt's **Crude Oil gram Report** less the discount stated herein below.
- b. The applicable currency with respect to payment for the Product shall be **US DOLLARS – US\$**
- c. The price shall be calculated on the three (3) days' average mean quotations for assessment of Platt's DTB circa the date of delivery (one day before, the day of, the day after transshipment). Seller shall furnish these quotations to Buyer with invoice.
- c. The price of the product is three day average Platt less a gross discount of US\$4.00/bbl distributed as US\$3.00/bbl net to Buyer,**
- d. Commission** to be paid by **Buyer (US\$1.00) per bbl shared 50:50, US\$0.50) /BBL each to the seller / buyer side**

## **TRANSACTION PROCEDURE : (CIF)**

### **Nominations, Shipment & Procedures**

Buyer and Seller sign and seal this Contract including banking coordinates and exchange the signed copy by electronic mail. The electronic signed copy by both Parties is considered legally binding and enforceable. Buyer must return the signed SPA with the discharge port details and the approved ATB format to the seller.

Buyer upon signing the contract instructs his bank to swift MT799 as Proof of Fund -POF in return for a PERSONALIZED POP conferring a lifting right to the Buyer which can be verified from NNPC Bonny terminal internal database.

**3. Upon Seller's bank receipt of MT799 from Buyer's bank, shall within seven (7) banking days issue verifiable CPA, Q88 and Programmed Provisional Lifting Details in Buyer's name for one way voyage charter to Buyer's port of destination.**

**4. Buyer confirms the vessel nomination, NNPC lifting Right programming on NNPC Bonny terminal Screen in Buyer's name and instruct his bank to swift to SELLER's bank on a cargo-by-cargo basis a Non Operative, Divisible, Transferable Letter of Credit in favor of the SELLER. The Non Operative Letter Of Credit should provide that seller/NNPC is unconditionally allowed a part Draw Down of Only US\$500,000.00 (Five Hundred Thousand United State Dollars) for Re-assignment/Programming fees as provided for in the SPA of the above contract. This Draw down Forms Part Of The Total Cargo Cost.**

**5. BUYER or BUYERS BANK sends to Seller SWIFT Confirmation for Swift Verification by email.**

**6. SELLER Provides cargo documents to Buyer's Bank for verification..**

- i. Clean-on-board ocean Bills of Lading**
- ii. Certificate of Quantity (SGS or equivalent)**
- iii. Certificate of Origin**
- iv. Certificate of Quantities**
- v. Seller's commercial invoice**
- vi. Cargo Manifest**

**7. Captain Issues NOR / ETA to buyer's shipping agents.**

**8. Vessel(s) sails to Buyer's discharge port. Upon arrival at Buyer's discharge port, Captain shall issue ATB to buyer's super cargo and inspectors inviting them to board the loaded vessel for Q and Q.**

**9. Upon successful Q and Q including Dip Test BUYER pays for product by Wire Transfer / Swift MT-103 into the Seller's account and Buyer's / Seller's agents' commissions, within 72 hours of cargo discharge, based on out-turned barrel, transfer of ownership and presentation of relevant shipping documents at Buyer's bank counter.**

## SPECIMEN TEXT OF POF

### **DRAFT SWIFT MT-799 - DLC BLOCKED FUNDS**

(Specimen copy – Final verbiage as per issuing bank standard ICC format)

NAME OF ADVISING BANK :  
SWIFT CODE :  
ATTENTION :  
NAME OF ISSUING BANK :  
ISSUING BANK ADDRESS :  
BANK SWIFT CODE :  
BANK OFFICER :  
BANK TELEPHONE :  
BANK LETTER OF CREDIT NO. : XXXXXX  
APPLICANT NAME : XXXXXX  
ON BEHALF OF : xxxxxxxx.  
ADDRESS : xxxxxxxxxxxxxxxx  
BENEFICIARY NAME : GIDEON CHIGBU AND COMPANY for NNPC/JVOprs  
ADDRESS: Flat 267A (LDS BUILDING), LEKKI LAGOS NIGERIA  
BANK NAME:  
BANK ADDRESS:  
ROUTE/ABBA#:  
SWIFT CODE:  
CORRESPONDENT A/C: {US\$}  
FURTHER CREDIT TO:  
SWIFT CODE:  
BENEFICIARY NAME:  
BENEFICIARY ACC #:  
ACCOUNT OFFICER:  
RELATIONSHIP MGR:  
CURRENCY UNITED STATES DOLLARS  
AMOUNT XXXXXX  
ISSUING DATE XXXXXX  
EXPIRATION DATE XXXXXX  
CONTRACT NO. NNPC/BLCO/T.OPS/BON/279 - **GCC/ CIF-BLCO / 09/09- 2011**

WE, (BUYER'S BANK NAME AND FULL ADDRESS) REPRESENTED BY THE UNDERSIGNED OFFICERS, HEREBY CONFIRM, WITH FULL BANK RESPONSIBILITY, THAT OUR ACCOUNT HOLDER XXXXXXXXXX, IS READY, WILLING AND FULLY CAPABLE TO CONSUMMATE AND COMPLETE THE XXXXXXXXXXXXXXXX TRANSACTION WITH JHYHDE INTERNATIONAL (TOF ENERGY) FOR FURTHER CREDIT TO THE NIGERIAN NATIONAL PETROLEUM CORPORATION/JVOprs.

THE RESPECTIVE CONTRACT (NNPC/BLCO/T.OPS/BON/279-**GCC/ CIF-BLCO / 09/09- 2011**) AMOUNT OF THE THREE DAYS AVERAGE PLATT LESS A SERVICE FEE (GROSS DISCOUNT) OF US\$4.00 PER BARREL ONLY IS FOR A 2000000 BBLs OF BONNY LIGHT CRUDE OIL ON A CIF BASIS PORT **XXXXXXXX**. WE CONFIRM THAT FINAL PAYMENT IS CONTINGENT UPON FULL CONFIRMATION OF FULL DISCHARGED DOCUMENTS. THE FUNDS SHALL BE BLOCKED FOR THE PURPOSE OF FULFILLING THIS CONTRACT FOR A PERIOD OF SIXTY (60) BANKING DAYS FROM THE DAY OF ISSUE OR UNTIL THE TRANSACTION IS CLOSED AND PRODUCT IS PAID FOR BY THE BUYER WITH MT103. THE VALIDITY PERIOD WILL CONTINUE UNTIL PAYMENT IS MADE, BUT NOT TO EXCEED THE GIVEN TIME.

WE CONFIRM THE MONIES ARE GOOD, CLEAN, CLEARED, UNENCUMBERED, LEGITIMATELY EARNED FUNDS OF A NONCRIMINAL ORIGIN AND ARE AVAILABLE AND RESERVED IN THIS BANK AND BLOCKED AT THE REQUEST **OF JHYHDE INTERNATIONAL (TOF ENERGY)** FOR FURTHER CREDIT TO THE NIGERIAN NATIONAL PETROLEUM CORPORATION /JVOprs FOR THE PURCHASE OF THE ABOVE IDENTIFIED CONTRACT AND SPECIFIED PRODUCT QUANTITY AND FOR ISSUING THE RELATIVE PAYMENT AS PER THE CONTRACT THESE BLOCKED FUNDS CANNOT BE ENCUMBERED, HYPOTHECATED OR OTHERWISE LEANED OR LEVIED EXCEPT FOR PROCUREMENT OF THE 2000000 BARRELS OF BONNY LIGHT CRUDE OIL.

WE ALSO CONFIRM THAT PAYMENTS WOULD ONLY BE BASED ON CONFIRMED OUT-TURN BARRELS DISCHARGED INTO OUR CLIENT'S  
RECEIVING STORAGE AT THE DISCHARGE PORT AS PER CONTRACT.

THESE BLOCKED FUNDS CAN BE VERIFIED AND AUTHENTICATED ON BANK TO BANK BASIS BY SWIFT THROUGH THE NORMAL BANKING  
PROCEDURES AND PRACTICES.

BY: \_\_\_\_\_  
BANK OFFICER'S NAME  
Title:/PIN  
Tel:

\_\_\_\_\_  
BANK OFFICER'S NAME  
Title:/PIN  
Tel:

**SPECIMEN TEXT OF NON OPERATIVE DOCUMENTARY**  
**LETTER OF CREDIT**

(Specimen copy – Final verbiage as per issuing bank standard ICC format)

NAME OF ADVISING BANK :

SWIFT CODE :

ATTENTION :

NAME OF ISSUING BANK :

ISSUING BANK ADDRESS :

BANK SWIFT CODE :

BANK OFFICER :

BANK TELEPHONE :

BANK LETTER OF CREDIT NO. : XXXXXX

APPLICANT NAME : XXXXXX

ON BEHALF OF : XXXXXXXX.

ADDRESS : XXXXXXXXXXXXXXXX



BENEFICIARY NAME : JHYHDE INTERNATIONAL for NNPC/JVOprs

ADDRESS:

BANK NAME  
ADDRESS  
ACCOUNT NAME  
SWIFT  
ABA NO  
ACCOUNT NAME  
ACCOUNT No  
SWIFT CODE  
BENEFICIARY **JHYHDE INTERNATIONAL**  
ACCOUNT No ..... (US\$)  
ACCOUNT OFFICER:  
RELATIONSHIP MGR:  
BANK TEL No:  
BANK FAX No:

**Special Instructions:**

All Wire transfers shall incorporate a copy of Bank Wire Transfer slip and shall be emailed to; [payments@tofenergy.com](mailto:payments@tofenergy.com) for legal verification and documentation pursuant to Patriot Act/Banking regulations with One Original Contract copy to be filed with Bank.

Required Message **ALL TRANSFER INSTRUCTIONS SHALL STATE: "FUNDS ARE CLEAN AND CLEAR, OF NON-CRIMINAL ORIGIN AND ARE PAYABLE IN CASH"**

CURRENCY UNITED STATES DOLLARS

AMOUNT XXXXXX

ISSUING DATE XXXXXX

EXPIRATION DATE XXXXXX

CONTRACT NO. NNPC/BLCO/T.OPS/BON/279 -GCC/ CIF-BLCO / 09/09- 2011 (or TBA)

WE, (BANK OF THE BUYER) ----- HEREBY OPEN OUR **IRREVOCABLE CONFIRMED, NEGOTIABLE, NON-OPERATIVE AND TRANSFERABLE LETTER OF CREDIT** IN FAVOUR OF *JHYHDE INTERNATIONAL* for further credit to Nigerian National Petroleum Corporation Address: Bonny Ocean Terminal Bonny, Port Harcourt, Rivers State, Nigeria FOR THE AMOUNT -----(in words) UNITED STATES DOLLARS ONLY (US\$XXXXXXXX) **DUE 60 days** AND ONE DAY AFTER DATE OF ISSUANCE.

PAYMENT UNDER THIS LETTER OF CREDIT IS AVAILABLE UPON BENEFICIARY'S FIRST **WRITTEN DEMAND AGAINST PRESENTATION OF FULL SET OF DOCUMENTS** AS AGREED IN THE CONTRACT AND **CLEARIFICATION OF NON-FULFILLMENT OF OBLIGATIONS BY THE BUYER (VIA SWIFT WIRE) DEMAND HEREUNDER MUST BE MARKED DRAWN UNDER LETTER OF CREDIT**

NUMBER \_\_\_\_\_ DATED \_\_\_\_\_ AVAILABLE WITH US FOR PAYMENT AT SIGHT AGAINST PRESENTATION OF THE FOLLOWING DOCUMENTS:

- 1) COPY OF COMMERCIAL INVOICE
- 2) NON-NEGOTIABLE COPY OF BILL OF LADING
- 3) BENEFICIARIES WRITTEN STATEMENT CERTIFYING, THAT MESSRS \_\_\_\_\_ **HAVE FAILED TO FULFILL THEIR PAYMENT OBLIGATION WITH REGARDS TO THE ABOVE MENTION SHIPMENT.**
- 4) BENEFICIARIES WRITTEN STATEMENT TO CONTAIN DECLARATION THAT THE ORIGINAL SHIPPING DOCUMENTS HAVE BEEN SENT BY THEM DIRECTLY TO MESSRS. \_\_\_\_\_ IN ACCORDANCE WITH THEIR INSTRUCTIONS.

NNPC/SELLER IS UNCONDITIONALLY ALLOWED A PART DRAW DOWN OF ONLY US\$500,000.00 (FIVE HUNDRED THOUSAND UNITED STATE DOLLARS) FOR RE-ASSIGNMENT/PROGRAMMING FEES AS PROVIDED FOR IN THE SPA OF THE ABOVE CONTRACT. THIS DRAW DOWN FORMS PART OF THE TOTAL CARGO COST.

**REIMBURSEMENT INSTRUCTIONS:**

UPON RECEIPT BY US OF THE ADVISING BANK'S SWIFT, CERTIFYING THAT THEY ARE IN POSSESSION OF BENEFICIARY'S DRAFT DRAWN UNDER AND IN CONFORMITY WITH THE TERMS OF THIS GUARANTEE, AND THAT THEY HAVE DISPATCHED THE DRAFT TO US BY AIR COURIER SERVICE, WE WILL EFFECT PAYMENT BY SWIFT WIRE TRANSFER AS PER ADVISING BANK'S INSTRUCTIONS WITHIN THREE (3) BANKING DAYS (I.E. DAYS ON WHICH BANKS ARE OPEN FOR BUSINESS IN U.S.A, U.K AND SOUTH AFRICA). OTHER INSTRUCTIONS: AS PER CONTRACT NO.

**UPON EXECUTION OF PARA 9** OF PROCEDURE BY SELLER, THIS **IRREVOCABLE CONFIRMED NEGOTIABLE, NON-OPERATIVE LETTER OF CREDIT** IS AUTOMATICALLY ACTIVATED AND OPERATIVE.

THIS LETTER OF GUARANTEE IS SUBJECT TO UNIFORM CUSTOMS AND PRACTICE FOR LETTER OF CREDITS 1993 REVISION, ICC PUBLICATION NO. 500 (LATEST EDITION). ALL CHARGES ACCRUE TO THE ACCOUNT OF THE APPLICANT.

THIS IS A CALLABLE OPERATIVE INSTRUMENT, NO MAIL CONFIRMATION WILL FOLLOW.

BY: \_\_\_\_\_

BANK OFFICER'S NAME

Title:/PIN

Tel:

\_\_\_\_\_

BANK OFFICER'S NAME

Title:/PIN

Tel:

