

## COMMERCIAL SALE & PURCHASE TRANSACTION PROCEDURE FOR LNG & LPG

This is a formal Soft Corporate offer for the supply of LNG as per the attached specification sheet on Page 3 below.

The details of the product is outlined as follows : -

1. Product : LNG (Tentative specifications attached)
2. Quantity Uplift : 100,000 MT per month.
3. Contract Duration : Minimum 12 months.
4. Delivery Terms : CIF (Cost, Insurance, Freight).
5. Buyer's Destination Port : Non-sanctioned Safe Country Destination Port.
6. Seller's Loading Port : Port of Qalhat - Oman / TBA.

### Pricing Mechanism & Reference

- First Shipment : Based on "CME's LNG JKM Platts Futures Prices" at the date of the payment instrument's SWIFT inward transmission & Beneficiary Bank Confirmation.
- Subsequent Shipments : Based on "CME's LNG JKM Platts Futures Prices" as of each shipment's Bill of Lading date.

### CME Group - LNG JKM Platts Futures , as follows:

<https://www.cmegroup.com/markets/energy/natural-gas/lng-japan-korea-marker-platts-swap.html#venue=globex>

7. **Price** : 5% discount on CME's LNG Japan / Korea Marker (Platts) Futures (5% discount is excluding commission, inclusive of ocean freight and insurance). **The LNG CIF price is JKM Platts minus (-) 5% with MOQ for 100,000 MT.**
8. **Payment Terms** : Irrevocable, Confirmed, Transferable / Non-Transferable Standby Letter of Credit (LC) from a top-tier bank, issued via SWIFT MT760 as a payment guarantee. Actual payment will be made via MT 103 / TT after SGS (or equivalent) inspection and upon submission of shipping documents at the **Destination / Discharging Port**.
9. **Inspection** : SGS or equivalent.

**\*NOTE : Current LPG CIF price is Aramco CP minus (-) US \$10.00 per MT for 88000 MT MOQ.**

## SALES & PURCHASE TRANSACTION PROCEDURE FOR JA1, EN590 (10 PPM), D6 & CRUDE OIL ENERGY COMMODITIES

- 1) Buyer issues ICPO / Purchase Order, KYC, Registration Certificate & Import Trade License.
- 2) Seller issue Commercial Offer. Buyer formalizes and returns the Commercial Offer in conjunction with a Bank by RWA POF via Swift MT 199.  
**(RWA POF must check on the Buyer's credentials before engaging in SPA etc. However, if the Buyer has agreeable credentials we can directly advance to pre-advance along with signing the SPA.)**
- 3) The Seller issues the Sales & Purchase Agreement (SPA). Buyer formalizes and returns the Sales & Purchase Agreement within (3~4) Business Days. Thereafter Seller signs the SPA and returns the same to qualified Buyer.
- 4) The SPA - Sales & Purchase Agreement is lodged with both Buyer & Seller's Bank & The Buyer's Banker.
- 5) The Buyer's Banker transmits a SBLC via SWIFT MT 760.



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6) Upon validation of the Collateral Instrument, the vessel will be nominated to the Buyer. Approximately 6 to 7 weeks before the loading time, our colleague in the shipping department will inform the Buyer.

The Seller will load the vessel at their own expense after SGS or equivalent inspection, according to the agreed schedule in the SPA, and will issue the Product & Delivery Documentation.

Product & Delivery Documentation is submitted digitally & via courier when created. Documentation comprises of, but is not limited to:

1. Ocean Bill of Lading
2. Certificate of Origin
3. Certificate of Quantity
4. Certificate of Quality
5. Notice of Readiness
6. Vessel Questionnaire 88
7. Vessel / Product Insurance Policy (Underwritten by Lloyd's)
8. Commercial Invoice.

7) Product & Delivery Documentation are submitted digitally and via courier when created.

8) Payment via TT / or MT 103 / 202.

**The Procedure outlined above pertains specifically to the issuance of an ICPO.**

This is a general process, and the complete and final Procedure will be detailed in the SPA (Sales and Purchase Agreement), as it depends on the payment guarantee instrument chosen by direct / qualified Buyers.

All such specifics will be clearly mentioned in the SPA for mutual clarity and agreement.

**Additional Notes :**

1. The Seller does not provide any past performance documents due to NCNDA with the existing signed Buyers and any disclosure would be a violation of the contract.
2. Buyers often ask for PPOP documents before the issuance of SBLC MT760. **The product documentation is not created until the Seller procures the fuel (at their own expense) and the Seller does not procure the fuel until the collateral financial instrument from the Buyer is in place.**
3. The instrument is a guarantee which is auto-revolving for the contract period equal to one month's value of the cargo. **SBLC is not a direct payment instrument it's subjective.**

Please feel free to contact us at [management@horizonoffshoreservices.com](mailto:management@horizonoffshoreservices.com) further any questions or clarifications.

### S&P Commercial Process

#### **Qualified Buyer Approval**

Once the Buyer approves the outlined Procedures, Horizon Offshore Services VA Group (HOSVAG) will issue a formal B2B NCNDA for the qualified Buyer to complete in due course. Upon completion, HOSVAG will facilitate a direct meeting on behalf of our reputable Authorized Energy Commodities JV Supplier with designated refinery offices located in the UAE, Oman, Qatar, India, and Singapore.

#### **Price Requests and Specifications**

Should credible Buyers require price ideas, discounts, or detailed product specifications, they must submit a Letter of Intent (LOI) outlining their request. Along with the completed NCNDA, qualified Buyers will be diligently informed of all relevant details prior to any scheduled meeting that shall be arranged directly with HOSVAG Suppliers.

This streamlined process ensures transparency and efficiency, maintaining the highest standards of professionalism while safeguarding the interests of all Parties involved.



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**ANNEXURE A : PRODUCT/LNG SPECIFICATIONS**

	<b>COMPONENT</b>	<b>LIMITS</b>
	Gross Heating Value Range	<b>9,340 - 10,420 Kcal/SCM</b>
	Methane	No less than <b>85.0</b> Molecular %
	Ethane	No more than <b>9.2</b> Molecular %
	Propane	No more than <b>3.00</b> Molecular %
	Butanes (and Heavier)	No more than <b>2.00</b> Molecular %
	Pentanes (and Heavier)	No more than <b>0.25</b> Molecular %
	Nitrogen	<b>1.0</b> Molecular %
	Total Sulphur	<b>10</b> Part Per Million (w)
	Sulphur as Hydrogen Sulphide	<b>10</b> Part Per Million (w)
	Maximum variation in Wobbe Index	<b>+/-5.0%</b>
	Liquid Content	<b>Nil</b>
	Moisture	<b>112 Kg/Million SCM</b>
	Hydrogen Content	<b>1.00 % (By Volume)</b>
	Acetylene	<b>0.10% (By Volume)</b>
	Higher Hydrocarbons for N>=3	<b>10.0% (By Volume)</b>
<b>TRACE METALS</b>	Lead + Zinc	<b>.50</b> Part Per Million (w)
	Sodium + Potassium	<b>.30</b> Part Per Million (w)
	Vanadium	<b>.50</b> Part Per Million (w)
	Calcium	<b>2.0</b> Part Per Million (w)
	Magnesium	<b>2.0</b> Part Per Million (w)
	Sum of Heavy Metals	<b>1.0</b> Part Per Million (w)
<b>SOLID</b>	Total for Particle Size up to 10 Microns	<b>---</b>
	For 2 Micron < d< 10 Micron	<b>20.0</b> Part Per Million (w)
	Particle Size Greater than 10 Microns	<b>1.50</b> Part Per Million (w)