

SCOH- 0234-2020

JANUARY 17TH, 2020

GEOGAS TRADING SA.

ATTENTION: LUIS CARRILLO

REF. PETROPERU S.A. TENDER INVITATION SCOH-0050-2020/TENDER-001-2020 DATED JANUARY 10TH, 2020, YOUR OFFER DATED JANUARY 15TH, 2020, YOURS EMAILS DATED JANUARY 15TH, 2020 AND JANUARY 16TH 2020.

PETROLEOS DEL PERU-PETROPERU S.A. IS PLEASED TO INFORM GEOGAS TRADING S.A. THAT PETROLEOS DEL PERU - PETROPERU S.A. HAS AWARDED GEOGAS TRADING S.A. THE FOLLOWING DAP PURCHASE:

1. **PRODUCT: LPG (PROPANE AND BUTANE)**
2. **QUANTITY, DISPORTS AND DELIVERY DATES – DAP PURCHASES**

TWO CARGOES OF COMMERCIAL PROPANE AND BUTANE, FULLY REFRIGERATED, NOT ODORIZED, SEGREGATED OR MIXED AND IN A RATIO **BETWEEN 70/30-%W AND 75/25-%W, RESPECTIVELY**, (SELLERS' OPTION). DISCHARGE TEMPERATURE **BETWEEN -10°C AND + 2.0 °C**, TO BE DELIVERED DURING MARCH 2020, ACCORDING THE FOLLOWING CHART:

DELIVERY	QUANTITY GLP (TM)	TOLERANCE	PORT	NUMBER OF ENTRIES TO DISCHARGE PER PORT
02/06 MARCH 2020 (*)	4,500	+ 0% / -5 %	TALARA	1 or 2
			TALARA/CALLAO (***)	1
14/18 MARCH 2020 (**)	4,500	+ 0% / -5 %	TALARA	1 or 2
			TALARA/CALLAO (***)	1

IMPORTANT NOTES:

THIS CARGO WILL NOT BE EXCLUSIVE FOR PETROPERU S.A. THIS MEANS GEOGAS TRADING CAN LOAD IN THE SAME VESSEL ANY ADDITIONAL VOLUME FOR OTHER CONSIGNEE IN PERU.

(*) THE DELIVERY WINDOW WILL BE NARROWED BY SELLER TO A 3-DAY WINDOW BY FEBRUARY 24TH. 2020.

(**) THE DELIVERY WINDOW WILL BE NARROWED BY SELLER TO A 3-DAY WINDOW BY MARCH 07TH, 2020.

(***) PETROPERU WILL NOTICE THE ROTATION OF PORT (S) FIFTEEN (15) DAYS BEFORE THE FIRST DAY OF THE DELIVERY WINDOW, IMMEDIATELY AFTER FINISHING THE DISCHARGE AT THE FIRST PORT, SHIP SHALL TO THE SECOND PORT.

IN THE CASE THE VESSEL DOES NOT COMPLETE THE DISCHARGE IN THE FIRST ENTRY IN TALARA, IT WILL MAKE A SECOND ENTRY

3. **PRICE:**

PROPANE

THE **PRICE DAP TALARA**, PERU (INCOTERMS 2010) IN US DOLLARS (USD) PER MT (USD/MT) FOR THE PRODUCT PURCHASED AND SOLD UNDER THE TERM SET FORTH HEREIN UNDER SHALL BE CALCULATED AND SET USING THE FOLLOWING FORMULA: (C3 + X) USD/MT.
WHERE:

C3: THE SIMPLE AVERAGE OF ALL DAILY QUOTATIONS DURING THE MONTH OF DELIVERY, FOR PROPANE PUBLISHED BY PLATT'S US MARKETSCAN ("PLATT'S") IN THE SECTION "GAS LIQUIDS" UNDER THE HEADING "NON-LST MONT BELVIEU" (DATA CODE: **PMAAY00**) MULTIPLIED BY A FACTOR OF 5.21 TO CONVERT FROM C/GAL TO US\$/MT

X: ACCORDING THE FOLLOWING CHART:

MODALIDAD	DELIVERY	Alternativas	Differential Expressed in Number US\$/TM	Differential Expressed in Words
DAP TALARA	MARCH 02 ND -06 TH 2020	I.1.A.1	260	Two hundred sixty
	MARCH 14 TH -18 TH 2020	I.1.A.2	264	Two hundred sixty four
DAP TALARA/CALLAO	MARCH 02 ND -06 TH 2020	I.1.B	295	Two hundred ninety five
	MARCH 14 TH -18 TH 2020			



BUTANE

THE PRICE DAP TALARA, PERU (INCOTERMS 2010) IN US DOLLARS (USD) PER MT (USD/MT) FOR THE PRODUCT PURCHASED AND SOLD UNDER THE TERM SET FORTH HEREIN UNDER SHALL BE CALCULATED AND SET USING THE FOLLOWING FORMULA: (C4 + Y) USD/MT WHERE:

C4: THE SIMPLE AVERAGE OF ALL DAILY QUOTATIONS DURING THE MONTH OF DELIVERY, FOR NORMAL BUTANE PUBLISHED BY PLATT'S US MARKETSCAN (PLATT'S) IN THE SECTION "GAS LIQUIDS" UNDER THE HEADING "NON-LST MONT BELVIEU" (DATA CODE: PMAAI00) MULTIPLIED BY A FACTOR OF 4.53 TO CONVERT FROM C/GAL TO US\$/MT

Y: ACCORDING THE FOLLOWING CHART:

MODALIDAD	DELIVERY	Alternativas	Differential Expressed in Number US\$/TM	Differential Expressed in Words
DAP TALARA	MARCH 02 ND -06 TH 2020	I.1.A.1	260	Two hundred sixty
	MARCH 14 TH -18 TH 2020	I.1.A.2	264	Two hundred sixty four
DAP TALARA/CALLAO	MARCH 02 ND -06 TH 2020	I.1.B	295	Two hundred ninety five
	MARCH 14 TH -18 TH 2020			

NOTE. - THE COST TO ODORIZE IS US\$/TM 4.00

4. PAYMENT TERMS:

AS PER ITEM 10 (PAYMENT TERMS) **OPTION A: LETTER OF CREDIT** OF PETROPERU'S GENERAL TERMS AND CONDITIONS FOR INTERNATIONAL TRADE OPERATIONS FOR FOB EXPORTS AND CFR/DAP/FOB IMPORTS OF CRUDE OIL, PETROLEUM PRODUCTS AND BIOFUELS: **30 DAYS AFTER NOR DATE.**

5. DOCUMENTATION REQUIREMENTS:

GEOGAS TRADING S.A. MUST SUBMIT TO PETROPERU S.A. THE ORIGINAL DOCUMENTS LISTED BELOW (ACCORDING TO THE DOCUMENTATION INSTRUCTIONS FROM PETROPERU S.A.), WITHIN TEN (10) CALENDAR DAYS AS FROM THE TIME DISCHARGE IS FINISHED.

- COMMERCIAL INVOICE
- 3/3 BILLS OF LADING
- CARGO MANIFEST
- CERTIFICATE OF ORIGIN
- NOTICE OF READINESS (NOR)

IMPORTANT NOTE

- PRESENTATION OF PROVISIONAL COMMERCIAL INVOICE AND BILL OF LADING (ORIGIN) ARE ACCEPTABLE ONLY FOR DISCHARGE THE PRODUCT. THE SELLER'S COMMERCIAL INVOICE OR ELECTRONIC SIGNED INVOICE DULY ISSUED TO PETROPERU S.A., SHOWING FULL PRICE CALCULATION, NET BARRELS AND PAYMENT INSTRUCTIONS. A PROVISIONAL INVOICE MAY BE ISSUED IF THE DEEMED PRICING PERIOD HAS NOT BEEN COMPLETED BY THE TIME BUYER NEEDS TO PRESENT VESSEL TO CUSTOMS. THIS DOCUMENTS MUST BE SENT ELECTRONIC VIA FIVE (05) USEFULS DAYS, BEFORE THE ARRIVAL OF THE VESSEL TO FIRST PORT.
- IF THE PROVISIONAL COMMERCIAL INVOICE AND BILL OF LADING ARE NOT PRESENTED IN DUE TIME, PETROPERU S.A. MAY ONLY AUTHORIZE THE DISCHARGE OF HYDROCARBONS UNDER RESPONSIBILITY OF THE SELLER, GUARANTEED BY A LETTER OF INDEMNITY (LOI) IN PETROPERU S.A. FORMAT. THE SELLER SHALL BE RESPONSIBLE FOR ALL INHERENT COSTS AND RISKS GENERATED BY THE CUSTOMS AUTHORITIES OR THIRD COMPANIES.



6. QUALITY: LPG (PROPANE+BUTANE) – NOT ODORIZED

THE QUALITY OF LPG AFTER MIXING THE PROPANE AND BUTANE MUST COMPLY WITH ALL OF THE FOLLOWING SPECIFICATIONS:

PROPERTIES	MIN.	MAX.	ASTM METHOD
Evaporated temperature, 95%, °C		2.2	D1837
Vapor pressure at 37.8°C, KPa (psi)	793 (115)	1430 (208)	D1267, D2598
Density at 15°C or relative density at 15.6/15.6°C (60/60°F)	report		D1667, D2598
Residue on evaporation of 100 mL, mL		0.05	D2158
Oil stain observation	pass		D2158
Composition, %V			D2163
C2	Limited by RVP		
C3	report		
C4	Limited by RVP		
C5 and heavier		1.8	
Hydrocarbons unsaturated	report		
Dienes		0.5	
Sulfur, mg/kg (ppm mass) (1)		140	D2784 (*)
Corrosion, copper, strip, N°		1	D1838
Hydrogen Sulfide	pass		D2420
Moisture content	pass		D2713
Free water content	none		Visual
Odor (2)	Report		

Notes:

- (1) Determination of sulfur content shall be done after the odoriferous substance has been added.
- (2) Mercaptan content report.

(*) ASTM METHOD: D2784 OR EQUIVALENT

7. MEASUREMENT / INSPECTION

GEOGAS TRADING S.A. MUST SEND PETROPERU THE QUALITY OF THE PRODUCT FIVE (05) DAYS BEFORE DE DISCHARGE OF THE PRODUCT (ALL SPECIFICATIONS DETAIL IN ITEM N° 09), THE QUALITY WILL BE DETERMINED BY THE INDEPENDENT INSPECTOR OF RECORD, THIS COST IS ASSUME BY SELLER.

FOR THE DISCHARGE OF THE CARGO, PETROPERU WILL BE VERIFIED THE MAIN SPECIFICATIONS AND WHAT PETROPERU CONSIDERS CONVENIENT ACCORDING TO THE COMPOSITE SAMPLE OF ALL COMPARTMENTS IN THE SHIP WHERE THE CARGO IS STORED BEFORE STARTING DISCHARGE OPERATION

ALSO, THE QUALITY SHALL BE MEASURED ON VESSEL COMPOSITE SAMPLE AT DISCHARGE PORT ASCERTAINED BY A MUTUALLY AGREED INDEPENDENT INSPECTOR. IF QUALITY IS DETERMINED TO BE OFF-SPEC, THEN SELLER WILL BE RESPONSIBLE FOR ANY AND ALL DIRECT COSTS INCURRED TO CORRECT THE CARGO. IF CARGO CANNOT BE CORRECTED OR ACCEPTED AS-IS, THEN BUYER SHALL BE ENTITLED TO REJECT CARGO AND TERMINATE THE CONTRACT, IN EITHER CASE SELLER SHALL COMPENSATE BUYER OF ANY AND ALL DIRECT COSTS ACTUALLY AND REASONABLY INCURRED BY SUCH BREACH.

QUANTITY SHALL BE BASED ON VESSEL FIGURES AT DISCHARGE PORT WITH VEF APPLIED, AS CERTIFIED BY THE INDEPENDENT INSPECTOR OF RECORD.

- THE INSPECTION COSTS (AS OBSERVERS) AT DISCHARGE PORT(S) SHOULD BE SHARED BETWEEN PETROPERU'S ACCOUNT AND SELLER (50 % EACH).
- PETROPERU WILL CONSIDER ADDITIONAL TESTS TO ENSURE THE QUALITY IF ITS CONVENIENT.

8. DISCHARGE CONDITIONS

- CARGO TEMPERATURE AT DISCHARGE OPERATION MUST BE BETWEEN -10°C TO +2.0 °C.
- THE PRODUCT MUST BE DISCHARGED MIXED.



9. **PORT RESTRICTIONS:**

Port	Draft (meter)	LOA (meter)	Maximum Displacement	DWT
Talara Port	10.70	193.00	45,000 MT (*)	-----
Callao Pier 07- A	10.00	242.00	-----	30,000 TM
Callao Pier 07 – B	10.00	262.87	-----	30,000 TM

(*) Entry or exit of the pier

10. **VESSEL NOMINATION AND DISCHARGE/LOADING PROCEDURES:**

GEOGAS TRADING S.A. MUST FULLY COMPLY THE OFFERED DELIVERY DATES. TO FULFILL THIS, ALL CAUTIONS SHOULD BE TAKEN WITH SHIP NOMINATION.

SHIP FOR THE CARGO TO BE NOMINATED BY SELLER HAS TO BE CLASSIFIED BY ANY QUALIFIED SOCIETY MEMBERS OF INTERNATIONAL ASSOCIATION OF CLASSIFICATION SOCIETIES (IACS). IF SHIP NOMINATED BY SELLER DOES NOT COMPLY WITH THAT QUALIFICATION, SHIP WILL BE REFUSE BY PETROPERU S.A. (SEE BELOW MEMBERS LIST):

- LLOYDS REGISTER
- NORSE VERITAS
- GERMANISCHER LLOYD
- KOREAN REGISTER OF SHIPPING
- NIPPON KAIJI KYOKAI
- AMERICAN BUREAU OF SHIPPING
- CHINA CLASSIFICATION SOCIETY
- BUREAU VERITAS
- MARITIME REGISTER OF SHIPPING
- REGISTRO ITALIANO

IMPORTANT NOTE: NOMINATION OF MARINE AGENTS FOR ANY VESSEL IS A FULL RESPONSIBILITY OF THE WINNER OF THE CARGO.

11. **DEMURRAGE:**

ANY DELAYS DUE TO WEATHER OR SEA CONDITIONS SHALL COUNT AS DEMURRAGE IF VESSEL ON DEMURRAGE.

DEMURRAGE AND POST DEAL EXPENSE CLAIMS:

PLEASE CONTACT PETROPERU'S DEMURRAGE TEAM WITH SUBJECT LINE TO READ: TYPE OF CLAIM E.G. PETROPERU DEMURRAGE, DEVIATION CLAIM. VESSEL NAME/ B/L DATE/ LOADPORT AND/OR DISPORT.

Email
demurrage1@petroperu.com.pe

NOTE: CLAIMS WILL NOT BE VALID IF SENT TO OTHER EMAIL ADDRESS.

12. **LAYTIME:**

ANY DELAYS DUE TO WEATHER OR SEA CONDITIONS SHALL COUNT AS USED LAYTIME.

13. **LAW AND JURISDICTION:**

AS PER ITEM N°12 OF PETROPERU'S GENERAL TERMS AND CONDITIONS FOR FOB EXPORTS AND CFR/DAP/FOB IMPORTS OF CRUDE OIL, PETROLEUM PRODUCTS AND BIOFUELS (REVISION OF 2017).

14. **OTHER TERMS AND CONDITIONS:** AS PER PETROPERU'S GENERAL TERMS AND CONDITIONS FOR FOB EXPORTS AND CFR/DAP/FOB IMPORTS OF CRUDE OIL, PETROLEUM PRODUCTS AND BIOFUELS (REVISION OF 2017).

15. **IMPORTANT NOTES:**

- a) ANY INFORMATION GIVEN BY GEOGAS TRADING S.A. AFTER THIS AWARD THAT MODIFIES THE CONDITIONS OF THE INVITATION AND/OR OUR AWARD WILL BE CONSIDERED A MATERIAL UNFULFILLMENT OF THE CONTRACT. UNDER THIS SITUATION, PETROPERU S.A. RESERVES THE RIGHT TO CANCEL THE CONTRACT AND REQUIRE AN INDEMNITY FROM GEOGAS TRADING S.A.



- b) FOR ANY AND ALL COSTS, DAMAGES OR EXPENSES INCURRED BY PETROPERU S.A. AS A RESULT OF GEOGAS TRADING S.A. FAILURE TO FULFILL ITS CONTRACTUAL OBLIGATIONS. ADDITIONALLY, PETROPERU S.A. RESERVES THE RIGHT TO SUSPEND OR EXCLUDE GEOGAS TRADING S.A FROM OUR TENDER LIST.
- c) PETROPERU S.A. REQUIRES THAT GEOGAS TRADING S.A. PERFORMS ITS CONTRACTUAL OBLIGATIONS IN A PROFESSIONAL AND RESPONSIBLE WAY; OTHERWISE PETROPERU S.A. RESERVES THE RIGHT TO SUSPEND GEOGAS TRADING S.A. AND WILL REQUIRE AN INDEMNITY FROM GEOGAS TRADING S.A. FOR ANY AND ALL COSTS, DAMAGES OR EXPENSES INCURRED BY PETROPERU S.A. AS A RESULT OF GEOGAS TRADING S.A. FAILURE TO FULFILL ITS CONTRACTUAL OBLIGATIONS.
- d) IF GEOGAS TRADING S.A. FAILS TO COMPLY WITH THE FINAL THREE DAY LAYCAN, AS PER ITEM 3, PETROPERU S.A. RESERVES THE RIGHT TO CONSIDER IT A MATERIAL UNFULFILLMENT OF THE CONTRACT UNDER THIS SITUATION PETROPERU S.A. MAY APPLY ITEM 17A OF OUR INVITATION.

THE CONTRACT WILL BE INTEGRATED BY OUR TENDER INVITATION SCOH-050-2020/TENDER-001-2020 DATED JANUARY 10TH, 2020, YOUR OFFER DATED JANUARY 15TH, 2020, YOURS EMAILS DATED JANUARY 15TH, 2020, AND JANUARY 16TH 2020, THIS AWARD AND PETROPERU'S TENDER TERMS AND CONDITIONS FOR FOB EX PORTS AND CFR/DAP/FOB IMPORTS OF CRUDE OIL, PETROLEUM PRODUCTS AND BIOFUELS (REVISION OF 2017). IT WILL NOT BE ACCEPTED ANY OTHER DOCUMENT OR AGREEMENT.

PLEASE ACKNOWLEDGE RECEIPT OF THIS AWARD BY E-MAIL.

BEST REGARDS,



ARTURO MUÑOZ RODRIGUEZ
ACTING MANAGER
INTERNATIONAL TRADE
PETROPERU S.A.

