14th April, 2004

SUB : MOGAS SALES AGREEMENT

AGREEMENT FOR THE SALE AND PURCHASE OF MOGAS 91 UNLEADED (DESIGNED AS KPC SALE CONTRACT NO. T/NML/M/620) MADE BY AND BETWEEN:

SELLER : KUWAIT PETROLEUM CORPORATION – KUWAIT
(hereinafter referred to as SELLER)

BUYER : OIL MARKETING COMPANY (SOMO)
MINISTRY OF OIL
REPUBLIC OF IRAQ.
(hereinafter referred to as BUYER)

WHEREBY IT IS HEREBY AGREED BETWEEN THE PARTIES HERETO AS FOLLOWS:

1. **PRODUCT QUANTITY & QUALITY :**

(I) SELLER shall sell and cause to be delivered and BUYER shall buy, take delivery of and pay for quantities of Mogas 91 Unleaded, on a weekly basis, as deliveries are requested by BUYER in writing, subject always to availability of the Products (which shall be at SELLER's sole discretion).

(II) The parties intend that the total lifting quantity under this Agreement shall be 1 million litres a day (subject to availability).

(III) The Products deliverable hereunder shall correspond to KPC's guaranteed specification for the Products (as set out in Attachments I to III hereto, which form part hereof).

2. **PERIOD :**

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Deliveries hereunder shall be made and taken during the three (3) months period 1 May to 31 July, 2004.

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3. **DELIVERY :**

(I) The Product(s) shall be delivered FOT at Shuaiba Refinery and/or Subhan Depot, at SELLER's option. Deliveries shall be supplied by Kuwait National Petroleum Company (KNPC) on SELLER's behalf.

(II) All deliveries hereunder are subject to availability of supplies from Shuaiba Refinery. The final delivery schedule shall be mutually agreed by SELLER and BUYER.

(III) All trucks provided by BUYER to receive any delivery hereunder must be suitable for loading at KNPC's truck loading facilities. Such trucks shall also comply fully with all applicable safety regulations imposed by KNPC at all times.

4. **RISK AND TITLE**

Risk and Title to the Product shall be transferred to BUYER when the Product passes the intake flange of the BUYER's truck, which shall be deemed to be the point of delivery.

5. **QUALITY AND QUANTITY DETERMINATION**

(I) The quality of the Product deliverable shall be determined by KNPC by means of representative samples drawn from the tank(s) from which delivery is made.

(II) The quantity of the Products delivered shall be based on the actual loading figures in litres as determined by KNPC, and their determination shall be final and binding unless disputed by BUYER by written notice to SELLER within seven (7) days of delivery.

(III) BUYER shall be entitled to witness all measurements made pursuant to (I) and (II) above.

(IV) In the event of any dispute in respect of the quality or the quantity of the Product delivered, the matter shall be settled by an independent inspector, appointed by mutual agreement, whose decision shall be final and binding. The cost of the inspector shall be borne equally by BUYER and SELLER.

(b)(6)

6. **PRICE :**

i. The price for the Product(s) delivered hereunder shall be the average of the high and low quotations for "Naphtha" as published in Platts Asia Pacific/Arab Gulf Marketscan under the heading "FOB Arab Gulf" for the respective week of delivery, plus a fixed premium of U.S $99.5/MT (Saturday and Sunday are platts non- publication days).

ii. Provided that in the event that the purchase price of such shortfall product(s) is higher than the contract price, then SELLER's obligation to purchase the shortfall product(s) shall be subject to BUYER's confirmation in writing of their agreement to reimburse SELLER for the price and import costs of such shortfall product(s). BUYER shall provide such confirmation within 24 hours of receipt of SELLER's notification of the intended purchase at the higher price.

Otherwise, the SELLER shall be under no obligation to purchase such shortfall products.

7. **PAYMENT :**

(I) SELLER shall issue an invoice to BUYER after the end of each week of delivery. Payment for each delivery shall be made in U.S. Dollars in Kuwait by T/T to the Kuwaiti bank account designated by the SELLER within 7 days from the date of SELLER's invoice.

(II) BUYER shall make payment for the invoiced value in full, without set-off, withhold discount or deduction on the due date as set out in the invoice. If payment is not made in full, for any reason whatsoever, then without prejudice to any other legal remedies or actions open to SELLER, interest shall be payable by BUYER to SELLER at a rate of interest ONE percent (1%) above the London Interbank Offered Rate (LIBOR) for three (3) months in U.S. Dollars in effect on the due date as reported by Reuters under the heading "BBA Interest Settlement Rates Receipts" (fixed at 11:00 am London time) for the period from the date payment is due to the date of the SELLER's receipt of payment. If there is no rate available for the due date due to a holiday or weekend then such rate quoted for the immediately preceding day (for the which the rate was last reported by Reuters) shall apply. Such interest shall be payable automatically without requirement of any further notification from SELLER.

(b)(6)

(III) To secure BUYER shall provide a bank guarantee or stand-by L/C (the "Security")from a First class International/or Kuwaiti Bank in an amount and form acceptable to SELLER, as soon as possible after signing the contract and before any deliveries are made. The Security must cover the estimated value of one (1) month's deliveries, plus ten percent (10%) and remain valid until one calendar month after the expiry of the contract period. In the event that the value of the Security is insufficient to cover the payment in full for all previous deliveries for which payment has not been made and for an additional two weeks' supply at a rate of one million litres per day, SELLER shall be entitled to cease deliveries immediately.

8. **OTHER TERMS & CONDITIONS :**

(I) This Agreement shall be governed by and construed in accordance with English law. Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by final and binding arbitration in accordance with the Rules of the London Court of International Arbitration (LCIA).

(II) In compliance with Kuwait Law No. 25 of 1996, BUYER hereby confirms that it has not paid nor will pay and has not given nor will give any commission, in cash or in kind, or benefit of any kind whatsoever to any person whomsoever, including any intermediary, in connection with the conclusion of this Agreement.

(III) Full detailed contract (including but not limited to Force Majeure, Performance....etc) will be preparing by SELLER for signature by both parties.

(SELLER)

ABDULLAH HAMAD AL-ROUMI
MANAGING DIRECTOR (ACTING)
(MARKETING)

(b)(6)

(BUYER)

SHAMKHI H. FARAJ
MANAGING DIRECTOR
OIL MARKETING COMPANY (SOMO)
REPUBLIC OF IRAQ

(b)(6)

STANDBY LC FORMAT

\LC must be established or confirmed by a First Class Int'l Bank acceptable to KPC

AT THE REQUEST OF AND ON BEHALF OF (BUYER), WE (OPENING BANK).....
HEREBY ESTABLISH OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO.....
IN FAVOUR OF KUWAIT PETROLEUM CORPORATION – KUWAIT.
FOR MAXIMUM US DOLLARS .....NEGOTIABLE AT SELLERS'S BANK IN KUWAIT

COVERING (DESCRIPTION AND QUANTITY OF GOODS).....
DURING THE PERIOD (LATEST BL DATE OR RANGE).....
FUNDS UNDER THIS L/C ARE AVAILABLE TO BENEFICIARY AGAINST PRESENTION OF:

1. DRAFT(S) DRAWN AT SIGHT ON US, MENTIONING THEREON OUR L/C NO.
2. DRAWING CERTIFICATE (ANNEXURE 1), WHICH FORMS AN INTEGRAL PART HEREOF
3. SIGNED COPY OF INVOICE CERTIFYING.

   A. PRICE APPLIED IS AS PER CONTRACT
   B. QUALITY SUPPLIED IS PER CONTRACT
   C. SHIPPING DOCUMENTS HAVE BEEN DESPATCHED/PLACED ON BOARD AS REQUIRED BY BUYER.
   D. WHERE SHIPPING DOCUMENTS ARE NOT AVAILABLE BUYER HAS BEEN PROVIDED WITH A L.O.I.

4. COPY OF BILL OF LADING or COPY OF L.O.I FOR MISSING SHIPPING DOCUMENTS

THE AMOUNT WHICH, MAY BE DRAWN UNDER THIS LETTER OF CREDIT, SHALL BE AUTOMATICALLY REDUCED BY THE AMOUNT OF ANY DRAWING HEREUNDER. PARTIAL DRAWINGS ARE PERMITTED.

OTHER TERMS:

1. ALL BANK CHARGES ARE FOR APPLICANTS ACCOUNT.
2. CHARTER PARTY BILLS OF ACCEPTABLE.
3. STALE DOCUMENTS ACCEPTABLE BUT WITHIN L/C VALIDITY DATE.
4. PARTIAL SHIPMENT ALLOWED IF INSPECTOR CONFIRMS VESSEL IS UNABLE TO LOAD QUANTITY NOMINATED AS PER LC (FOR LCs COVERING SINGLE CARGOES ONLY), IN WHICH CASE INVOICE MUST CONTAIN CERTIFICATION TO THAT EFFECT. HOWEVER THIS EXCEPTION IS WITHOUT PREJUDICE TO THE SALES CONTRACT TERMS, WHICH ARE NOT VARIED HEREBY.
5. OBVIOUS TYPOGRAPHICAL/SPELLING ERRORS ARE NOT TO BE CONSIDERED AS DISCREPANCIES, EXCEPT FOR CARGO QUANTITY IN THE BL AND US$ VALUE IN THE INVOICE.
6. LATE SHIPMENT UPTO 2 DAYS ALLOWED DUE TO OPERATIONAL REASONS AT LOAD PORT (ADVERSE WEATHER CONDITIONS, LATE ARRIVAL OF VESSEL, ETC.) IN WHICH CASE INVOICE TO INCLUDE A CERTFICATION TO THAT EFFECT.

WE HEREBY UNDERTAKE THAT ALL THE DRAFTS DRAWN ON US AND PRESENTED UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS STANDBY LETTER OF CREDIT WILL BE DULY HONOURED BY US ON OR BEFORE EXPIRY DATE.

WE FURTHER UNDERTAKE THAT PAYMENTS MADE AGAINST THE BENEFICIARY'S DRAFT(S) WILL INCLUDE INTEREST FROM THE DATE UPON WHICH BUYERS'S PAYMENT WAS DUE, UPTO THE DATE OF PAYMENT OF BENEFICIARY'S DRAFT(S).

THE RATE OF INTEREST WILL BE TWO PERCENT ABOVE THE LONDON INTERBANK OFFERED RATE (LIBOR) FOR THREE MONTH DEPOSITS IN US DOLLARS AS REPORTED BY REUTERS UNDER THE HEADING "BBA INTEREST SETTLEMENT RATES RECEIPT" (FIXED AT 11.00 AMD LONDON TIME) ON CONTRACTUAL PAYMENT DUE DATE. IF THERE IS NO RATE AVAILABLE FOR DUE THE DATE, DUE TO HOLIDAYS , THEN SUCH RATE QUOTED FOR IMMEDIATLEY PRECEEDING DAY SHALL BE USED

INSTRUCTIONS TO ADVISING / NEGOTIATING BANK : UPON RECEIPT BY US OF YOUR TESTED TELEX / SWIFT STATING DOCUMENTS RECEIVED IN STRICT CONFORMITY WITH L/C TERMS, WE SHALL COVER YOU IN ACCORDANCE WITH YOUR INTRUCTIONS PROVIDED YOUR TELEX IS RECEIVED LATEST ONE NEW YORK WORKING DAYS PRIOR TO PAYMENT DATE OR OTHERWISE PAYMENT WILL BE EFFECTED ON SIGHT BASIS ON THE NEXT NEW WORKING DAY.TESTED TELEX / SWUFT MUST ALSO INDICATE THAT ABOVE STATED DOCUMENTS HAVE BEEN COURIETED TO.....

UNLESS OTHERWISE STATED THIS CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOC. CREDITS PUBL. 500 REV 1993 OF THE ICC.

ANNEXURE 1
DRAWING CERTIFICATION

REF: STANDBY LETTER OF CREDIT NO.....

GENTLEMEN,

WE HEREBY DRAW UNDER STANDBY LETTER OF CREDIT (BANK NAME AND L/C NO..... AND CONFIRM THAT:

1. *WE HAVE INVOICED BUYER UNDER INVOICE NO.... FOR US$..... DUE FOR PAYMENT ON.....*

2. AS OF DATE BUYER HAS FAILED TO PAY THE AMOUNT IN FULL.

3. BUYER'S .....OWE KUWAIT PETROLEUM CORPORATION US DOLLARS..... IN CONNECTION WITH ENCLOSED COPY OF INVOICE, UNDER KPC'S SALE OF PETROLEUM PRODUCTS AS PER AGREEMENT DATED.....

4. *THIS DRAWING IS IN THE AMOUNT OF US DOLLARS .....(WHICH IS NOT IN EXCESS OF* THE AMOUNT FOR WHICH PAYMENT IS OUTSTANDING, PLUS INTEREST FROM DATE BUYER'S PAYMENT WAS CONTRACTUALLY DUE, UPTO DATE OF EXPECTED PAYMENT AS DEMANDED UNDER THIS DRAWING.

5. PAYMENT OF THE AMOUNT DEMANDED HEREUNDER INCLUDING INTEREST, IS REQUESTED TO BE MADE NOT LATER THAN THREE BUSINESS DAYS AFTER THE DATE OF RECEIPT OF TESTED TELEX FROM NEGOTIATING BANK.

SIGNED
KUWAIT PETROLEUM CORPORATION

UNQUOTE

مؤسسة البترول الكويتية

Kuwait Petroleum Corporation

PRODUCT SPECIFICATION

Product: Motor Gasoline
Grade : Unleaded 91 RON (Premium Grade)
Number: ~~2411 U~~ (Summer Grade)
Code : ~~2022~~

Local Market
Issued : ~~Aug.,98~~
Updated: ~~Oct.,02~~

	Test Method	Unit	Limits	
			Min	Max
APPEARANCE				
Colour	Visual		Yellow	
COMPOSITION				
Doctor Test	D 4952		Negative	
Benzene	GC	% vol.		4.0
MTBE	Calculated	% vol.		10.0
Olefins	D 1319/GC	% vol.	Report	
Sulphur, Total	D 1266/4294/5453	% mass		0.05
VOLATILITY				
Density @ 15 °C	D 1298/4052	kg/l	0.720	0.780
Distillation, Fuel Recovery	D 86			
Evaporated @ 70°C		% vol.	15	
Evaporated @ 100°C		% vol	Report	
Evaporated @ 70°C + @ 120°C		% vol.	80	
Evaporated @ 150°C		% vol	Report	
Evaporated @ 180°C		% vol.	90	
End Point		°C		205
Vapour Lock Index (a)				90
Vapour Pressure @ 37.8 °C	D 323/5191	kPa		62
COMBUSTION				
Octane Number				
Motor	D 2700		81.0	
Research	D 2699		91.0	
CORROSION				
Corrosion, Copper Strip 3h @ 50°C	D 130			No.1

PERIOD: - Covers From 1st April to 31st October.

Signature:

مؤسسة البترول الكويتية

Kuwait Petroleum Corporation

PRODUCT SPECIFICATION

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Grade : Unleaded 91 RON (Premium Grade)
Number: ~~2411 U~~ (Summer Grade)
Code : ~~2022~~

Local Market
Issued : ~~Aug., 98~~
Updated: ~~Oct., 02~~

	Test Method	Unit	Limits	
			Min	Max
CONTAMINANTS				
Gum, Existent	D 381	mg/100ml		4.0
Potential (b)	D 873	mg/100ml		10.0
Lead	D 3237/5059/ IP 352	g Pb/l		0.005
STABILITY				
Induction Period	D 525	minute	360	
ADDITIVES				
Antioxidant	Calculated	mg/l	Report	

Signature:

مؤسسة البترول الكويتية

Kuwait Petroleum Corporation

PRODUCT SPECIFICATION

Product: Motor Gasoline
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Number: ~~2411 U~~ (Summer Grade)
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Local Market
Issued : ~~Aug.,98~~
Updated: ~~Oct.,02~~

NOTES: -

(a) Vapour Lock Index (VLI): Vapour Lock Index is calculated from the following formula:
VLI = R.V.P. + 0.7 X E70 (kPa Basis)
Where R.V.P. = Reid Vapour Pressure in kPa.
E70 = Percent Evaporated at 70 °C as measured by ASTM D 86.

(b) Potential Gum: @ 700 kPa (101 psig) O_2 – 6h @ 100°C.

Signature: