

OFERTA DE CARBON TERMICO / SOFT OFFER TYPE - THERMAL COAL

PRICE (FOB.) .TOTAL \$USD 235.75 / M.T. This is the initial price of the Contract (including the cost of Logistic and brokerages fees) / M.T.) In a port of the sea Caribbean coast of BOLIVARIAN REPUBLIC OF VENEZUELA. (THIS PRICE IS ONLY SUSTAINED FOR 10 LABOR DAYS TO THIS DATE AND IT CAN FLUCTUATE UP OR DOWN ACCORDING TO INTERNAL CONDITIONS OF THE MARKET WITHOUT PREVIOUS WARNING (SHOULD BE REVISED DURING THIS LAPSE)

TOTAL AMOUNT TO BE DELIVERED: From one hundred and fifty thousand metric tons (150.000 – up to 4.000.000 + or – 10%) MT/month during sixty (60) consecutive months - Five (5) years, with posible contrac extensión, with gradual and increasing deliveries.


DELIVERIES: In partial shipments of approximately 150.000 TM + or - 10% each, according to the capacity of Panamax type Ships that the buyer hires to embark his coal

COAL ORIGIN: These lots of thermal coal are supplied from Private Mines in the BOLIVARIAN REPUBLIC OF VENEZUELA and have no relationship with the Multinational Drummond, Glencor or Billington.

PRICE REVISION: The base price of this initial offer will be revised every 3 to 6 months in accordance with the miners(as specified in the final contract) and with the fluctuations of the internal coal price in the BOLIVARIAN REPUBLIC OF VENEZUELA.

INSPECTION REQUIREMENTS: All and each one of the shipments will be inspected and certified by SGS, the only authorized multinational certifying company whichis in charge of carrying out the sampling, verifying the quantities and quality of the Lot to be dispatched, in samples of sub-lots of 5.000 MT, to obtain the average result for the total shipment, with their corresponding photographs and techsheet analysis. SGS will be the only one accepted by the buyer and the seller for the shipment, and payment of the Letterof Credit at the moment of presenting documents and surrendering the B/L by the shipper, confirming that the load is onboard with the proper approved quality certification

Coal spec as below..



QUALITY (As received basis)	
PROXIMATE ANALYSIS	
Total Moisture, %	7,5
Ash, %	7,00
Volatile Matter, %	34,00
Fixed Carbon %	52,00
Total Sulphur %	0,75
Gross calorific Value, BTU/lb	12800
Kcal/Kg	7111
GRINDABILITY INDEX (HGI)	
	47
FREE SWELLING INDEX (FSI)	
	7
ULTIMATE ANALYSIS	
Total Moisture %	7,50
Carbon, (%)	71,40
Hydrogen, (%)	4,80
Nitrogen (%)	1,25
Total Sulphur %	0,75
Ash, %	7,00
Oxygen (%)	7,30
Chlorine (%)	0,03

TYPICAL	RANGE
7,5	6,50- 8,50
7,00	6,50-7,50
34,00	33,00-35,00
52,00	49,00-54,00
0,75	0,70- 0,80
12800	12650-13000
7111	

47	45-49
7	6-8

STANDARD OPERATING PROCEDURE.

- 1- SCO – LOI (Signed and stamped by the Buying Company)
 - 2- SIGNATURE OF NON-CIRCUMVENTION AND NON DISCLOSURE AGREEMENT NCNDA
 - 3- FCO - ICPO (MUST SENT ICPO ACCOMPANIED BY PROOF OF FUNDS)
 - 4- CONTRACT REVIEW.
 - 5- SIGNATURE OF CONTRACT IMFA AND MAIN CONTRACT.
- 1) PRICE: The fixed price to be \$ 230 USD / (Two hundred dollars) plus brokerage fees of 2.5% (Two point five percent) per Metric Ton.
 - 2) PAYMENT: Irrevocable, Documentary, Divisible, Revolving Letter Of Credit, issued by Buyer's Bank, covering cost of One month shipment. Buyer's Bank should be a top 25 World Bank.
 - 3) PROCEDURE: Option 1: SBLC Stand By Letter of Credit, as a guarantee of shipments and payments by telegraphic transfers, for the value of each dispatch, against shipping document, Option 2: Confirmed irrevocable Documentary Letter of Credit, established by a leading bank (among the top 25) and payable to the visit for 100% of the value of the shipment, upon presentation of the Shipping document.
 - 4) INSPECTIONS: Seller and Buyer mutually agree that SGS or INSPECTORATE an internationally recognized first Class independent surveyor company shall be appointed at loading and/or discharge ports, to assess the quality and quantity of the cargo according to the provisions herein stated. Seller pay SGS or INSPECTORATE inspection cost at loading port.

- 5) CARGO SIZE: According to Contract's condition. The Seller shall have to arrange vessel or vessels to the loading port as per lay-can time.
- 6) DELIVERY DATE: The date mutually accepted by both Seller and Buyer as the date on which the nominated international surveyor company has ascertained the quantity and quality of the product.

Note:

1. All parties including consultants' fees will be protected by the issuance of an irrevocable fee agreement and pay order by buyer, including all rolls and extensions of any spa bearing the same parties, and original transaction code.
2. The bonds and guarantees will be established in the purchase-sale contract.
3. Once the ICPO has been received, the administrative information will be shared with the buyer; likewise, the buyer will be required to provide the administrative documentation to complete the purchase and sale contract.
4. The irrevocable payment of commissions for intermediation and collaboration of those involved in this negotiation, which will be 2.5% of the value invoiced for each metric ton, will be recognized and paid by the buyer and guaranteed by the seller at the signing of the contract. Irrevocable master of protection of commissions (IMFPA) recognized in the same way in the NCNDA as the buying and selling groups. They will also be distributed equally to both groups.