



ELVIE - France
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SOFT CORPORATE OFFER (SCO)

REBCO

Date: ***

Ref. No: ***

To:

Through:

Dear Mr. X, xx January 2017

This SCO is submitted to you for the following product in accordance with the terms and conditions as stated below and as to be detailed in a mutually acceptable Sales/Purchase Agreement (SPA) as contract. This is also subject to the completion of mutually satisfactory documentation to be concluded between the Buyer and Seller or their authorized Mandates.

**SOFT CORPORATE OFFER (SCO)
FOR THE SALE OF
RUSSIAN EXPORT BLEND CRUDE OIL (REBCO)
SCO_DMV/A1xx_20171601_PJB/xxx_PHxx_REBCO/2mBBLS_CIF-XXXX**

The Seller, presented by Elvie, hereby states and represents with full corporate and legal responsibility, under penalty of perjury that they are hereby confirm that they are ready, willing and able to sell the following commodity as per the specification and in the quantity and for the price as specified in the terms and conditions as stated here below:



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Product	Russian Export Blend Crude Oil (REBCO)
Specs	GOST 9965-76 Siberian Light to Medium – Type I. (see appendix B)
Origin	Russian Refinery Group
Loading Port	Ports of Novorossiysk and Tuapse
Price	NWE Platts minus USD \$2.00/\$1.00 per bbl. (or \$58/MT adjusted periodically)
Commissions	USD \$1.00, split 50/50 buy/sell side. Sell side closed.
Incoterms	CIF Southern Europe
Quantity	200,000 MT (1,600,000 bbls) x 12 months (+/- 5%) in 4 shipment of 50,000 MT per month
Annual Quantity	2,400,000 MT (+/- 5%)
Delivery	As per CIF delivery schedule
Payment	FOB at port of loading against POP documents under SBLC
Guarantee	SBLC (Standby Letter of Credit) only
Testing	SGS or similar
Validity of offer	Until 19 January 2017, 5pm St. Petersburg time

Procedures:

Our procedures can not be discussed or disputed as part of our purchases, all means of verification and in particular control by independent control bodies is mandatory.

(Please note, this offer is based on a production contract)

1. ELVIE issues this SCO for Buyer's signature.
2. Buyer signs SCO and returns to ELVIE along with CP.
3. ELVIE conducts DD and upon approval submits SCO & CP to Seller
4. Upon Seller's preliminary acceptance of Buyer, Seller issues SPA through DMV.
5. Buyer signs and returns SPA and IMFPA to Seller along with BCL via MT999, MT199 or MT799 from Buyer's bank to Seller's finance company's bank indicating its readiness to issue the SBLC to Seller's finance company.
6. The parties transmit the documents to each other electronically with originals delivered by DHL or FedEx or similar. The SPA and IMFPA are lodged with the respective banks as per their requirements.
7. Within one (1) business day from receipt of Bank Confirmation Letter, Seller shall provide the following documentation.
 - a). Confirmation by refinery regarding availability/allocation of the product

Buyer or Buyer's bank may verify this refinery confirmation within 24 hours from receipt of said document by using the services of a Russian-speaking person to contact the refinery at the date and



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time to be agreed in advance (Buyer or Buyer's bank shall provide the name of said person who will contact the refinery at the agreed date and time). The verification shall be limited to the authentication of the refinery confirmation and the working relationship between Seller and the refinery and must be carried out within one banking day from receipt of refinery confirmation. If Buyer does not wish to verify or fails to verify, then the SBLC shall be issued without it within 72 hours from receipt of the allocation confirmation.

8. Within two (2) international banking days of verification of said refinery confirmation, Buyer shall cause his bank to issue to Seller's finance company an SBLC according to the wording as provided in Appendix A for the monthly CIF shipment value (200,000 MT) with a validity period of one (1) year. The SBLC text must follow the format of the wording as provided in Appendix A

9. First shipment shall take place within 18-24 days from receipt of acceptable SBLC as per Appendix A. Seller shall submit a full set of shipping documents for each shipload, to be dispatched within two (2) business days from completion of loading.

The Buyer's representative may be present at loading, attending and witnessing of Q&Q procedures and SGS certification.

DOCUMENTS TO BE PRESENTED AFTER SHIPMENT:

1. Seller's invoice based on SGS certificate of quantity
 2. Clean on board ocean bill of lading marked "freight prepaid" or "as per charter party"
 3. SGS Certificate of Quality issued by SGS Vostok Ltd. at the loading port
 4. SGS Certificate of Quantity issued by SGS Vostok Ltd. at the loading port
 5. Certificate of origin
 6. Certificate of Insurance
 10. Payment by TT/MT103 wire transfer for the shipment made must be made within 48 hours from receipt of shipping documents from the loading port only.
 11. Payment procedure shall be repeated every month for the duration of the contract.
 12. Payments to intermediaries are made in accordance with the IMFPA.
- * INCOTERMS are CIF but payment is on FOB terms at port of loading, but cost of shipping is included in the price. However, this is applicable to Europe, North Africa, the Middle East and certain parts of the Far East. Other more distant locations may incur an additional cost for shipping, which will be advised in advance, before contract signing.



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COMMISSIONS:

THE COMMISSIONS WILL BE PAID BY THE SELLER TO BOTH THE BUYER & SELLER SIDES.

Seller Side: \$0.50 paid by the Seller (Closed)

Buyer Side: \$0.50 paid by the Seller (Open)

Seller shall pay the consultants/agents within 48 hours of the Buyer making each product payment for the duration of the contract including R&E according to the NCNDA/IMFPA.

We understand that any and all offers and/or contracts are subject to successful verification of funds availability in accordance with procedural steps to be agreed and the refinery's verification and commitment to produce. This Soft Corporate Offer is, in and of itself, not a contract and generally cannot be enforced as a legal document. Rather it is a document which constitutes an understanding between the twoparties and states the serious intent of the parties to carry out certain business activities.

Upon receipt of this signed SCO and Buyer's CP and after acceptance by the Seller, we will send you the Seller's SPA as indicated in step number four above.

We look forward to hearing from you in due course.

Thank you and Kind regards, For and on behalf of:

THIS IS A BLANK DRAFT ONLY

Guillaume Huré - President