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PJSC LUKOIL
OIL COMPANY
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DRAFT SALES PURCHASE AGREEMENT

Contract No. 1234-5678-9012-3456

CONTRACT DATE: 9 MAY 2020
CONTRACT PLACE: MOSCOW, RUSSIA

BETWEEN:

LUKOIL OIL COMPANY, a company duly incorporated under the laws of the Russian Federation, with its registered office at 11 SRETENSKY BOULEVARD, MOSCOW, RUSSIA, 101000 (hereinafter referred to as "**Seller**")

AND

TRANSNATIONAL TRADING PROFITEER, a company duly incorporated under the laws of Liechtenstein, with its registered office at Vaduz, Liechtenstein (hereinafter referred to as "**Buyer**")

(Seller and Buyer collectively referred to as "**Parties**" and individually as "**Party**")

WHEREAS

1. Seller is a vertically integrated oil company and is willing to sell and export crude oil and petroleum products;
2. Buyer is a trading company and is willing to purchase such crude oil and petroleum products;
3. Seller has obtained all necessary licenses and permits for the export of such crude oil and petroleum products;
4. Seller is willing to sell and export such crude oil and petroleum products to Buyer and Buyer is willing to purchase such crude oil and petroleum products from Seller on the terms and conditions set forth in this Agreement;
5. Seller and Buyer have agreed that the Parties shall enter into this Agreement on the terms and conditions set forth in this Agreement;

NOW, THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

1.1 Unless otherwise specifically defined in this Agreement, capitalized terms shall have the following meanings:

(a) "**Affiliate**" means, in respect of a Party, any entity which directly or indirectly controls, is controlled by, or is under common control with such Party. For purposes of this definition, "control" means the ownership of more than 50% (fifty percent) of the voting rights of such entity;

(b) "**Agreement**" means this Agreement, as amended, supplemented or otherwise modified from time to time;

(c) "**Bank Business Day**" means a day on which commercial banks are generally open for business in Moscow, Russia and Vaduz, Liechtenstein;

(d) "**Barrel**" means a quantity of crude oil or petroleum products sufficient to fill a barrel, which is equal to 42 US gallons (159 litres) at 60°F (15.6°C) and 1 (one) standard atmosphere;

(e) "**Business Day**" means any day other than a Saturday, Sunday or public holiday;

(f) "**Calculation Period**" means, in respect of a Pricing Formula, the period specified as such in the applicable Pricing Formula;

(g) "**Cargo**" means the quantity of Crude Oil or Petroleum Products to be delivered under this Agreement in respect of a Delivery Period;

(h) "**Contract Price**" means, in respect of a Cargo, the price payable by Buyer to Seller for such Cargo, determined in accordance with Clause 5 (Price);

(i) "**Crude Oil**" means the crude oil specified in Appendix A (Specifications);

(j) "**Delivery Period**" means, in respect of a Cargo, the period specified in the applicable Pricing Formula for the delivery of such Cargo;

(k) "**Force Majeure**" means any event or circumstance which prevents or materially delays a Party from performing its obligations under this Agreement, which such Party could not prevent or overcome by the exercise of reasonable diligence, including but not limited to: (i) acts of God; (ii) war, hostilities, blockade, embargo, riots, civil disorder, sabotage, terrorism, piracy; (iii) fire, explosion, flood, storm, earthquake, landslide, lightning, weather of a type not anticipated for the relevant locality; (iv) strikes, lockouts or other industrial disputes (whether involving the workforce of the relevant Party or of any third party); (v) failure of or breakdown in pipelines, terminals, vessels, machinery, equipment or other facilities; (vi) any order, regulation, decree, ruling, or other action of any court, government, or other competent authority;

(l) "**Pricing Formula**" means the formula specified in Appendix B (Pricing Formula) for the calculation of the Contract Price;

(m) "**Petroleum Products**" means refined petroleum products specified in Appendix A (Specifications);

(n) "**Quality Certificate**" means a certificate issued by an independent surveyor at the loading port certifying that the Crude Oil or Petroleum Products loaded on the relevant Cargo conform to the specifications set forth in Appendix A (Specifications);

(o) "**Quantity Certificate**" means a certificate issued by an independent surveyor at the loading port certifying the quantity of Crude Oil or Petroleum Products loaded on the relevant Cargo;

(p) "**Sanctions**" means any economic or financial sanctions, trade embargoes or restrictions imposed, administered or enforced from time to time by the United Nations, the European Union, the United States of America, the Russian Federation, the United Kingdom or the jurisdiction in which a Party is incorporated or in which its shares are listed;

(q) "**Specifications**" means the specifications of the Crude Oil and Petroleum Products set forth in Appendix A (Specifications);

(r) "**Taxes**" means all taxes, levies, imposts, duties, charges, fees and withholdings (and in each case interest and penalties thereon) imposed, levied, collected, withheld or assessed by any government or other competent tax authority;

(s) "**Terminal**" means the terminal specified in the applicable Pricing Formula;

(t) "**Vessel**" means the vessel nominated by Buyer to lift a Cargo.

1.2 In this Agreement, unless the context requires otherwise:

(a) words in the singular shall include the plural and vice versa;

(b) words importing one gender shall include the other gender;

(c) the headings in this Agreement are for convenience only and do not affect the interpretation of this Agreement;

(d) any reference to a "Clause" or "Appendix" is a reference to a clause of or appendix to this Agreement;

(e) any reference to "including" means "including, without limitation";

(f) any reference to "Party" or "Parties" is a reference to a party or parties to this Agreement.

2. SALE AND PURCHASE

2.1 Subject to the terms and conditions of this Agreement, Seller shall sell and export Crude Oil and Petroleum Products to Buyer, and Buyer shall purchase and import such Crude Oil and Petroleum Products from Seller.

2.2 Seller shall be responsible for all Taxes and other charges payable in respect of the export of Crude Oil and Petroleum Products.

2.3 Buyer shall be responsible for all Taxes and other charges payable in respect of the import of Crude Oil and Petroleum Products.

3. QUANTITIES

3.1 Subject to the terms and conditions of this Agreement, Seller shall export and Buyer shall import Crude Oil and Petroleum Products in the quantities specified in the applicable Pricing Formula.

3.2 Each Cargo shall be deemed to be a separate sale and purchase under this Agreement.

4. PRICE

4.1 The Contract Price for each Cargo shall be determined in accordance with the applicable Pricing Formula.

4.2 Buyer shall pay the Contract Price for each Cargo in United States dollars (USD) in immediately available funds.

5. PAYMENT TERMS

5.1 Buyer shall pay the Contract Price for each Cargo within 30 (thirty) days after the date of the Bill of Lading.

5.2 Payment shall be made to Seller's bank account specified in the applicable Pricing Formula.

5.3 Payment shall be deemed made when the funds are received by Seller.

6. DELIVERY

6.1 Each Cargo shall be delivered FOB Vessel at the Terminal.

6.2 Seller shall nominate the Terminal and the Delivery Period for each Cargo in the applicable Pricing Formula.

6.3 Buyer shall nominate the Vessel for each Cargo at least 5 (five) Business Days prior to the commencement of the Delivery Period.

6.4 Risk of loss and damage to the Crude Oil or Petroleum Products shall pass from Seller to Buyer when the Crude Oil or Petroleum Products pass the flange connecting the Terminal pipeline to the Vessel.

6.5 Title to the Crude Oil or Petroleum Products shall pass from Seller to Buyer when payment in full for such Crude Oil or Petroleum Products is received by Seller.

7. QUALITY AND QUANTITY

7.1 Seller shall procure that a Quality Certificate and a Quantity Certificate are issued in respect of each Cargo.

7.2 The Quality Certificate and the Quantity Certificate shall be issued by an independent surveyor at the loading port.

7.3 The costs of the independent surveyor shall be borne by Seller.

7.4 Buyer shall be entitled to rely on the Quality Certificate and the Quantity Certificate for the purpose of calculating the Contract Price.

8. REPRESENTATIONS AND WARRANTIES

8.1 Each Party represents and warrants that it is duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation.

8.2 Each Party represents and warrants that it has the power and authority to enter into and perform its obligations under this Agreement.

8.3 Each Party represents and warrants that its execution of, and performance of its obligations under, this Agreement does not violate any law, regulation, or order of any court or government agency.

8.4 Each Party represents and warrants that it is not subject to Sanctions.

9. FORCE MAJEURE

9.1 Neither Party shall be liable for any failure to perform its obligations in relation to a Cargo if such failure is caused by Force Majeure.

9.2 If a Force Majeure event prevents a Party from performing its obligations for more than 30 (thirty) consecutive days, the other Party may terminate the affected Cargo by notice.

10. GOVERNING LAW AND DISPUTE RESOLUTION

10.1 This Agreement shall be governed by and interpreted in accordance with the laws of the Russian Federation.

10.2 Any dispute arising out of or in connection with this Agreement, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by the International Commercial Arbitration Court at the Russian Chamber of Commerce and Industry in accordance with the Rules of Arbitration of the International Commercial Arbitration Court.

10.3 The seat of arbitration shall be Moscow, Russia.

10.4 The language of the arbitration shall be Russian.

10.5 The arbitration proceedings shall be conducted in English language.

11. MISCELLANEOUS

11.1 This Agreement constitutes the entire agreement between the Parties.

11.2 No amendment or waiver of any provision of this Agreement shall be valid unless it is in writing and signed by both Parties.

11.3 If any provision of this Agreement is held invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not be affected.

11.4 Failure by a Party to exercise or enforce any right under this Agreement shall not be deemed a waiver of such right.

11.5 Notices under this Agreement shall be in writing and sent to the addresses set forth in Clause 1.1(f) above.

11.6 This Agreement may be executed in two copies, each of which shall be deemed an original.

SIGNATURES

For and on behalf of **LUKOIL OIL COMPANY**:

Name: Vladimir Petrov
Position: Head of Crude Oil Sales Department
Signature: _____

For and on behalf of **TRANSNATIONAL TRADING PROFITEER**:

Name: Hans Müller
Position: Managing Director
Signature: _____

Price shall be in USD/BBL (PLEASE ENSURE QUOTE "Minimum Fluctuation Allowed" IS ADHERED TO) Price shall be based on the average of the mean quotations for the Platts Dated Brent Crude Oil assessments published by Platts in the offshore pipeline section of the publication Platts Crude Oil Marketwire for the relevant Calculation Period, adjusted by the following amounts: the average of the mean quotations for the Platts Dubai Crude Oil assessments published in the publication Platts Crude Oil Marketwire for the relevant Calculation Period, multiplied by 0.5 (zero point five) and rounded to the nearest two decimal places.

Commissions: 0.150 (0.15) USD/BBL, FREE TRADER FEE

Quality Premium: 0.00 USD/BBL

THE PRICE DERIVED FROM THE FORMULA ABOVE WILL BE RECEIVED IN FULL BY SELLER NO LATER THAN 30 (THIRTY) CALENDAR DAYS FROM THE DATE OF BILL OF LADING.

Appendix 1: Product Specifications

Russian Export Blend Crude Oil (REBCO) Specification

No	DESCRIPTION	VALUE
1.	Density at 20 oC g/cm3, max	0.870
2.	Sulfur content, %, max	1.8
3.	Paraffin content, %, max	6.0
4.	Water and sediments content, %, max	0.1
5.	Distillation, °C recovered	at 200 °C: min 21.0 at 300°C: min 41.0 at 350°C: min 61.0
6.	Chloride salts content, mg/dm3, max	100
7.	Density deg API at 60 oF, min	32.3
8.	Salt content (NaCl), mg/l	17.3
9.	Ash content, % max	0.05
10.	Mercaptans, mg/kg	< 1
11.	Pour Point, deg C	-15
12.	Kinematic viscosity, deg. 20C, cst	4.92
13.	Hydrogen Sulfide, mg/kg	< 1
14.	Nitrogen, mg/l	342
15.	KOH Number, mg/g	0.39

Appendix N1 - Schedule of Deliveries

Month	Year	Quantity	Price
MAY	2020	2,000,000 BBL	Dubai Dated
JUNE	2020	2,000,000 BBL	Dubai Dated
JULY	2020	2,000,000 BBL	Dubai Dated
AUGUST	2020	2,000,000 BBL	Dubai Dated
SEPTEMBER	2020	2,000,000 BBL	Dubai Dated
OCTOBER	2020	2,000,000 BBL	Dubai Dated

Grand total 12,000,000 BBL