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**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**AMENDMENT NO. 1  
TO  
FORM F-1  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933**

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**DOUBLE HULL TANKERS, INC.**

(Exact name of registrant as specified in its charter)

**Republic of the Marshall Islands**  
(State or other jurisdiction of incorporation or organization)

**4412**  
(Primary Standard Industrial Classification Code Number)

**N/A**  
(I.R.S. Employer Identification No.)

**26 New Street,  
St. Helier, Jersey JE23RA  
Channel Islands  
+44 (0) 1534 639759**  
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

**CT Corporation  
111 Eighth Avenue  
New York, NY 10011  
(212) 590-9100**  
(Name and address, including zip code, and telephone number, including area code, of agent for service)

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**Copies to:**

**John T. Gaffney, Esq.  
Cravath, Swaine & Moore LLP  
Worldwide Plaza  
825 Eighth Avenue  
New York, New York 10019  
(212) 474-1000**

**Gary L. Sellers, Esq.  
Simpson Thacher & Bartlett LLP  
425 Lexington Avenue  
New York, New York 10017-3954  
(212) 455-2000**

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Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.  \_\_\_\_\_

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.  \_\_\_\_\_

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.  \_\_\_\_\_

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box.

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**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission acting pursuant to said Section 8(a), may determine.**

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## EXPLANATORY NOTE

This Amendment No. 1 to the registration statement of Double Hull Tankers, Inc. ("*First Amendment*") does not relate to our preliminary prospectus, which is not amended hereby. As such, this First Amendment does not include a copy of our preliminary prospectus. This First Amendment is being filed solely for the purpose of (i) submitting an amended Exhibit 10.2.7, 10.3.1, 10.4.1, 10.6, 10.7, 10.8 and (ii) submitting Exhibits 1.1, 10.3.2 through 10.3.7, 10.4.2 through 10.4.7 and 10.5.

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**PART II**  
**INFORMATION NOT REQUIRED IN PROSPECTUS**

**Item 6. Indemnification of Directors and Officers.**

Our bylaws provide that we shall, subject to the limitations contained in the Marshall Islands Business Corporation Act, as amended from time to time, indemnify all persons whom it may indemnify pursuant thereto. In addition, we have entered into an agreement with each of our chief executive officer and chief financial officer whereby we have agreed to indemnify them substantially in accordance with the indemnification provisions related to our officers and directors in our bylaws.

Section 12(c) of the Underwriting Agreement, to be filed as Exhibit 1.1, provides that the underwriters named therein will indemnify us and hold us harmless and each of our directors, officers or controlling persons from and against certain liabilities, including liabilities under the Securities Act. Section 12(d) of the Underwriting Agreement also provides that such underwriters will contribute to certain liabilities of such persons under the Securities Act.

**Item 7. Recent Sales of Unregistered Securities.**

We were incorporated under the laws of the Marshall Islands on April 14, 2005 under the name Double Hull Tankers, Inc. We issued 100 shares of our common stock, par value \$0.01 per share, to OSG International, Inc. in consideration of a capital contribution of \$10.00 by it. That issuance was exempt from registration under the Securities Act of 1933, as amended, pursuant to Section 4(2) thereof because such issuance did not involve any public offering of securities.

**Item 8. Exhibits and Financial Statement Schedules.**

(a) Exhibits

Exhibit Number	Description
1.1	Underwriting Agreement**
3.1	Amended and Restated Articles of Incorporation of Double Hull Tankers, Inc.*
3.2	Bylaws of Double Hull Tankers, Inc.*
4.1	Form Lock Up Agreement*
4.2	Registration Rights Agreement*
5.1	Opinion of Reeder & Simpson PC†
8.1	Tax Opinion of Cravath, Swaine & Moore LLP†
10.1	Form of Credit Agreement*
10.2.1	Memorandum of Agreement— <i>Overseas Ann</i> *
10.2.2	Memorandum of Agreement— <i>Overseas Chris</i> *
10.2.3	Memorandum of Agreement— <i>Regal Unity</i> *
10.2.4	Memorandum of Agreement— <i>Overseas Cathy</i> *
10.2.5	Memorandum of Agreement— <i>Overseas Sophie</i> *
10.2.6	Memorandum of Agreement— <i>Rebecca</i> *
10.2.7	Memorandum of Agreement— <i>Ania</i> **
10.3.1	Time Charter— <i>Overseas Ann</i> **
10.3.2	Time Charter— <i>Overseas Chris</i> **

- 10.3.3 Time Charter—*Regal Unity*\*\*
- 10.3.4 Time Charter—*Overseas Cathy*\*\*
- 10.3.5 Time Charter—*Overseas Sophie*\*\*
- 10.3.6 Time Charter—*Rebecca*\*\*
- 10.3.7 Time Charter—*Ania*\*\*
- 10.4.1 Ship Management Agreement—*Overseas Ann*\*\*
- 10.4.2 Ship Management Agreement—*Overseas Chris*\*\*
- 10.4.3 Ship Management Agreement—*Regal Unity*\*\*
- 10.4.4 Ship Management Agreement—*Overseas Cathy*\*\*
- 10.4.5 Ship Management Agreement—*Overseas Sophie*\*\*
- 10.4.6 Ship Management Agreement—*Rebecca*\*\*
- 10.4.7 Ship Management Agreement—*Ania*\*\*
- 10.5 Charter Framework Agreement\*\*
- 10.6 OSG Guaranty of Charterers' Payments under Charters and Charter Framework Agreement\*\*
- 10.7 Double Hull Tankers, Inc. Guaranty of Vessel Owners' Obligations under Management Agreement\*\*
- 10.8 Double Hull Tankers, Inc. Guaranty of Vessel Owners' Obligations under Charters\*\*
- 10.9 Form of Indemnity Agreement among OSG, OIN and certain subsidiaries of DHT related to existing recommendations.\*
- 10.10 Employment Agreement of Ole Jacob Diesen\*
- 10.10.1 Indemnification Agreement for Ole Jacob Diesen\*
- 10.11 Employment Agreement of Eirik Ubøe\*
- 10.11.1 Indemnification Agreement for Eirik Ubøe\*
- 10.12 2005 Incentive Compensation Plan\*
- 21.1 List of subsidiaries of Double Hull Tankers, Inc.\*
- 23.1 Consent of Ernst & Young LLP for Double Hull Tankers, Inc.\*
- 23.2 Consent of Ernst & Young LLP for OSG Crude\*
- 23.3 Consent of Maritime Strategies International Ltd\*
- 23.4 Consent of Cravath, Swaine & Moore LLP (contained in Exhibit 8.1)†
- 24.1 Powers of Attorney (included on signature page)

\* Previously filed

\*\* Filed herewith

(†) To be filed by amendment

The financial statement schedules are omitted because they are inapplicable or the requested information is shown in the combined carve-out financial statements of Double Hull Tankers, Inc. or related notes thereto.

#### **Item 9. Undertakings**

The undersigned registrant hereby undertakes as follows:

- (1) The undersigned will provide to the underwriters at the closing specified in the Underwriting Agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.
- (2) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance on Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it is declared effective.
- (3) That for purposes of determining any liability under the Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described in Item 6 or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-1 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in City of New York, the State of New York, on the 6<sup>th</sup> day of October, 2005.

DOUBLE HULL TANKERS, INC.

By: /s/ OLE JACOB DIESEN

\_\_\_\_\_  
Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons on the 6<sup>th</sup> day of October in the capacities indicated.

Signature	Title
_____ /s/ OLE JACOB DIESEN	Chief Executive Officer
_____ EIRIK UBOE*	Chief Financial Officer
_____ ERIK LIND*	Chairman of the Board
_____ RANDEE DAY*	Director
_____ ROLF WIKBORG*	Director
_____ /s/ DONALD J. PUGLISI Managing Director Puglisi & Associates	Authorized Representative in the United States

\*By: /s/ OLE JACOB DIESEN  
\_\_\_\_\_  
Ole Jacob Diesen, Attorney-in-fact

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DOUBLE HULL TANKERS, INC.

Shares

Common Stock  
(\$0.01 par value per Share)

UNDERWRITING AGREEMENT

, 2005

UNDERWRITING AGREEMENT

, 2005

UBS Securities LLC  
Merrill Lynch, Pierce, Fenner & Smith Incorporated  
as Managing Underwriters  
c/o UBS Securities LLC  
299 Park Avenue  
New York, New York 10171-0026

Ladies and Gentlemen:

Double Hull Tankers, Inc., a Marshall Islands corporation (the "Company"), proposes to issue and sell to the underwriters named in Schedule A hereto (the "Underwriters"), for whom you are acting as representatives (the "Representatives"), an aggregate of [ ] shares (the "Firm Shares") of common stock, \$0.01 par value per share (the "Common Stock"), of the Company. In addition, solely for the purpose of covering over-allotments, OSG International Inc., a Marshall Islands corporation (the "Selling Stockholder"), proposes to grant to the Underwriters the option to purchase from the Selling Stockholder up to an additional [ ] shares of Common Stock (the "Additional Shares"). The Firm Shares and the Additional Shares are hereinafter collectively sometimes referred to as the "Shares." The Shares are described in the Prospectus which is referred to below.

The Company has prepared and filed, in accordance with the provisions of the Securities Act of 1933, as amended, and the rules and regulations thereunder (collectively, the "Act"), with the Securities and Exchange Commission (the "Commission") a registration statement on Form F-1 (File No. [ ]) under the Act, including a prospectus, relating to the Shares. The Company has furnished to you, for use by the Underwriters and by dealers, copies of one or more preliminary prospectuses (each such preliminary prospectus being herein called a "Preliminary Prospectus") relating to the Shares. Except where the context otherwise requires, the registration statement, as amended when it became effective, including all documents filed as a part thereof, and including any information contained in a prospectus subsequently filed with the Commission pursuant to Rule 424(b) under the Act and deemed to be part of the registration statement at the time of effectiveness pursuant to Rule 430A under the Act and also including any registration statement filed pursuant to Rule 462(b) under the Act, is herein called the "Registration Statement," and the prospectus in the form filed by the Company with the Commission pursuant to Rule 424(b) under the Act on or before the second business day after the date hereof (or such earlier time as may be required under the Act), or, if no such filing is required, the form of final prospectus included in the Registration Statement at the time it became effective, is herein called the "Prospectus." As used in this Agreement, "business day" shall mean a day on which the New York Stock Exchange (the "NYSE") is open for trading. The terms "herein," "hereof," "hereto," "hereinafter" and similar terms, as used in this Agreement, shall in each case refer to this Agreement as a whole and not to any particular section, paragraph, sentence or other subdivision of this Agreement.

The Company has prepared and filed, in accordance with Section 12 of the

Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder (collectively, the "Exchange Act"), a registration statement (as may be amended prior to the time of execution of this Agreement, the "Exchange Act Registration Statement") on Form 8-A (File No. [ ]) under the Exchange Act to register, under Section 12(b) of the Exchange Act, the class of securities consisting of the Common Stock.

In connection with the offering and sale of the Shares contemplated hereby, the subsidiaries (collectively, the "Subsidiaries") of the Company named in Schedule B hereto and certain other affiliates of the Selling Stockholder have executed and delivered the Memoranda of Agreement (the "Memoranda of Agreement"), the Time Charters (the "Time Charters") and the Ship Management Agreements (the "Management Agreements") listed in Schedule C hereto, and the Company and certain affiliates of the Company and the Selling Stockholder and certain affiliates of the Selling Stockholder have executed and delivered the Charter Framework Agreement (the "CFA") relating to the Time Charters. In addition, the Company has executed and delivered guarantees (the "Company Guarantees") in respect of certain obligations of the Subsidiaries under the Time Charters and the Management Agreements; Overseas Shipholding Group, Inc., the parent company of the Selling Stockholder (the "Parent Company"), has executed and delivered a guarantee (the "Parent Company Guarantee") in respect of certain obligations of the charterers under the Time Charters and the CFA; and the Parent Company and the Selling Stockholder have executed and delivered an Indemnification Agreement (the "Indemnification Agreement") pursuant to which certain Subsidiaries have been indemnified in connection with the matters set forth therein. The Memoranda of Agreement, the Time Charters, the Management Agreements, the CFA, the Company Guarantees, the Parent Company Guarantee and the Indemnification Agreement are collectively referred to herein as the "Transaction Documents." Pursuant to the Transaction Documents, at or prior to the "time of purchase" (as hereinafter defined), the Subsidiaries will, among other things, acquire the vessels (the "Vessels") set forth opposite their respective names in Schedule B hereto in exchange for cash and shares of Common Stock and thereupon will charter the Vessels to the charterers under the Time Charters as described in the Registration Statement and the Prospectus.



The Company, the Selling Stockholder and the Underwriters agree as follows:

1. **Sale and Purchase.** Upon the basis of the representations and warranties and subject to the terms and conditions herein set forth, the Company agrees to issue and sell to the respective Underwriters and each of the Underwriters, severally and not jointly, agrees to purchase from the Company the number of Firm Shares set forth opposite the name of such Underwriter in Schedule A hereto, subject to adjustment in accordance with Section 11 hereof, in each case at a purchase price of \$[ ] per Share. The Company is advised by you that the Underwriters intend (i) to make a public offering of their respective portions of the Firm Shares as soon after the effective date of the Registration Statement as in your judgment is advisable and (ii) initially to offer the Firm Shares upon the terms set forth in the Prospectus. You may from time to time increase or decrease the public offering price after the initial public offering to such extent as you may determine.

In addition, the Selling Stockholder hereby grants to the several Underwriters the option to purchase, and upon the basis of the representations and warranties and subject to the

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terms and conditions herein set forth, the Underwriters shall have the right to purchase, severally and not jointly, from the Selling Stockholder, ratably in accordance with the number of Firm Shares to be purchased by each of them, all or a portion of the Additional Shares as may be necessary to cover over-allotments made in connection with the offering of the Firm Shares, at the same purchase price per share to be paid by the Underwriters to the Company for the Firm Shares. This option may be exercised by the Representatives on behalf of the several Underwriters at any time and from time to time on or before the thirtieth day following the date of the Prospectus, by written notice to the Company and the Selling Stockholder. Such notice shall set forth the aggregate number of Additional Shares as to which the option is being exercised and the date and time when the Additional Shares are to be delivered (any such date and time being herein referred to as an “additional time of purchase”); provided, however, that no additional time of purchase shall be earlier than the “time of purchase” (as hereinafter defined) or earlier than the second business day after the date on which the option shall have been exercised nor later than the tenth business day after the date on which the option shall have been exercised. If the option is exercised as to all or any portion of the Additional Shares, each Underwriter, severally and not jointly, agrees to purchase that proportion of the total number of Additional Shares then being purchased which bears the same proportion to the aggregate number of Additional Shares then being purchased as the number of Firm Shares set forth opposite the name of such Underwriter in Schedule A hereto bears to the total number of Firm Shares (subject, in each case, to such adjustment as you may determine to eliminate fractional shares), subject to adjustment in accordance with Section 11 hereof.

The Selling Stockholder has executed and delivered a Custody Agreement (the “Custody Agreement”), dated [ ], 2005, between Mellon Investor Services LLC, as custodian (the “Custodian”), and the Selling Stockholder for the purpose of making delivery of any Additional Shares which may be purchased after the time of purchase in accordance with this Agreement. Pursuant to the Custody Agreement, the Selling Stockholder will deposit with the Custodian at the time of purchase certificates in negotiable form representing such number of Additional Shares that are not purchased by the Underwriters at the time of purchase. Pursuant to a power of attorney (the “Power of Attorney”) granted by the Selling Stockholder (which Power of Attorney shall be satisfactory to counsel for the Underwriters), [ ] have been appointed to act as attorneys-in-fact for the Selling Stockholder (the “Attorneys-in-Fact”) and have been authorized, on behalf of the Selling Stockholder, among other things, to execute any documents necessary or desirable in connection with the sale of the Additional Shares to be sold hereunder by the Selling Stockholder, to make delivery of the certificates for such Additional Shares, to receive the proceeds of the sale of such Additional Shares, to give receipts for such proceeds, to pay therefrom the expenses to be borne by the Selling Stockholder in connection with the sale and public offering of the Additional Shares, to distribute the balance of such proceeds to the Selling Stockholder, to receive notices on behalf of the Selling Stockholder and to take such other action as may be necessary or desirable in connection with the transactions contemplated by this Agreement and the Custody Agreement.

2. **Payment and Delivery.** Payment of the purchase price for the Firm Shares shall be made to the Company by Federal Funds wire transfer against delivery of the certificates for the Firm Shares to you through the facilities of The Depository Trust Company (“DTC”) for the respective accounts of the Underwriters. Such payment and delivery shall be made at

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10:00 A.M., New York City time, on [ ], 2005 (unless another time shall be agreed to by you, the Company and the Selling Stockholder or unless postponed in accordance with the provisions of Section 11 hereof). The time at which such payment and delivery are to be made is hereinafter sometimes called the “time of purchase.” Electronic transfer of the Firm Shares shall be made to you at the time of purchase in such names and in such denominations as you shall specify.

If an additional time of purchase is the same as the time of purchase, payment of the purchase price for any Additional Shares then being purchased by the Underwriters shall be made at the time of purchase to the Selling Stockholder by Federal Funds wire transfer against delivery of the certificates for such Additional Shares to you through the facilities of DTC for the respective accounts of the Underwriters. If an additional time of purchase is after the time of purchase, payment of the purchase price for any Additional Shares then being purchased by the Underwriters shall be made at such additional time of purchase to the Custodian for the account of the Selling Stockholder by Federal Funds wire transfer against delivery of the certificates for such Additional Shares to you through the facilities of DTC for the respective accounts of the Underwriters. Electronic transfer of any Additional Shares purchased shall in each case be made to you in such names and in such denominations as you shall specify.

Deliveries of the documents described in Section 9 hereof with respect to the purchase of the Shares shall be made at the offices of Simpson Thacher & Bartlett LLP at 425 Lexington Avenue, New York, New York 10017, at 9:00 A.M., New York City time, on the date of the closing of the purchase of the Firm Shares or the Additional Shares, as the case may be.

3. **Representations and Warranties of the Company and the Selling Stockholder.** The Company and the Selling Stockholder, jointly and severally, represent and warrant to and agree with each of the Underwriters that:

(a) the Registration Statement has heretofore become, and is, effective under the Act; no stop order of the Commission preventing or suspending the use of any Preliminary Prospectus or the effectiveness of the Registration Statement is in effect, and no proceedings for such purpose have been instituted or, to the knowledge of the Company, are contemplated by the Commission; each Preliminary Prospectus, at the time of filing thereof, complied in all material respects with the requirements of the Act, and each Preliminary Prospectus distributed in connection with the offering of the Shares

did not, as of its date, and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; the Registration Statement complied when it became effective, complies and, at the time of purchase and any additional time of purchase, will comply, in all material respects with the requirements of the Act, and the Prospectus will comply, as of its date and at the time of purchase and any additional times of purchase, in all material respects with the requirements of the Act; any statutes, regulations, contracts, related party transactions or other documents that are required to be described in the Registration Statement or the Prospectus or to be filed as exhibits to the Registration Statement have been and will be so described or filed as required; the Registration Statement did not when it became effective, does not and, at the time of purchase and any additional time of purchase, will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the

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statements therein not misleading, and the Prospectus will not, as of its date and at the time of purchase and any additional time of purchase, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, that neither the Company nor the Selling Stockholder make any warranty or representation with respect to any statement contained in, or any omission from, the Registration Statement or the Prospectus in reliance upon and in conformity with information concerning an Underwriter and furnished in writing by or on behalf of such Underwriter through you to the Company expressly for use in any such Preliminary Prospectus, the Registration Statement or the Prospectus; the Exchange Act Registration Statement has become effective as provided in Section 12 of the Exchange Act; and the Company has not distributed and will not distribute any “prospectus” (within the meaning of the Act) or offering material in connection with the offering or sale of the Shares other than the then most recent Preliminary Prospectus, the Registration Statement and the then most recent Prospectus;

(b) after giving effect to the transactions contemplated by this Agreement and the Transaction Documents, the Company will have an authorized and outstanding capitalization as set forth in the section of the Registration Statement and the Prospectus entitled “Capitalization” under the column “As Adjusted”; all of the issued and outstanding shares of capital stock, including the Common Stock, of the Company have been duly authorized and validly issued and are fully paid and non-assessable, have been issued in compliance with all applicable federal and state securities laws and were not issued in violation of any preemptive right, resale right, right of first refusal or similar right; no further approval or authority of the stockholders or the Board of Directors of the Company is required for the issuance and sale of the Shares as contemplated hereby or by the Memoranda of Agreement; and the Shares are duly listed, and admitted and authorized for trading, subject to official notice of issuance, on the New York Stock Exchange (the “NYSE”);

(c) the Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the Marshall Islands, with full corporate power and authority to own, lease and operate its properties and conduct its business as described in the Registration Statement and the Prospectus, to execute and deliver this Agreement and to issue, sell and deliver the Shares as contemplated hereby and by the Memoranda of Agreement;

(d) the Company is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction where the ownership or leasing of its properties or the conduct of its business requires such qualification, except where the failure to be so qualified and in good standing would not, individually or in the aggregate, have a Material Adverse Effect; as used herein, “Material Adverse Effect” means a material adverse effect on (i) the business, properties, financial condition, results of operations or prospects of either the predecessor to the Company (the “Predecessor”) or the Company and the Subsidiaries taken as a whole, (ii) any of the Vessels, (iii) the validity of any of the Transaction Documents or the consummation of the transactions contemplated by any of the Memoranda of Agreement or (iv) the ability of any party to perform under any Transaction Document;

(e) the Company has no “subsidiaries” (as defined under the Act) other than

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the Subsidiaries; the Company owns all of the issued and outstanding capital stock of each of the Subsidiaries; other than the capital stock of the Subsidiaries, the Company does not own, directly or indirectly, any shares of stock or any other equity or long-term debt securities of any corporation or have any equity interest in any firm, partnership, joint venture, association or other entity; complete and correct copies of the articles of incorporation and bylaws of the Company and each Subsidiary and all amendments and restatements thereto have been delivered to you or your counsel, and, except as set forth in the exhibits to the Registration Statement, no changes therein will be made on or after the date hereof or on or before the time of purchase or, if later, any additional time of purchase; each Subsidiary has been duly incorporated and is validly existing as a corporation in good standing under the laws of the Marshall Islands, with full corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Registration Statement and the Prospectus; each Subsidiary is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction where the ownership or leasing of its properties or the conduct of its business requires such qualification, except where the failure to be so qualified and in good standing would not, individually or in the aggregate, have a Material Adverse Effect; each Subsidiary is in compliance in all respects with the laws, orders, rules, regulations and directives issued or administered by such jurisdictions, except where the failure to be in compliance would not, individually or in the aggregate, have a Material Adverse Effect; all of the outstanding shares of capital stock of each of the Subsidiaries have been duly authorized and validly issued, are fully paid and non-assessable, have been issued in compliance with all applicable federal and state securities laws, were not issued in violation of any preemptive right, resale right, right of first refusal or similar right and are owned by the Company subject to no security interest, other encumbrance or adverse claims; and no options, warrants or other rights to purchase, agreements or other obligations to issue or other rights to convert any obligation into shares of capital stock or ownership interests in the Subsidiaries are outstanding;

(f) the Shares have been duly and validly authorized and, when issued and delivered against payment therefor as provided herein or in the Memoranda of Agreement, will be duly and validly issued, fully paid and non-assessable and free of statutory and contractual preemptive rights, resale rights, rights of first refusal and similar rights other than as disclosed in the Registration Statement and the Prospectus; the Shares, when issued and delivered against payment therefor as provided herein or in the Memoranda of Agreement, will be free of any restriction upon the voting or transfer thereof pursuant to the Company’s charter or bylaws or other governing documents or any agreement or other instrument to which the Company or any of the Subsidiaries is a party or by which any of them or any of their respective properties may be bound or affected;

(g) the capital stock of the Company, including the Shares, conforms in all material respects to the description thereof contained in the Registration Statement and the Prospectus; the certificates for the Shares comply with the applicable requirements of the Company’s articles of incorporation

and bylaws, any applicable laws and the rules of the NYSE; and the holders of the Shares will not be subject to personal liability for the debt or other obligations of the Company by reason of being such holders;

(h) this Agreement has been duly authorized, executed and delivered by the Company;

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(i) each Transaction Document conforms in all material respects to the description thereof contained in the Registration Statement and the Prospectus; each party to a Transaction Document has full corporate power and authority to execute, deliver and perform its obligations under each Transaction Document to which it is a party and to consummate each of the transactions contemplated thereby; and each Transaction Document has been duly authorized, executed and delivered by each party thereto and is a legal, valid and binding agreement of such party enforceable in accordance with its terms;

(j) neither the Company nor any of the Subsidiaries is in breach or violation of or in default under (nor has any event occurred which with notice, lapse of time or both would result in any breach or violation of, constitute a default under or give the holder of any indebtedness (or a person acting on such holder's behalf) the right to require the repurchase, redemption or repayment of all or a part of such indebtedness under) (i) its respective articles of incorporation or bylaws, (ii) any indenture, mortgage, deed of trust, bank loan or credit agreement or other evidence of indebtedness, or any license, lease, contract or other agreement or instrument to which the Company or any of the Subsidiaries is a party or by which any of them or any of their respective properties may be bound or affected, (iii) any federal, state, local or foreign law, regulation or rule, (iv) any rule or regulation of any self-regulatory organization or other non-governmental regulatory authority (including, without limitation, the rules and regulations of the NYSE) or (v) any decree, judgment or order applicable to the Company or any of the Subsidiaries or any of their respective properties, except in the case of the foregoing clauses (ii), (iii), (iv) and (v) above as would, individually or in the aggregate, have a Material Adverse Effect;

(k) the execution, delivery and performance of this Agreement, the issuance and sale of the Shares and the consummation of the transactions contemplated hereby will not conflict with, result in any breach or violation of or constitute a default under (or constitute any event which with notice, lapse of time or both would result in any breach or violation of or constitute a default under or give the holder of any indebtedness (or a person acting on such holder's behalf) the right to require the repurchase, redemption or repayment of all or a part of such indebtedness under) (or result in the creation or imposition of a lien, charge or encumbrance on any property or assets of the Company or any Subsidiary pursuant to) (i) the articles of incorporation or bylaws of the Company or any of the Subsidiaries, (ii) any indenture, mortgage, deed of trust, bank loan or credit agreement or other evidence of indebtedness, or any license, lease, contract or other agreement or instrument to which the Company or any of the Subsidiaries is a party or by which any of them or any of their respective properties may be bound or affected, (iii) any federal, state, local or foreign law, regulation or rule, (iv) any rule or regulation of any self-regulatory organization or other non-governmental regulatory authority (including, without limitation, the rules and regulations of the NYSE) or (v) any decree, judgment or order applicable to the Company or any of the Subsidiaries or any of their respective properties, except in the case of the foregoing clauses (ii), (iii), (iv) and (v) as would not, individually or in the aggregate, have a Material Adverse Effect;

(l) the execution, delivery and performance of each Transaction Document by

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each party thereto and the consummation of the transactions contemplated thereby will not conflict with, result in any breach or violation of or constitute a default under (or constitute any event which with notice, lapse of time or both would result in any breach or violation of or constitute a default under or give the holder of any indebtedness (or a person acting on such holder's behalf) the right to require the repurchase, redemption or repayment of all or a part of such indebtedness under) (or result in the creation or imposition of a lien, charge or encumbrance on any property or assets of any party to such Transaction Document pursuant to) (i) the charter or bylaws of such party, (ii) any indenture, mortgage, deed of trust, bank loan or credit agreement or other evidence of indebtedness, or any license, lease, contract or other agreement or instrument to which any such party is a party or by which any such party or its respective properties or any Vessel may be bound or affected, (iii) any federal, state, local or foreign law, regulation or rule, (iv) any rule or regulation of any self-regulatory organization or other non-governmental regulatory authority (including, without limitation, the rules and regulations of the NYSE) or (v) any decree, judgment or order applicable to any such party or any of its respective properties or any Vessel, except in the case of the foregoing clauses (ii), (iii), (iv) and (v) as would not, individually or in the aggregate, have a Material Adverse Effect;

(m) no approval, authorization, consent or order of or filing with any federal, state, local or foreign governmental or regulatory commission, board, body, authority or agency, or of or with any self-regulatory organization, other non-governmental regulatory authority (including, without limitation, the NYSE), is required in connection with the execution, delivery and performance of this Agreement, the issuance and sale of the Shares or the consummation by the Company of the transactions contemplated hereby, other than registration of the Shares under the Act, which has been effected, any necessary qualification under the securities or blue sky laws of the various jurisdictions in which the Shares are being offered by the Underwriters or under the rules and regulations of the National Association of Securities Dealers, Inc. (the "NASD") and such approvals, authorizations, consents, orders or filings that have been obtained or made and are in full force and effect;

(n) no approval, authorization, consent or order of or filing with any federal, state, local or foreign governmental or regulatory commission, board, body, authority or agency, or of or with any self-regulatory organization, other non-governmental regulatory authority (including, without limitation, the NYSE), is required in connection with the execution, delivery and performance of each Transaction Document by each party thereto or the consummation by any such party of the transactions contemplated thereby, other than such approvals, authorizations, consents, orders or filings that have been obtained or made and are in full force and effect and except as would not, individually or in the aggregate, have a Material Adverse Effect;

(o) except as expressly set forth in the Registration Statement and the Prospectus, (i) no person has the right, contractual or otherwise, to cause the Company to issue or sell to it any shares of Common Stock or shares of any other capital stock or other equity interests of the Company, (ii) no person has any preemptive rights, resale rights, rights of first refusal or other rights to purchase any shares of Common Stock or shares of any other capital stock or other equity interests in the Company and (iii) no person has the right to act as an underwriter or as a financial advisor to the Company in connection with the offer and sale of the

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Shares, in the case of each of the foregoing clauses (i), (ii) and (iii), whether as a result of the filing or effectiveness of the Registration Statement or the sale of the Shares as contemplated thereby or otherwise; except as expressly set forth in the Registration Statement and the Prospectus, no person has the right, contractual or otherwise, to cause the Company to register under the Act any shares of Common Stock or shares of any other capital stock of or other equity interests in the Company, or to include any such shares or interests in the Registration Statement or the offering contemplated thereby, whether as a result of the filing or effectiveness of the Registration Statement or the sale of the Shares as contemplated thereby or otherwise;

(p) each of the Company and the Subsidiaries has all necessary licenses, authorizations, consents and approvals and has made all necessary filings required under any federal, state, local or foreign law, regulation or rule, and has obtained all necessary licenses, authorizations, consents and approvals from other persons, in order to conduct its respective business as described in the Registration Statement and Prospectus, except where the failure to have such licenses, authorizations, consents and approvals or to have made such filings would not, individually or in the aggregate, have a Material Adverse Effect; neither the Company nor any of the Subsidiaries is in violation of, or in default under, or has received notice of any proceedings relating to revocation or modification of any such license, authorization, consent or approval or any filing required under any federal, state, local or foreign law, regulation or rule or any decree, order or judgment applicable to the Company or any of the Subsidiaries, except where such violation, default, revocation or modification would not, individually or in the aggregate, have Material Adverse Effect;

(q) each party to a Transaction Document has all necessary licenses, authorizations, consents and approvals and has made all necessary filings required under any federal, state, local or foreign law, regulation or rule, and has obtained all necessary licenses, authorizations, consents and approvals from other persons, to perform its obligations under each Transaction Document to which it is a party and to consummate the transactions contemplated thereby, except where the failure to have such licenses, authorizations, consents and approvals or to have made such filings would not, individually or in the aggregate, have a Material Adverse Effect; no such party is in violation of, or in default under, or has received notice of any proceedings relating to revocation or modification of, any such license, authorization, consent or approval or any filing required under any federal, state, local or foreign law, regulation or rule or any decree, order or judgment applicable to it or any of the Vessels, except where such violation, default, revocation or modification would not, individually or in the aggregate, have Material Adverse Effect;

(r) all legal or governmental proceedings, affiliate transactions, off-balance sheet transactions (including, without limitation, transactions related to, and the existence of, "variable interest entities" within the meaning of Financial Accounting Standards Board Interpretation No. 46), contracts, licenses, agreements, properties, leases or documents required to be described in the Registration Statement or the Prospectus or to be filed as an exhibit to the Registration Statement have been so described or filed as required;

(s) there are no actions, suits, claims, investigations or proceedings pending or, to the knowledge of the Company or the Selling Stockholder, threatened to which the

Company or any of the Subsidiaries or any of their respective directors or officers is or would be a party, or of which any of their respective properties or any Vessel is or would be subject, at law or in equity, before or by any federal, state, local or foreign governmental or regulatory commission, board, body, authority or agency, or before or by any self-regulatory organization or other non-governmental regulatory authority, except any such action, suit, claim, investigation or proceeding which would not result in a judgment, decree or order having, individually or in the aggregate, a Material Adverse Effect and would not prevent the consummation of the transactions contemplated hereby;

(t) Ernst & Young LLP, whose audit reports on the predecessor combined carve-out financial statements (the "Predecessor Financial Statements") of the Predecessor as of December 31, 2003 and 2004 and for each of the years in the three-year period ended December 31, 2004 and the balance sheet of the Company as of April 30, 2005 (the "Company Financial Statements") are included in the Registration Statement and the Prospectus, are independent registered public accountants as required by the Act and by the rules of the Public Company Accounting Oversight Board;

(u) the Predecessor Financial Statements included in the Registration Statement and the Prospectus, together with the related notes and schedules, present fairly in all material respects the financial position of the Predecessor as of the dates indicated and the results of operations and cash flows of the Predecessor for the periods specified and have been prepared in compliance with the requirements of the Act and Exchange Act and in conformity with United States generally accepted accounting principles applied on a consistent basis during the periods involved; the Company Financial Statements included in the Registration Statement and the Prospectus, together with the related notes and schedules, present fairly in all material respects the financial position of the Company as of the date indicated and have been prepared in compliance with the requirements of the Act and Exchange Act and in conformity with United States generally accepted accounting principles; all pro forma financial statements or data included in the Registration Statement and the Prospectus and indicated as being such comply with the requirements of Regulation S-X of the Act, including, without limitation, Article 11 thereof, and the assumptions used in the preparation of such pro forma financial statements and data are reasonable, the pro forma adjustments used therein are appropriate to give effect to the transactions or circumstances described therein and the pro forma adjustments have been properly applied to the historical amounts in the compilation of those statements and data; the other historical financial and related statistical data set forth in the Registration Statement or the Prospectus are accurately and fairly presented and prepared on a basis consistent with the financial statements and books and records of the Predecessor or the Company, as the case may be; there are no financial statements (historical or pro forma) that are required to be included in the Registration Statement and the Prospectus (including, without limitation, as required by Rules 3-12 or 3-05 or Article 11 of Regulation S-X under the Act) that are not included as required; none of the Predecessor, the Company and the Subsidiaries has any material liabilities or obligations, direct or contingent (including any off-balance sheet obligations), not disclosed in the Registration Statement and the Prospectus; and all disclosures contained in the Registration Statement or the Prospectus regarding "non-GAAP financial measures" (as such term is defined by the rules and regulations of the Commission) comply with Regulation G of the Exchange Act and Item 10 of Regulation S-K under the Act, to the extent applicable;

(v) subsequent to the time of execution of this Agreement or, if earlier, the respective dates as of which information is given in the Registration Statement and the Prospectus, there has not been (i) any material adverse change, or any development involving a prospective material adverse change, in (A) the business, properties, financial condition, results of operations or prospects of either the Predecessor or the Company and the Subsidiaries taken as a whole, (B) any of the Vessels, (C) the validity of any of the Transaction Documents, (D) the ability of any party to a Memorandum of Agreement to consummate the transactions contemplated thereby or (E) the ability of any party to perform under any Transaction Document, (ii) any obligation, direct or

contingent (including any off-balance sheet obligations), incurred by the Company or any Subsidiary, which is material to the Company and the Subsidiaries taken as a whole, (iii) any change in the capital stock or outstanding indebtedness of the Company or any Subsidiary or (iv) any dividend or distribution of any kind declared, paid or made on the capital stock of the Company;

(w) the Company has obtained for the benefit of the Underwriters the agreement (a “Lock-Up Agreement”), in the form set forth as Exhibit A hereto, of (i) each of its directors and “officers” (within the meaning of Rule 16a-1(f) under the Act); and (ii) the Selling Stockholder;

(x) the Company is a “foreign private issuer” as defined in Rule 405 of the Securities Act;

(y) the Company is not and after giving effect to the offering and sale of the Shares and the transactions contemplated by the Transaction Documents will not be, an “investment company” or an entity “controlled” by an “investment company,” as such terms are defined in the Investment Company Act of 1940, as amended (the “Investment Company Act”) or a “passive foreign investment company” or a “controlled foreign corporation,” as such terms are defined in the Internal Revenue Code of 1986, as amended (the “Internal Revenue Code”);

(z) the Company and each of the Subsidiaries has good and marketable title to all property (real and personal), if any, described in the Registration Statement and the Prospectus as being owned by each of them, free and clear of all liens, claims, security interests or other encumbrances with such exceptions as are not material and do not interfere with the intended use to be made of such property by the Company or its Subsidiaries as described in the Registration Statement and the Prospectus; and all the property described in the Registration Statement or the Prospectus as being held under lease by the Company or a Subsidiary is held thereby under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the intended use to be made of such property by the Company or its Subsidiaries as described in the Registration Statement and the Prospectus;

(aa) each Vessel is owned directly by a subsidiary of the Selling Stockholder; each such subsidiary has good and marketable title to the Vessel owned by it, free and clear of all liens, claims, security interests or other encumbrances except such as are not material and do not interfere with the intended use to be made of such Vessel as described in the Registration Statement and the Prospectus; at the time of purchase and the additional time of purchase, if any,

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each Vessel will be duly registered in the name of the Subsidiary that owns it under the laws and regulations and the flag of the Marshall Islands and no other action is necessary to establish and perfect such Subsidiary’s title to and interest in the vessel as against any charterer or third party; and, at the time of purchase and the additional time of purchase, if any, each Vessel will be owned directly by a Subsidiary free and clear of all liens, claims, security interests or other encumbrances, except such as described in the Registration Statement and the Prospectus and such as are not material and do not interfere with the intended use to be made of such Vessel as described in the Registration Statement and the Prospectus;

(bb) the Company and the Subsidiaries own, or have obtained valid and enforceable licenses for, or other rights to use, the inventions, patent applications, patents, trademarks (both registered and unregistered), tradenames, service names, copyrights, trade secrets and other proprietary information described in the Registration Statement and the Prospectus as being owned or licensed by them or which are necessary for the conduct of their respective businesses as currently conducted or as proposed to be conducted, except where the failure to own, license or have such rights would not, individually or in the aggregate, have a Material Adverse Effect (collectively, “Intellectual Property”); (i) there are no third parties who have or, to the Company’s knowledge, will be able to establish rights to any Intellectual Property, except for, and to the extent of, the ownership rights of the owners of the Intellectual Property is licensed to the Company; (ii) to the Company’s knowledge, there is no infringement by third parties of any Intellectual Property; (iii) there is no pending or, to the Company’s knowledge, threatened action, suit, proceeding or claim by others challenging the Company’s rights in or to any Intellectual Property, and the Company is unaware of any facts which could form a reasonable basis for any such action, suit, proceeding or claim; (iv) there is no pending or, to the Company’s knowledge, threatened action, suit, proceeding or claim by others challenging the validity, enforceability or scope of any Intellectual Property, and the Company is unaware of any facts which could form a reasonable basis for any such action, suit, proceeding or claim; (v) there is no pending or, to the Company’s knowledge, threatened action, suit, proceeding or claim by others that the Company or any Subsidiary infringes or otherwise violates any patent, trademark, tradename, service name, copyright, trade secret or other proprietary rights of others, and the Company is unaware of any facts which could form a reasonable basis for any such action, suit, proceeding or claim; (vi) to the Company’s knowledge, there is no patent or patent application that contains claims that interfere with the issued or pending claims of any of the Intellectual Property; (viii) to the Company’s knowledge, there is no prior art that may render any patent application owned by the Company or any Subsidiary of the Intellectual Property unpatentable that has not been disclosed to the U.S. Patent and Trademark Office;

(cc) neither the Company nor any of the Subsidiaries is engaged in any unfair labor practice; except for matters which would not, individually or in the aggregate, have a Material Adverse Effect, (i) there is (A) no unfair labor practice complaint pending or, to the Company’s knowledge, threatened against the Company or any of the Subsidiaries before the National Labor Relations Board, and no grievance or arbitration proceeding arising out of or under collective bargaining agreements is pending or, to the Company’s knowledge, threatened, (B) no strike, labor dispute, slowdown or stoppage pending or, to the Company’s knowledge, threatened against the Company or any of the Subsidiaries and (C) no union representation dispute currently existing concerning the employees of the Company or any of the Subsidiaries,

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and (ii) to the Company’s knowledge, (A) no union organizing activities are currently taking place concerning the employees of the Company or any of the Subsidiaries and (B) there has been no violation of any federal, state, local or foreign law relating to discrimination in the hiring, promotion or pay of employees, any applicable wage or hour laws or any provision of the Employee Retirement Income Security Act of 1974 (“ERISA”) or the rules and regulations promulgated thereunder concerning the employees of the Company or any of the Subsidiaries;

(dd) the Company and the Subsidiaries and their properties, assets and operations each is in compliance with, and holds all permits, authorizations and approvals required under, Environmental Laws (as hereinafter defined), except to the extent that failure to so comply or to hold such permits, authorizations or approvals would not, individually or in the aggregate, have a Material Adverse Effect; there are no past, present or, to the Company’s knowledge, reasonably anticipated future events, conditions, circumstances, actions, omissions or plans that could reasonably be expected to give rise to any material costs or liabilities to the Company or any Subsidiary under, or to materially interfere with or prevent compliance by the Company or any Subsidiary with, Environmental Laws; except as would not, individually or in the aggregate, have a Material Adverse Effect, neither the Company nor any of

the Subsidiaries (i) has received any notice that it is the subject of any investigation, (ii) has received any notice or claim, (iii) is a party to or affected by any pending or, to the Company's knowledge, threatened action, suit or proceeding, (iv) is bound by any judgment, decree or order or (v) has entered into any written indemnification or settlement agreement, in each case relating to any alleged violation of any Environmental Law or any actual or alleged release or threatened release or cleanup at any location of any Hazardous Materials (as hereinafter defined) (as used herein, "Environmental Law" means any applicable federal, state, local or foreign law, statute, ordinance, rule, regulation, order, decree, judgment, injunction, permit, license, authorization or other binding requirement or common law (including any applicable regulations and standards adopted by the International Maritime Organization) relating to health, safety or the protection, cleanup or restoration of the environment or natural resources, and "Hazardous Materials" means any material (including, without limitation, pollutants, contaminants, hazardous or toxic substances or wastes) that in relevant form and concentration is regulated by or may give rise to liability under any Environmental Law);

(ee) pursuant to the Management Agreements, the Subsidiaries have arranged for the technical manager of the Vessels to conduct a periodic review of the effect of the Environmental Laws on their respective businesses, operations and properties for the purposes of identifying and evaluating associated costs and liabilities (including, without limitation, any capital or operating expenditures required for cleanup or compliance with the Environmental Laws or any permit, license or approval, any related constraints on operating activities and any potential liabilities to third parties);

(ff) all income and other material tax returns required to be filed by the Company or any of the Subsidiaries have been filed, and all taxes and other material assessments of a similar nature (whether imposed directly or through withholding) including any interest, additions to tax or penalties applicable thereto due or claimed to be due from such entities have been timely paid, other than those being contested in good faith and for which adequate reserves have been provided;

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(gg) each subsidiary of the Selling Stockholder that owns a Vessel maintains, and the Company and its Subsidiaries at the time of purchase and any additional time of purchase will maintain or will have caused the technical manager of the Vessels to maintain for its benefit, insurance or a membership in a mutual protection and indemnity association covering its properties, operations, personnel and businesses as deemed adequate by such subsidiary of the Selling Stockholder or the Company, as the case may be; such insurance or membership insures or will insure against such losses and risks to an extent which is adequate in accordance with customary industry practice to protect the Vessels and, in the case of insurance or a membership maintained by or for the benefit of the Company and the Subsidiaries, their businesses; any such insurance or membership maintained by a subsidiary of the Selling Stockholder is fully in force on the date hereof and will be in full force until the time of purchase and any such insurance or membership maintained by or for the benefit of the Company and its Subsidiaries will be fully in force at the time of purchase and any additional time of purchase; there are no material claims by a subsidiary of the Selling Stockholder, the Company or any Subsidiary under any insurance policy or instrument as to which any insurance company or mutual protection and indemnity association is denying liability or defending under a reservation of rights clause; neither the Company nor any of the Subsidiaries is currently required to make any material payment, or is aware of any facts that would require the Company or any Subsidiary to make any material payment, in respect of a call by, or a contribution to, any mutual protection and indemnity association; and neither the Company nor any Subsidiary has reason to believe that it will not be able to renew or cause to be renewed for its benefit any such insurance or membership in a mutual protection and indemnity association as and when such insurance or membership expires or is terminated;

(hh) since the date of the last audited Predecessor Financial Statements included in the Registration Statement and the Prospectus, (i) there has not been a material partial loss or total loss of or to any of the Vessels, whether actual or constructive, (ii) no Vessel has been arrested or requisitioned for title or hire and (iii) none of the Predecessor, the Company and the Subsidiaries has sustained any material loss or interference with its respective business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree;

(ii) none of the contracts or agreements filed as an exhibit to the Registration Statement has been terminated, amended, modified, supplemented or waived; neither the Company nor any Subsidiary has sent or received any communication regarding the termination, amendment, modification, supplementation or waiver of, or an intention to terminate, amend, modify, supplement or waive, or not to consummate any transaction contemplated by, any such contract or agreement; and no such termination, amendment, modification, supplementation or waiver, or intention to terminate, amend, modify, supplement or waive, or not to consummate any transaction contemplated by, any such contract or agreement has been threatened by the Company or any Subsidiary or, to the Company's knowledge, any other party to any such contract or agreement;

(jj) the Company and each of the Subsidiaries maintains a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed

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in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences;

(kk) the Company has established and maintains and evaluates "disclosure controls and procedures" (as such term is defined in Rule 13a-15 and 15d-15 under the Exchange Act); such disclosure controls and procedures are designed to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to the Company's Chief Executive Officer and its Chief Financial Officer by others within those entities, and such disclosure controls and procedures are effective to perform the functions for which they were established; the Company's auditors and Board of Directors of the Company have been advised of: (i) any significant deficiencies and material weaknesses in the design or operation of internal controls which are reasonably likely to adversely affect the Company's ability to record, process, summarize, and report financial data; and (ii) any fraud, whether or not material, that involves management or other employees who have a role in the Company's internal controls; to date, the Company's auditors have not identified any material weaknesses in internal controls; since the date of the most recent evaluation of such disclosure controls and procedures, there have been no changes in internal controls or in other factors within control of the Company that have materially affected, or are reasonably likely to materially affect, the Company's internal controls; and the Company, the Subsidiaries, and their respective officers and directors have taken all necessary actions to ensure that, upon and at all times after effectiveness of the Registration Statement, each of the Company, the Subsidiaries and their respective

officers and directors, in their capacities as such, will be in compliance in all material respects with the provisions of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated thereunder that are applicable to the Company, the Subsidiaries or such officers and directors;

(ll) the Company has not, directly or indirectly, including through any Subsidiary, extended credit, arranged to extend credit, or renewed any extension of credit, in the form of a personal loan, to or for any director or executive officer of the Company, or to or for any family member or affiliate of any director or executive officer of the Company;

(mm) each “forward-looking statement” (within the meaning of Section 27A of the Act or Section 21E of the Exchange Act) contained in the Registration Statement or the Prospectus has been made with a reasonable basis and has been disclosed in good faith;

(nn) all statistical or market-related data included in the Registration Statement or the Prospectus are based on or derived from sources that the Company believes to be reliable and accurate, and the Company has obtained the written consent to the use of such data from such sources to the extent required;

(oo) neither the Company nor any of the Subsidiaries nor, to the knowledge of the Company, any director, officer, agent, employee or stockholder of the Company or any of the

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Subsidiaries is aware of or has taken any action, directly or indirectly, that would result in a violation by such persons of the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder (the “Foreign Corrupt Practices Act”), including, without limitation, making use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay or authorization of the payment of any money, or other property, gift, promise to give, or authorization of the giving of anything of value to any “foreign official” (as such term is defined in the Foreign Corrupt Practices Act) or any foreign political party or official thereof or any candidate for foreign political office, in contravention of the Foreign Corrupt Practices Act; and the Company, the Subsidiaries and, to the Company’s knowledge, the stockholders of the Company have conducted their businesses in compliance with the Foreign Corrupt Practices Act and have instituted and maintain policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance therewith;

(pp) the operations of the Company, the Subsidiaries and the Vessels are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the money laundering statutes, rules and regulations of all jurisdictions and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency that, in each case, are applicable to the Company, any of the Subsidiaries and any of the Vessels (collectively, the “Money Laundering Laws”); and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator or non-governmental authority involving the Company, any of the Subsidiaries or any of the Vessels with respect to the Money Laundering Laws is pending or, to the Company’s knowledge, threatened;

(qq) neither the Company nor any of the Subsidiaries nor, to the knowledge of the Company, any director, officer, agent, employee or affiliate of the Company or any of the Subsidiaries is currently subject to any United States sanctions administered by the Office of Foreign Assets Control of the United States Treasury Department (“OFAC”); and the Company will not directly or indirectly use the proceeds of the offering, or lend, contribute or otherwise make available such proceeds to any Subsidiary, joint venture partner or other person or entity, for the purpose of financing the activities of any person currently subject to any United States sanctions administered by OFAC;

(rr) no Subsidiary is currently prohibited, directly or indirectly, from paying any dividends to the Company, from making any other distribution on such Subsidiary’s capital stock, from repaying to the Company any loans or advances to such Subsidiary from the Company or from transferring any of such Subsidiary’s property or assets to the Company or any other Subsidiary of the Company, except as described in the Prospectus; all dividends and other distributions declared and payable on the shares of Common Stock of the Company and on the capital stock of each Subsidiary may under the current laws and regulations of the Marshall Islands be paid in United States dollars and freely transferred out of the Marshall Islands; and all such dividends and other distributions are not subject to withholding or other taxes under the current laws and regulations of the Marshall Islands and are otherwise free and clear of any withholding or other tax and may be declared and paid without the necessity of obtaining any

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consents, approvals, authorizations, orders licenses, registrations, clearances and qualifications of or with any court or governmental agency or body or any stock exchange authorities in the Marshall Islands.

(ss) except pursuant to this Agreement, neither the Company nor any of the Subsidiaries has incurred any liability for any finder’s or broker’s fee or agent’s commission in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby or by the Prospectus;

(tt) neither the Company nor any of the Subsidiaries nor, to the Company’s knowledge, any of their respective directors, officers, affiliates or controlling persons has taken, directly or indirectly, any action designed, or which has constituted or might reasonably be expected to cause or result in, under the Exchange Act or otherwise, the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Shares; and

(uu) to the Company’s knowledge, there are no affiliations or associations between (i) any member of the NASD and (ii) the Company or any of the Company’s officers, directors or 5% or greater securityholders or any beneficial owner of the Company’s unregistered equity securities that were acquired at any time on or after the 180th day immediately preceding the date the Registration Statement was initially filed with the Commission, except as set forth in the Registration Statement and the Prospectus; and

(vv) no stamp duty, stock exchange tax, value-added tax, withholding tax or any other similar duty or tax is payable by or on behalf of the Underwriters in the United States or the Marshall Islands or any political subdivision thereof or any authority thereof having power to tax in connection

with the execution, delivery or performance of this Agreement by the Company or the issuance, sale or delivery of the Firm Shares by the Company to or for the account of the Underwriters or the resales of the Firm Shares by the Underwriters to the initial purchasers thereof.

In addition, any certificate signed by any officer of the Company and delivered to the Underwriters or counsel for the Underwriters in connection with the offering of the Shares shall be deemed to be a joint and several representation and warranty by the Company and the Selling Stockholder, as to matters covered thereby, to each Underwriter.

4. Further Representations and Warranties of the Selling Stockholder. The Selling Stockholder further represents and warrants to each of the Underwriters that:

(a) at the time of the delivery of any Additional Shares pursuant to this Agreement, the Selling Stockholder will be the lawful owner of the number of Additional Shares to be sold and will have valid and marketable title to the Additional Shares to be sold, and upon delivery of and payment for such Additional Shares, the Underwriters will acquire valid and marketable title to such Additional Shares free and clear of any claim, lien, encumbrance, security interest, community property right, restriction on transfer or other defect in title;

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(b) the Selling Stockholder has, and at the time of delivery of the Additional Shares pursuant to this Agreement will have, full legal right, power and capacity, and all authorizations and approvals required by law (other than those imposed by the Act and state securities or blue sky laws), (i) to enter into this Agreement and the Custody Agreement and to execute the Power of Attorney, (ii) to sell, assign, transfer and deliver the Additional Shares pursuant to this Agreement in the manner provided in this Agreement and (iii) to make the representations, warranties and agreements made by the Selling Stockholder herein;

(c) this Agreement, the Custody Agreement and the Power of Attorney have each been duly executed and delivered by the Selling Stockholder, and each is a legal, valid and binding agreement of the Selling Stockholder, enforceable in accordance with its terms;

(d) all information with respect to the Selling Stockholder included in the Registration Statement or the Prospectus complied and will comply with all applicable provisions of the Act and Exchange Act;

(e) the Selling Stockholder has duly and irrevocably authorized each Attorney-in-Fact on behalf of the Selling Stockholder, to execute and deliver this Agreement and any other documents necessary or desirable in connection with the transactions contemplated hereby or thereby and to deliver the Additional Shares to be sold pursuant to this Agreement and receive payment therefor pursuant hereto;

(f) the sale of the Additional Shares by the Selling Stockholder pursuant to this Agreement is not prompted by any material information concerning the Company, any Subsidiary, any Vessel or any Transaction Document which is not set forth in the Prospectus;

(g) neither the Selling Stockholder nor any of its affiliates has taken, directly or indirectly, any action designed to, or which has constituted or might reasonably be expected to cause or result in, under the Exchange Act or otherwise, the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Shares;

(h) to the Selling Stockholder's knowledge, there are no affiliations or associations between any member of the NASD and the Selling Stockholder, except as set forth in the Registration Statement and the Prospectus; none of the proceeds received by the Selling Stockholder from the sale of the Shares to be sold by the Selling Stockholder pursuant to this Agreement will be paid to a member of the NASD or any affiliate of such member;

(i) at the time of purchase and each additional time of purchase, all stock transfer or other taxes (other than income taxes), if any, that are required to be paid in connection with the sale and transfer of the Additional Shares to the several Underwriters hereunder shall have been fully paid or provided for by the Selling Stockholder, and all laws imposing such taxes shall have been fully complied with;

(j) no approval, authorization, consent or order of or filing with any federal, state, local or foreign governmental or regulatory commission, court, board, body, authority or agency, or of or with any self-regulatory organization or other non-governmental regulatory

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authority (including, without limitation, the NYSE) is required in connection with the sale of the Additional Shares by the Selling Stockholder pursuant to this Agreement or the consummation by the Selling Stockholder of the transactions contemplated hereby, by the Custody Agreement or by the Power of Attorney other than registration of such Shares under the Act, which has been effected, any necessary qualification under the securities or blue sky laws of the various jurisdictions in which such Shares are being offered by the Underwriters or under the rules and regulations of the NASD and such approvals, authorizations, consents, orders or filings that have been obtained or made and are in full force and effect;

(k) the Selling Stockholder has not distributed and will not distribute any "prospectus" (within the meaning of the Act) or offering material in connection with the offering or sale of the Shares other than the then most recent Preliminary Prospectus, the Registration Statement and the then most recent Prospectus;

(l) the Selling Stockholder agrees that (i) Additional Shares represented by certificates in negotiable form that are deposited with the Custodian pursuant to the Custody Agreement will be for the benefit of, and coupled with and subject to the interest of, the Custodian, the Attorneys-in-Fact, the Underwriters and the Company, (ii) the arrangements made by the Selling Stockholder for custody and for the appointment of the Custodian and the Attorneys-in-Fact by the Selling Stockholder pursuant to the Custody Agreement and Power of Attorney are and will be irrevocable, and (iii) the obligations of the Selling Stockholder hereunder and the Custody Agreement shall not be terminated by operation of law, whether as a result of a change in the legal status or capacity of the Selling Stockholder or the occurrence of any other event; if there is a change in the legal status or capacity of the Selling Stockholder or if any such other event occurs before the delivery of such Additional Shares hereunder, certificates for Additional Shares deposited with the Custodian shall be delivered by the Custodian in accordance with the terms and conditions of the Power of Attorney, Custody Agreement and this Agreement, and actions taken by the Custodian and the Attorneys-in-Fact pursuant to the Custody Agreement or the Power of Attorney shall be as valid as if the change in



legal status or capacity or such other event had not occurred, regardless of whether or not the Custodian or the Attorneys-in-Fact, or any of them, shall have received notice thereof;

(m) the execution, delivery and performance of this Agreement, the Custody Agreement and the Power of Attorney, the sale by the Selling Stockholder of the Additional Shares pursuant to this Agreement and the consummation of the transactions contemplated hereby or thereby will not conflict with, result in any breach or violation of or constitute a default under (or constitute any event which with notice, lapse of time or both would result in any breach or violation of or constitute a default under) (i) the charter or bylaws of the Selling Stockholder, (ii) any indenture, mortgage, deed of trust, bank loan or credit agreement or other evidence of indebtedness, or any license, lease, contract or other agreement or instrument to which the Selling Stockholder is a party or by which the Selling Stockholder or any of its properties may be bound or affected, (iii) any federal, state, local or foreign law, regulation or rule, (iv) any rule or regulation of any self-regulatory organization or other non-governmental regulatory authority (including, without limitation, the rules and regulations of the NYSE) or (v) any decree, judgment or order applicable to the Selling Stockholder or its properties, except in the case of the foregoing clauses (ii), (iii), (iv) and (v) as would not, individually or in the aggregate, have a

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Material Adverse Effect; and

(n) no stamp duty, stock exchange tax, value-added tax, withholding tax or any other similar duty or tax is payable by or on behalf of the Underwriters in the United States or the Marshall Islands or any political subdivision thereof or any authority thereof having power to tax in connection with the execution, delivery or performance of this Agreement or the Custody Agreement by the Selling Stockholder or the sale or delivery of the Additional Shares by the Selling Stockholder to or for the account of the Underwriters or the resales of the Additional Shares by the Underwriters to the initial purchasers thereof.

In addition, any certificate signed by any officer of the Parent Company, the Selling Stockholder or any of the Selling Stockholder's affiliates or by the Selling Stockholder or by any Attorney-in-Fact and delivered to the Underwriters or counsel for the Underwriters in connection with the offering of the Shares shall be deemed to be a representation and warranty by the Selling Stockholder, as to matters covered thereby, to each Underwriter.

5. Certain Covenants of the Company. The Company hereby agrees:

(a) to furnish such information as may be required and otherwise to cooperate in qualifying the Shares for offering and sale under the securities or blue sky laws of such states or other jurisdictions as you may reasonably designate and to maintain such qualifications in effect so long as may be required for the distribution of the Shares; provided, however, that the Company shall not be required to qualify as a foreign corporation or subject itself to taxation in any such jurisdiction or consent to the service of process under the laws of any such jurisdiction (except service of process with respect to the offering and sale of the Shares); and to promptly advise you of the receipt by the Company of any notification with respect to the suspension of the qualification of the Shares for offer or sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose;

(b) to make available to the Underwriters in New York City, as soon as practicable after the Registration Statement becomes effective, and thereafter from time to time to furnish to the Underwriters, as many copies of the Prospectus (or of the Prospectus as amended or supplemented if the Company shall have made any amendments or supplements thereto after the effective date of the Registration Statement) as the Underwriters may request for the purposes contemplated by the Act; in case any Underwriter is required to deliver a prospectus after the nine-month period referred to in Section 10(a)(3) of the Act in connection with the sale of the Shares, the Company will prepare, at its expense, promptly upon request such amendment or amendments to the Registration Statement and the Prospectus as may be necessary to permit compliance with the requirements of Section 10(a)(3) of the Act;

(c) if, at the time this Agreement is executed and delivered, it is necessary for the Registration Statement or any post-effective amendment thereto to be declared effective before the Shares may be sold, the Company will use its best efforts to cause the Registration Statement or such post-effective amendment to become effective as soon as possible, and the Company will advise you promptly and, if requested by you, will confirm such advice in writing, (i) when the Registration Statement and any such post-effective amendment thereto has become

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effective, and (ii) if Rule 430A under the Act is used, when the Prospectus is filed with the Commission pursuant to Rule 424(b) under the Act (which the Company agrees to file in a timely manner in accordance with such Rules);

(d) to advise you promptly, and, if requested by you, to confirm such advice in writing, of any request by the Commission for amendments or supplements to the Registration Statement or the Prospectus or for additional information with respect thereto, or of notice of institution of proceedings for, or the entry of a stop order, suspending the effectiveness of the Registration Statement and, if the Commission should enter a stop order suspending the effectiveness of the Registration Statement, to use its best efforts to obtain the lifting or removal of such order as soon as possible; to advise you promptly of any proposal to amend or supplement the Registration Statement or the Exchange Act Registration Statement or the Prospectus and to provide you and Underwriters' counsel copies of any such documents for review and comment a reasonable amount of time prior to any proposed filing and to file no such amendment or supplement to which you shall reasonably object in writing;

(e) subject to Section 5(d) hereof, to file promptly all reports and documents and any information statement required to be filed by the Company with the Commission in order to comply with the Exchange Act subsequent to the date of the Prospectus and for so long as the delivery of a prospectus is required in connection with the offering or sale of the Shares; and, for so long as the delivery of a prospectus is required in connection with the offering or sale of the Shares, to provide you, for your review and comment, with a copy of such reports and statements and other documents to be filed by the Company pursuant to Section 13, 14 or 15(d) of the Exchange Act during such period a reasonable amount of time prior to any proposed filing, and to file no such report, statement or document to which you shall reasonably object in writing; and to promptly notify you of such filing;

(f) if necessary or appropriate, to file a registration statement pursuant to, and in accordance with, Rule 462(b) under the Act and pay the applicable fees in accordance with the Act;

(g) to advise the Underwriters promptly of the happening of any event known to the Company within the time during which a prospectus relating to the Shares is required to be delivered under the Act which could require the making of any change in the Prospectus then being used so that the Prospectus would not include an untrue statement of material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they are made, not misleading, and, during such time, subject to Section 5(d) hereof, to prepare and furnish, at the Company's expense, to the Underwriters promptly such amendments or supplements to such Prospectus as may be necessary to reflect any such change;

(h) to make generally available to its security holders, and to deliver to you, an earnings statement of the Company and its Subsidiaries (which need not be audited but shall satisfy the provisions of Rule 158(a) under the Act) covering a period of twelve months beginning after the effective date of the Registration Statement (as defined in Rule 158(c) under the Act) as soon as is reasonably practicable after the termination of such twelve-month period but in any case not later than December 31, 2006;

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(i) to furnish to its stockholders as soon as practicable after the end of each fiscal year an annual report (including a consolidated balance sheet and statements of income, stockholders' equity and cash flow of the Company and the Subsidiaries for such fiscal year, accompanied by a copy of the certificate or report thereon of nationally recognized independent certified public accountants duly registered with the Public Company Oversight Accounting Board);

(j) to furnish to you three copies of the Registration Statement, as initially filed with the Commission, and of all amendments thereto (including, if requested, all exhibits thereto) and sufficient copies of the foregoing (other than exhibits) for distribution of a copy to each of the other Underwriters;

(k) to furnish to you promptly and, upon request, to each of the other Underwriters for a period of three years from the date of this Agreement (i) copies of any reports, proxy statements, or other communications which the Company shall send to its stockholders, (ii) copies of all annual, quarterly and current reports filed with or furnished to the Commission on Forms 20-F or 6-K, or such other similar forms as may be designated by the Commission and (iii) copies of documents or reports filed with any national securities exchange on which any class of securities of the Company is listed; provided, however, that any information or documents filed with or furnished to the Commission pursuant to its Electronic Data Gathering, Analysis and Retrieval System shall be considered furnished for the purposes of this Section 5(k);

(l) to apply the net proceeds from the sale of the Firm Shares in the manner set forth under the caption "Use of Proceeds" in the Prospectus;

(m) for a period of 180 days after the date hereof (the "Lock-Up Period"), without the prior written consent of the Representatives, not to (i) sell, offer to sell, contract or agree to sell, hypothecate, pledge, grant any option to purchase or otherwise dispose of or agree to dispose of, directly or indirectly, or establish or increase a put equivalent position or liquidate or decrease a call equivalent position within the meaning of Section 16 of the Exchange Act and the rules and regulations of the Commission promulgated thereunder, with respect to, any Common Stock or securities convertible into or exchangeable or exercisable for Common Stock or warrants or other rights to purchase Common Stock or any other securities of the Company that are substantially similar to Common Stock, (ii) file or cause to be declared effective a registration statement under the Act relating to the offer and sale of any shares of Common Stock or securities convertible into or exercisable or exchangeable for Common Stock or warrants or other rights to purchase Common Stock or any other securities of the Company that are substantially similar to Common Stock, (iii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock, or warrants or other rights to purchase Common Stock or any such securities, whether any such transaction is to be settled by delivery of Common Stock or such other securities, in cash or otherwise or (iv) publicly announce an intention to effect any transaction specified in clause (i), (ii) or (iii), except, in each case, for (A) the registration of the Shares and the sales to the

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Underwriters pursuant to this Agreement, (B) issuances of Common Stock upon the exercise of options or warrants disclosed as outstanding in the Registration Statement and the Prospectus, and (C) the issuance of employee stock options not exercisable during the Lock-Up Period pursuant to stock option plans described in the Registration Statement and the Prospectus; provided, however, that if (a) during the period that begins on the date that is fifteen (15) calendar days plus three (3) business days before the last day of the Lock-Up Period and ends on the last day of the Lock-Up Period, the Company issues an earnings release or material news or a material event relating to the Company occurs; or (b) prior to the expiration of the Lock-Up Period, the Company announces that it will release earnings results during the sixteen (16) day period beginning on the last day of the Lock-Up Period, then the restrictions imposed by this Section 5(m) shall continue to apply until the expiration of the date that is fifteen (15) calendar days plus three (3) business days after the date on which the issuance of the earnings release or the material news or material event occurs;

(n) prior to the time of purchase or any additional time of purchase, as the case may be, to issue no press release or other communication directly or indirectly and hold no press conferences with respect to the Company or any Subsidiary, the financial condition, results of operations, business, properties, assets, or liabilities of the Company or any Subsidiary, any of the Vessels, any of the Transaction Documents or the offering of the Shares, without your prior consent;

(o) not, at any time on or after the execution of this Agreement, to distribute any "prospectus" (within the meaning of the Act) or offering material in connection with the offering or sale of the Shares other than the Registration Statement and the then most recent Prospectus;

(p) not to, and to cause its Subsidiaries not to, take, directly or indirectly, any action designed, or which has constituted or might reasonably be expected to cause or result in, under the Exchange Act or otherwise, the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Shares;

(q) to use its best efforts to cause the Common Stock to be listed on the NYSE and to use its reasonable best efforts either (i) to maintain the listing of the Shares on the NYSE, (ii) to list, and to maintain the listing of, the Shares on any other national securities exchange registered pursuant to Section 6(a) of the Exchange Act or (iii) to arrange for the quotation, and to maintain the quotation of, the Shares in an automated interdealer quotation system of a national securities association registered pursuant to Section 15A(a) of the Exchange Act.; and

(r) to maintain a transfer agent and, if necessary under the jurisdiction of incorporation of the Company, a registrar for the Common Stock.

6. Certain Covenants of the Selling Stockholder. The Selling Stockholder hereby agrees:

(a) not, at any time on or after the execution of this Agreement, to distribute any “prospectus” (within the meaning of the Act) or offering material in connection with the

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offering or sale of the Shares other than the Registration Statement and the then most recent Prospectus;

(b) not to take, directly or indirectly, any action designed to or which may constitute or which might reasonably be expected to cause or result in, under the Exchange Act or otherwise, the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Shares;

(c) to pay or cause to be paid all taxes, if any, on the transfer and sale of the Additional Shares being sold by the Selling Stockholder;

(d) to advise you promptly, and if requested by you, to confirm such advice in writing, so long as delivery of a prospectus relating to the Shares by an Underwriter or dealer may be required under the Act or the Exchange Act, of (i) any material change in the Company’s condition (financial or otherwise), prospects, earnings, business or properties or any of the Vessels or the Transaction Documents, (ii) any change in material information in the Registration Statement or the Prospectus relating to the Selling Stockholder or (iii) any new material information relating to the Company, the Vessels or the Transaction Documents or relating to any matter stated in the Prospectus which comes to the attention of the Selling Stockholder;

(e) prior to or concurrently with the execution and delivery of this Agreement, to execute and deliver to the Underwriters the Power of Attorney, the Custody Agreement and a Lock-Up Agreement; and

(f) at the time of purchase, to deposit with the Custodian certificates in negotiable form representing such number of Additional Shares that are not then being purchased by the Underwriters.

7. Certain Covenants of the Company and the Selling Stockholder. The Company and the Selling Stockholder, jointly and severally, agree to pay all costs, expenses, fees and taxes in connection with (i) the preparation and filing of the Registration Statement, each Preliminary Prospectus, the Prospectus and any amendments or supplements thereto, and the printing and furnishing of copies of each thereof to the Underwriters and to dealers (including costs of mailing and shipment), (ii) the registration, issue, sale and delivery of the Shares including any stock or transfer taxes and stamp or similar duties payable upon the sale, issuance or delivery of the Shares to the Underwriters, (iii) the qualification of the Shares for offering and sale under state or foreign laws and the determination of their eligibility for investment under state or foreign law as aforesaid (including the legal fees and filing fees and other disbursements of counsel for the Underwriters incurred in connection with such qualifications and determinations) and the printing and furnishing of copies of any blue sky surveys or legal investment surveys to the Underwriters and to dealers, (iv) any listing of the Shares on any securities exchange or qualification of the Shares for quotation on the NYSE and any registration thereof under the Exchange Act, (v) any filing for review of the public offering of the Shares by the NASD, including the legal fees and filing fees and other disbursements of counsel to the Underwriters relating to NASD matters, (vi) the fees and disbursements of any transfer agent or registrar for

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the Shares, (vii) unless otherwise agreed, the costs and expenses of the Company and the Selling Stockholder relating to presentations or meetings undertaken in connection with the marketing of the offering and sale of the Shares to prospective investors and the Underwriters’ sales forces, including, without limitation, expenses associated with the production of road show slides and graphics, fees and expenses of any consultants engaged in connection with the road show presentations, travel, lodging and other expenses incurred by the officers of the Company or by the Selling Stockholder and any such consultants, and the cost of any aircraft chartered in connection with the road show, (viii) the preparation and filing of the Exchange Act Registration Statement, including any amendments thereto, and (ix) the performance of the Company’s and the Selling Stockholder’s other obligations hereunder. The Company hereby agrees with the Underwriters that it will pay any such amounts not so paid by the Selling Stockholder.

8. Reimbursement of Underwriters’ Expenses. If the Shares are not delivered for any reason other than the termination of this Agreement pursuant to the fifth paragraph of Section 11 hereof or the default by one or more of the Underwriters in its or their respective obligations hereunder, the Company and the Selling Stockholder, jointly and severally, agree that they shall, in addition to paying the amounts described in Section 7 hereof, reimburse the Underwriters for all of their properly documented out-of-pocket expenses, including the reasonable fees and disbursements of their counsel. The Selling Stockholder hereby agrees with the Underwriters that it will pay any such amounts not so paid by the Company.

9. Conditions of Underwriters’ Obligations. The several obligations of the Underwriters hereunder are subject to the accuracy of the representations and warranties on the part of the Company and the Selling Stockholder on the date hereof, at the time of purchase and, if applicable, at the additional time of purchase, the performance by the Company and the Selling Stockholder of each of their respective obligations hereunder and to the following additional conditions precedent:

(a) The Company and the Selling Stockholder shall furnish to you at the time of purchase and, if applicable, at the additional time of purchase, an opinion of Cravath, Swaine & Moore LLP, special United States counsel for the Company and the Selling Stockholder, addressed to the Underwriters, and dated the time of purchase or the additional time of purchase, as the case may be, with executed copies for each of the other Underwriters, substantially in the form set forth in Exhibit B hereto.

(b) The Company and the Selling Stockholder shall furnish to you at the time of purchase and, if applicable, at the additional time of purchase, a negative assurance letter of Cravath, Swaine & Moore LLP, special United States counsel for the Company and the Selling Stockholder, addressed

to the Underwriters, and dated the time of purchase or the additional time of purchase, as the case may be, with executed copies for each of the other Underwriters, substantially in the form set forth in Exhibit C hereto.

(c) The Company and the Selling Stockholder shall furnish to you at the time of purchase and, if applicable, at the additional time of purchase, an opinion of Cravath, Swaine & Moore LLP, special United States counsel for the Company and the Selling Stockholder, as to certain tax matters, addressed to the Underwriters, and dated the time of purchase or the

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additional time of purchase, as the case may be, with executed copies for each of the other Underwriters, substantially in the form set forth in Exhibit D hereto.

(d) The Company and the Selling Stockholder shall furnish to you at the time of purchase and, if applicable, at the additional time of purchase, an opinion of Reeder & Simpson, PC, Marshall Islands counsel for the Company and the Selling Stockholder, addressed to the Underwriters, and dated the time of purchase or the additional time of purchase, as the case may be, with executed copies for each of the other Underwriters, substantially in the form set forth in Exhibit E hereto.

(e) The Company and the Selling Stockholder shall furnish to you at the time of purchase and, if applicable, at the additional time of purchase, an opinion of Eversheds LLP, English Counsel for the technical manager of the Vessels, addressed to the Underwriters, and dated the time of purchase or the additional time of purchase, as the case may be, with executed copies for each of the other Underwriters, substantially in the form set forth in Exhibit F hereto.

(f) The Company and the Selling Stockholder shall furnish to you at the time of purchase and, if applicable, at the additional time of purchase, an opinion of James I. Edelson, General Counsel of the Parent Company, addressed to the Underwriters, and dated the time of purchase or the additional time of purchase, as the case may be, with executed copies for each of the other Underwriters, substantially in the form set forth in Exhibit G hereto.

(g) The Selling Stockholder shall have delivered to you a duly executed Power of Attorney and a duly executed Custody Agreement, in each case in form and substance satisfactory to Simpson Thacher & Bartlett LLP, counsel for the Underwriters.

(h) You shall have received from Ernst & Young LLP letters dated, respectively, the date of this Agreement, the time of purchase and, if applicable, the additional time of purchase, and addressed to the Underwriters (with executed copies for each of the Underwriters) in the forms heretofore approved by the Representatives.

(i) You shall have received at the time of purchase and, if applicable, at the additional time of purchase, the favorable opinion and negative assurance letter of Simpson Thacher & Bartlett LLP, counsel for the Underwriters, dated the time of purchase or the additional time of purchase, as the case may be, in form and substance satisfactory to the Representatives.

(j) No Prospectus or amendment or supplement to the Registration Statement or the Prospectus shall have been filed to which you reasonably object in writing.

(k) The Registration Statement and the Exchange Act Registration Statement shall become effective not later than 5:30 P.M., New York City time, on the date of this Agreement and, if Rule 430A under the Act is used, the Prospectus shall have been filed with the Commission pursuant to Rule 424(b) under the Act at or before 5:30 P.M., New York City time, on the second full business day after the date of this Agreement and any registration statement pursuant to Rule 462(b) under the Act required in connection with the offering and sale of the

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Shares shall have been filed and become effective no later than 10:00 P.M., New York City time, on the date of this Agreement.

(l) Prior to the time of purchase, and, if applicable, the additional time of purchase, (i) no stop order with respect to the effectiveness of the Registration Statement shall have been issued under the Act or proceedings initiated under Section 8(d) or 8(e) of the Act; (ii) the Registration Statement and all amendments thereto shall not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; and (iii) the Prospectus and all amendments or supplements thereto shall not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they are made, not misleading.

(m) Between the time of execution of this Agreement and the time of purchase or the additional time of purchase, as the case may be, (i) there shall not have occurred or become known any material adverse change, or any development involving a prospective material adverse change, in (A) the business, properties, financial condition, results of operations or prospects of either the Predecessor or the Company and the Subsidiaries taken as a whole, (B) any of the Vessels, (C) the validity of any of the Transaction Documents, (D) the ability of any party to a Memorandum of Agreement to consummate the transactions contemplated thereby or (E) the ability of any party to perform under any Transaction Document and (ii) no transaction which is material and adverse to the Company and the Subsidiaries taken as a whole shall have been entered into by the Company or any of the Subsidiaries.

(n) The Company will, at the time of purchase and, if applicable, at the additional time of purchase, deliver to you a certificate of its Chief Executive Officer and its Chief Financial Officer, dated the time of purchase or the additional time of purchase, as the case may be, in the form attached as Exhibit H hereto.

(o) The Selling Stockholder will, at the time of purchase and, if applicable, at the additional time of purchase, deliver to you a certificate of the Chief Financial Officer of the Parent Company, dated the time of purchase or the additional time of purchase, as the case may be, in the form attached as Exhibit I hereto.

(p) You shall have received each of the signed Lock-Up Agreements referred to in Section 3(u) hereof, and each such Lock-Up Agreement shall be in full force and effect at the time of purchase and the additional time of purchase, as the case may be.

(q) The Company and the Selling Stockholder shall have furnished to you such other documents and certificates as to the accuracy and completeness of any statement in the Registration Statement or the Prospectus as of the time of purchase and, if applicable, the additional time of purchase, as you may reasonably request.

(r) The Shares shall have been approved for listing on the New York Exchange, subject only to notice of issuance at or prior to the time of purchase or the additional time of purchase, as the case may be.

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(s) The NASD shall not have raised any objection with respect to the fairness or reasonableness of the underwriting, or other arrangements of the transactions, contemplated hereby.

(t) Each Vessel shall have been delivered to a Subsidiary and duly registered in the name of such Subsidiary under the laws and regulations and the flag of the Marshall Islands, no other action shall be necessary to establish and perfect such Subsidiary's title to and interest in such Vessel as against any charterer or third party, and such Vessel shall be owned directly by such Subsidiary free and clear of all liens, claims, security interests or other encumbrances, except such as are described in the Registration Statement and the Prospectus and such as are not material and do not interfere with the intended use to be made of such Vessel as described in the Registration Statement and the Prospectus.

10. Effective Date of Agreement; Termination. This Agreement shall become effective (i) if Rule 430A under the Act is not used, when you shall have received notification of the effectiveness of the Registration Statement, or (ii) if Rule 430A under the Act is used, when the parties hereto have executed and delivered this Agreement.

The obligations of the several Underwriters hereunder shall be subject to termination in the absolute discretion of the Representatives, or of any group of Underwriters (which may include the Representatives) which has agreed to purchase in the aggregate at least 50% of the Firm Shares, if (x) since the time of execution of this Agreement or the earlier respective dates as of which information is given in the Registration Statement and the Prospectus, there has been any material adverse change or any development involving a prospective material adverse change in the business, properties, management, financial condition or results of operations of the Company and the Subsidiaries taken as a whole, or in any of the Vessels or any of the Transaction Documents, which would, in the judgment of the Representatives or in the judgment of such group of Underwriters, make it impracticable or inadvisable to proceed with the public offering or the delivery of the Shares on the terms and in the manner contemplated in the Registration Statement and the Prospectus, or (y) since the time of execution of this Agreement, there shall have occurred: (i) a suspension or material limitation in trading in securities generally on the NYSE or the NASDAQ; (ii) a suspension or material limitation in trading in the Company's securities on the NYSE; (iii) a general moratorium on commercial banking activities declared by either federal or New York State authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States; (iv) an outbreak or escalation of hostilities or acts of terrorism involving the United States or a declaration by the United States of a national emergency or war (it being understood that, with respect to matters relating to the current conflicts in Afghanistan and Iraq occurring within Afghanistan and Iraq, respectively, this clause (iv) shall apply only to an escalation of hostilities or a declaration by the United States of a national emergency or a war which has not heretofore been declared); or (v) any other calamity or crisis or any change in financial, political or economic conditions in the United States or elsewhere, if the effect of any such event specified in clause (iv) or (v) in the judgment of the Representatives or in the judgment of such group of Underwriters makes it impracticable or inadvisable to proceed with the public offering or the delivery of the Shares on the terms and in the manner contemplated in

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the Registration Statement and the Prospectus, or (z) since the time of execution of this Agreement, there shall have occurred any downgrading, or any notice or announcement shall have been given or made of (i) any intended or potential downgrading or (ii) any watch, review or possible change that does not indicate an affirmation or improvement in the rating accorded any securities of or guaranteed by the Company or any Subsidiary by any "nationally recognized statistical rating organization," as that term is defined in Rule 436(g)(2) under the Act.

If the Representatives or any group of Underwriters elects to terminate this Agreement as provided in this Section 10, the Company and each other Underwriter shall be notified promptly in writing.

If the sale to the Underwriters of the Shares, as contemplated by this Agreement, is not carried out by the Underwriters for any reason permitted under this Agreement, or if such sale is not carried out because the Company or the Selling Stockholder, as the case may be, shall be unable to comply with any of the terms of this Agreement, the Company or the Selling Stockholder, as the case may be, shall not be under any obligation or liability under this Agreement (except to the extent provided in Sections 7, 8 and 12 hereof), and the Underwriters shall be under no obligation or liability to the Company or the Selling Stockholder under this Agreement (except to the extent provided in Section 12 hereof) or to one another hereunder.

11. Increase in Underwriters' Commitments. Subject to Sections 9 and 10 hereof, if any Underwriter shall default in its obligation to take up and pay for the Firm Shares to be purchased by it hereunder (otherwise than for a failure of a condition set forth in Section 9 hereof or a reason sufficient to justify the termination of this Agreement under the provisions of Section 10 hereof) and if the number of Firm Shares which all Underwriters so defaulting shall have agreed but failed to take up and pay for does not exceed 10% of the total number of Firm Shares, the non-defaulting Underwriters shall take up and pay for (in addition to the aggregate number of Firm Shares they are obligated to purchase pursuant to Section 1 hereof) the number of Firm Shares agreed to be purchased by all such defaulting Underwriters, as hereinafter provided. Such Shares shall be taken up and paid for by such non-defaulting Underwriters in such amount or amounts as you may designate with the consent of each Underwriter so designated or, in the event no such designation is made, such Shares shall be taken up and paid for by all non-defaulting Underwriters pro rata in proportion to the aggregate number of Firm Shares set forth opposite the names of such non-defaulting Underwriters in Schedule A.

Without relieving any defaulting Underwriter from its obligations hereunder, the Company agrees with the non-defaulting Underwriters that it will not sell any Firm Shares hereunder unless all of the Firm Shares are purchased by the Underwriters (or by substituted Underwriters selected by you with the approval of the Company or selected by the Company with your approval).

If a new Underwriter or Underwriters are substituted by the Underwriters or by the Company for a defaulting Underwriter or Underwriters in accordance with the foregoing provision, the Company or you shall have the right to postpone the time of purchase for a period not exceeding five business days in order that any necessary changes in the Registration Statement and the Prospectus and other documents may be effected.

The term "Underwriter" as used in this Agreement shall refer to and include any Underwriter substituted under this Section 11 with like effect as if such substituted Underwriter had originally been named in Schedule A hereto.

If the aggregate number of Firm Shares which the defaulting Underwriter or Underwriters agreed to purchase exceeds 10% of the total number of Firm Shares which all Underwriters agreed to purchase hereunder, and if neither the non-defaulting Underwriters nor the Company shall make arrangements within the five business day period stated above for the purchase of all the Firm Shares which the defaulting Underwriter or Underwriters agreed to purchase hereunder, this Agreement shall terminate without further act or deed and without any liability on the part of the Company to any non-defaulting Underwriter and without any liability on the part of any non-defaulting Underwriter to the Company or to the Selling Stockholder. Nothing in this paragraph, and no action taken hereunder, shall relieve any defaulting Underwriter from liability in respect of any default of such Underwriter under this Agreement.

12. Indemnity and Contribution.

(a) The Company and the Selling Stockholder, jointly and severally, agree to indemnify, defend and hold harmless each Underwriter, its partners, directors and officers, and any person who controls any Underwriter within the meaning of Section 15 of the Act or Section 20 of the Exchange Act, and the successors and assigns of all of the foregoing persons, from and against any loss, damage, expense, liability or claim (including the reasonable cost of investigation) which, jointly or severally, any such Underwriter or any such person may incur under the Act, the Exchange Act, the common law or otherwise, insofar as such loss, damage, expense, liability or claim arises out of or is based upon any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement (or in the Registration Statement as amended by any post-effective amendment thereof by the Company) or in a Prospectus (the term Prospectus for the purpose of this Section 12 being deemed to include any Preliminary Prospectus, the Prospectus and the Prospectus as amended or supplemented by the Company), or arises out of or is based upon any omission or alleged omission to state a material fact required to be stated in either such Registration Statement or such Prospectus or necessary to make the statements made therein not misleading, except insofar as any such loss, damage, expense, liability or claim arises out of or is based upon any untrue statement or alleged untrue statement of a material fact contained in, and in conformity with information concerning such Underwriter furnished in writing by or on behalf of such Underwriter through you to the Company expressly for use in, such Registration Statement or such Prospectus or arises out of or is based upon any omission or alleged omission to state a material fact in connection with such information required to be stated in such Registration Statement or such Prospectus or necessary to make such information not misleading; provided, however, that the indemnity agreement contained in this Section 12(a) with respect to any Preliminary Prospectus or amended Preliminary Prospectus shall not inure to the benefit of any Underwriter (or to the benefit of any person controlling such Underwriter) from whom the person asserting any such loss, damage, expense, liability or claim purchased the Shares which are the subject thereof if, and only to the extent that, a court of competent jurisdiction finds, in a final, non-appealable judgment binding upon the parties hereto, that (i) the sale to such person was an initial resale by such Underwriter

directly to such person, (ii) the Prospectus corrected, and the indemnifying party has satisfied and sustained the burden of proof that the Prospectus corrected, any such alleged untrue statement or omission, (iii) such Underwriter failed to send or give a copy of the Prospectus to such person at or prior to the written confirmation of the sale of such Shares to such person, (iv) the Company furnished to such Underwriter, in compliance with Section 5(b) hereof, sufficient copies of the Prospectus in a timely manner as to reasonably permit such Underwriter to send or give a copy of the Prospectus to such person at or prior to the written confirmation of such sale, (v) such Prospectus was required by law to be delivered to such person at or prior to the written confirmation of such sale, and (vi) such loss, damage, expense, liability or claim resulted from such failure to send or give a copy of the Prospectus to such person at or prior to the written confirmation of the sale of such Shares to such person.

(b) If any action, suit or proceeding (each, a "Proceeding") is brought against an Underwriter or any such person in respect of which indemnity may be sought against the Company or the Selling Stockholder pursuant to Section 12(a), such Underwriter or such person shall promptly notify the Company or the Selling Stockholder, as the case may be, in writing of the institution of such Proceeding and the Company or the Selling Stockholder, as the case may be, shall assume the defense of such Proceeding, including the employment of counsel reasonably satisfactory to such indemnified party and payment of all fees and expenses; provided, however, that the omission to so notify the Company or the Selling Stockholder shall not relieve the Company or the Selling Stockholder from any liability which the Company or the Selling Stockholder may have to any Underwriter or any such person or otherwise. Such Underwriter or such person shall have the right to employ its or their own counsel in any such case, but the fees and expenses of such counsel shall be at the expense of such Underwriter or of such person unless the employment of such counsel shall have been authorized in writing by the indemnifying party in connection with the defense of such Proceeding or the indemnifying party shall not have, within a reasonable period of time in light of the circumstances, employed counsel to have charge of the defense of such Proceeding or such indemnified party or parties shall have reasonably concluded, based on the advice of counsel, that there may be defenses available to it or them which are different from, additional to or in conflict with those available to the indemnifying party (in which case the indemnifying party shall not have the right to direct the defense of such Proceeding on behalf of the indemnified party or parties), in any of which events such fees and expenses shall be borne by the indemnifying party and paid as incurred (it being understood, however, that the indemnifying party shall not be liable for the expenses of more than one separate counsel (in addition to any local counsel) in any one Proceeding or series of related Proceedings in the same jurisdiction representing the indemnified parties who are parties to such Proceeding). No indemnifying party shall be liable for any settlement of any Proceeding effected without its written consent but, if settled with the written consent of the indemnifying party, the indemnifying party agrees to indemnify and hold harmless any Underwriter and any such person from and against any loss or liability by reason of such settlement. Notwithstanding the foregoing sentence, if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel as contemplated by the second sentence of this paragraph, then the indemnifying party agrees that it shall be liable for any settlement of any Proceeding effected without its written consent if (i) such settlement is entered into more than 60 business days after receipt by such indemnifying party of the aforesaid request, (ii) such indemnifying party shall not have fully

reimbursed the indemnified party in accordance with such request prior to the date of such settlement and (iii) such indemnified party shall have given the indemnifying party at least 30 days' prior notice of its intention to settle. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened Proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such Proceeding and does not include an admission of fault or culpability or a failure to act by or on behalf of such indemnified party.

(c) Each Underwriter severally agrees to indemnify, defend and hold harmless the Company and its respective directors and officers, the Selling Stockholder and its respective directors and officers and any person who controls the Company or the Selling Stockholder within the meaning of Section 15 of the Act or Section 20 of the Exchange Act, and the successors and assigns of all of the foregoing persons, from and against any loss, damage, expense, liability or claim (including the reasonable cost of investigation) which, jointly or severally, the Company, the Selling Stockholder or any such person may incur under the Act, the Exchange Act, the common law or otherwise, insofar as such loss, damage, expense, liability or claim arises out of or is based upon any untrue statement or alleged untrue statement of a material fact contained in, and in conformity with information concerning such Underwriter furnished in writing by or on behalf of such Underwriter through you to the Company expressly for use in, the Registration Statement (or in the Registration Statement as amended by any post-effective amendment thereof by the Company) or in a Prospectus, or arises out of or is based upon any omission or alleged omission to state a material fact in connection with such information required to be stated in such Registration Statement or such Prospectus or necessary to make such information not misleading.

(d) If any Proceeding is brought against the Company, the Selling Stockholder or any such person in respect of which indemnity may be sought against any Underwriter pursuant to Section 12(c) hereof, the Company, the Selling Stockholder or such person shall promptly notify such Underwriter in writing of the institution of such Proceeding and such Underwriter shall assume the defense of such Proceeding, including the employment of counsel reasonably satisfactory to such indemnified party and payment of all fees and expenses; provided, however, that the omission to so notify such Underwriter shall not relieve such Underwriter from any liability which such Underwriter may have to the Company, the Selling Stockholder or any such person or otherwise. The Company, the Selling Stockholder or such person shall have the right to employ its own counsel in any such case, but the fees and expenses of such counsel shall be at the expense of the Company, the Selling Stockholder or such person unless the employment of such counsel shall have been authorized in writing by such Underwriter in connection with the defense of such Proceeding or such Underwriter shall not have, within a reasonable period of time in light of the circumstances, employed counsel to defend such Proceeding or such indemnified party or parties shall have reasonably concluded that there may be defenses available to it or them which are different from or additional to or in conflict with those available to such Underwriter (in which case such Underwriter shall not have the right to direct the defense of such Proceeding on behalf of the indemnified party or parties, but such Underwriter may employ counsel and participate in the defense thereof but the fees and

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expenses of such counsel shall be at the expense of such Underwriter), in any of which events such fees and expenses shall be borne by such Underwriter and paid as incurred (it being understood, however, that such Underwriter shall not be liable for the expenses of more than one separate counsel (in addition to any local counsel) in any one Proceeding or series of related Proceedings in the same jurisdiction representing the indemnified parties who are parties to such Proceeding). No Underwriter shall be liable for any settlement of any such Proceeding effected without the written consent of such Underwriter but, if settled with the written consent of such Underwriter, such Underwriter agrees to indemnify and hold harmless the Company, the Selling Stockholder and any such person from and against any loss or liability by reason of such settlement. Notwithstanding the foregoing sentence, if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel as contemplated by the second sentence of this Section 12(d), then the indemnifying party agrees that it shall be liable for any settlement of any Proceeding effected without its written consent if (i) such settlement is entered into more than 60 business days after receipt by such indemnifying party of the aforesaid request, (ii) such indemnifying party shall not have reimbursed the indemnified party in accordance with such request prior to the date of such settlement and (iii) such indemnified party shall have given the indemnifying party at least 30 days' prior notice of its intention to settle. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened Proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such Proceeding.

(e) If the indemnification provided for in this Section 12 is unavailable to an indemnified party under subsections (a) or (c) of this Section 12 or insufficient to hold an indemnified party harmless in respect of any losses, damages, expenses, liabilities or claims referred to therein, then each applicable indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, damages, expenses, liabilities or claims (i) in such proportion as is appropriate to reflect the relative benefits received by the Company and the Selling Stockholder on the one hand and the Underwriters on the other hand from the offering of the Shares or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company and the Selling Stockholder on the one hand and of the Underwriters on the other in connection with the statements or omissions which resulted in such losses, damages, expenses, liabilities or claims, as well as any other relevant equitable considerations. The relative benefits received by the Company and the Selling Stockholder on the one hand and the Underwriters on the other shall be deemed to be in the same respective proportions as the total proceeds from the offering (net of underwriting discounts and commissions but before deducting expenses) received by the Company and the Selling Stockholder, and the total underwriting discounts and commissions received by the Underwriters, bear to the aggregate public offering price of the Shares. The relative fault of the Company and the Selling Stockholder on the one hand and of the Underwriters on the other shall be determined by reference to, among other things, whether the untrue statement or alleged untrue statement of a material fact or omission or alleged omission relates to information supplied by the Company or the Selling Stockholder or by the

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Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The amount paid or payable by a party as a result of the losses, damages, expenses, liabilities and claims referred to in this subsection shall be deemed to include any legal or other fees or expenses reasonably incurred by such party in connection with investigating, preparing to defend or defending any Proceeding.

(f) The Company, the Selling Stockholder and the Underwriters agree that it would not be just and equitable if contribution pursuant to this Section 12 were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in subsection (e) above. Notwithstanding the provisions of this Section 12, no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Shares underwritten by such Underwriter and distributed to the public were offered to the public exceeds the amount of any damage which such Underwriter has otherwise been required to pay by reason of such untrue statement or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The obligations of the Company and the Selling Stockholder to contribute pursuant to this Section 12 are joint and several. The Underwriters' obligations to contribute pursuant to this Section 12 are several in proportion to their respective underwriting commitments and not joint.

(g) The indemnity and contribution agreements contained in this Section 12 and the covenants, warranties and representations of the Company and the Selling Stockholder contained in this Agreement shall remain in full force and effect regardless of any investigation made by or on behalf of any Underwriter, its partners, directors or officers or any person (including each partner, officer or director of such person) who controls any Underwriter within the meaning of Section 15 of the Act or Section 20 of the Exchange Act, or by or on behalf of the Company, any of its directors or officers, the Selling Stockholder or any person who controls the Company within the meaning of Section 15 of the Act or Section 20 of the Exchange Act, and shall survive any termination of this Agreement or the issuance and delivery of the Shares. The Company, the Selling Stockholder and each Underwriter agree promptly to notify each other of the commencement of any Proceeding against it and, in the case of the Company, against any of the Company's respective officers or directors, and, in the case of the Selling Stockholder, against any of the Selling Stockholder's respective officers or directors, in connection with the issuance and sale of the Shares, or in connection with the Registration Statement or the Prospectus.

13. Information Furnished by the Underwriters. The statements set forth in the section of the Prospectus entitled "Underwriting" in (i) the first paragraph immediately under the caption "Commissions and Discounts" and (ii) in the paragraphs immediately under the caption "Price Stabilization, Short Positions" constitute the only information furnished by or on behalf of the Underwriters as such information is referred to in Sections 3 and 12 hereof.

14. Notices. Except as otherwise herein provided, all statements, requests, notices and agreements shall be in writing or by telegram or facsimile and, if to the Underwriters, shall

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be sufficient in all respects if delivered or sent to UBS Securities LLC, 299 Park Avenue, New York, NY 10171-0026, Attention: Syndicate Department and, if to the Company, shall be sufficient in all respects if delivered or sent to the Company at the offices of the Company at 26 New Street, St. Helier, Jersey JE23RA, Attention: Chief Executive Officer, and if to the Selling Stockholder, shall be sufficient in all respects if delivered or sent to the Selling Stockholder, c/o OSG Ship Management, Inc., 511 Fifth Avenue, New York, NY 10017, Attention: General Counsel.

15. Governing Law; Construction. This Agreement and any claim, counterclaim or dispute of any kind or nature whatsoever arising out of or in any way relating to this Agreement ("Claim"), directly or indirectly, shall be governed by, and construed in accordance with, the laws of the State of New York. The section headings in this Agreement have been inserted as a matter of convenience of reference and are not a part of this Agreement.

16. Submission to Jurisdiction. Except as set forth below, no Claim may be commenced, prosecuted or continued in any court other than the courts of the State of New York located in the City and County of New York or in the United States District Court for the Southern District of New York, which courts shall have jurisdiction over the adjudication of such matters, and the Company and the Selling Stockholder each consent to the jurisdiction of such courts and personal service with respect thereto. The Company and the Selling Stockholder each hereby consent to personal jurisdiction, service and venue in any court in which any Claim arising out of or in any way relating to this Agreement is brought by any third party against any Underwriter or any indemnified party. Each Underwriter and the Company (on its behalf and, to the extent permitted by applicable law, on behalf of its stockholders and affiliates) and the Selling Stockholder (on its behalf and, to the extent permitted by applicable law, on behalf of its stockholders and affiliates) each waive all right to trial by jury in any action, proceeding or counterclaim (whether based upon contract, tort or otherwise) in any way arising out of or relating to this Agreement. The Company and the Selling Stockholder each agree that a final judgment in any such action, proceeding or counterclaim brought in any such court shall be conclusive and binding upon the Company and the Selling Stockholder and may be enforced in any other courts to the jurisdiction of which the Company or the Selling Stockholder is or may be subject, by suit upon such judgment. The Company hereby appoints, without power of revocation, [ ] as its agent to accept and acknowledge on its behalf of any and all process which may be served in any action, proceeding or counterclaim in any way relating to or arising out of this Agreement. The Selling Stockholder hereby appoints, without power of revocation, OSG Ship Management, Inc., at the address set forth above, as its agent to accept and acknowledge on its behalf of any and all process which may be served in any action, proceeding or counterclaim in any way relating to or arising out of this Agreement.

17. Parties at Interest. The Agreement herein set forth has been and is made solely for the benefit of the Underwriters and the Company and the Selling Stockholder and to the extent provided in Section 12 hereof the controlling persons, partners, directors and officers referred to in such Section, and their respective successors, assigns, heirs, personal representatives and executors and administrators. No other person, partnership, association or corporation (including a purchaser, as such purchaser, from any of the Underwriters) shall acquire or have any right under or by virtue of this Agreement.

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18. Counterparts. This Agreement may be signed by the parties in one or more counterparts which together shall constitute one and the same agreement among the parties.

19. Successors and Assigns. This Agreement shall be binding upon the Underwriters, the Company and the Selling Stockholder and their successors and assigns and any successor or assign of any substantial portion of the Company's, the Selling Stockholder's or any of the Underwriters' respective businesses and/or assets.

20. Miscellaneous. UBS, an indirect, wholly owned subsidiary of UBS AG, is not a bank and is separate from any affiliated bank, including any U.S. branch or agency of UBS AG. Because UBS is a separately incorporated entity, it is solely responsible for its own contractual obligations and commitments, including obligations with respect to sales and purchases of securities. Securities sold, offered or recommended by UBS are not deposits, are



not insured by the Federal Deposit Insurance Corporation, are not guaranteed by a branch or agency, and are not otherwise an obligation or responsibility of a branch or agency.

The Company and the Selling Stockholder hereby acknowledge that the Underwriters are acting solely as underwriters in connection with the purchase and sale of the Company's securities. The Company further acknowledges that the Underwriters are acting pursuant to a contractual relationship created solely by this Agreement entered into on an arm's length basis and in no event do the parties intend that the Underwriters act or be responsible as a fiduciary to the Company, its management, stockholders, creditors, the Selling Stockholder or any other person in connection with any activity that the Underwriters may undertake or have undertaken in furtherance of the purchase and sale of the Company's securities, either before or after the date hereof. The Underwriters hereby expressly disclaim any fiduciary or similar obligations to the Company and the Selling Stockholders, either in connection with the transactions contemplated by this Agreement or any matters leading up to such transactions, and the Company and the Selling Stockholders hereby confirm their understanding and agreement to that effect. The Company, the Selling Stockholder and the Underwriters agree that they are each responsible for making their own independent judgments with respect to any such transactions, and that any opinions or views expressed by the Underwriters to the Company or the Selling Stockholder regarding such transactions, including but not limited to any opinions or views with respect to the price or market for the Company's securities, do not constitute advice or recommendations to the Company or the Selling Stockholder. The Company and the Selling Stockholder hereby waive and release, to the fullest extent permitted by law, any claims that the Company and the Selling Stockholder may have against the Underwriters with respect to any breach or alleged breach of any fiduciary or similar duty to the Company or the Selling Stockholder in connection with the transactions contemplated by this Underwriting Agreement or any matters leading up to such transactions.

[The Remainder of This Page Intentionally Left Blank; Signature Pages Follow]

If the foregoing correctly sets forth the understanding among the Company, the Selling Stockholder and the several Underwriters, please so indicate in the space provided below for that purpose, whereupon this Agreement and your acceptance shall constitute a binding agreement among the Company, the Selling Stockholder and the several Underwriters, severally.

Very truly yours,

DOUBLE HULL TANKERS, INC.

By: \_\_\_\_\_

Name:

Title:

OSG INTERNATIONAL INC.

By: \_\_\_\_\_

Name:

Title: Attorney-in-Fact

Accepted and agreed to as of the date first above written, on behalf of themselves and the other several Underwriters named in Schedule A

UBS SECURITIES LLC  
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

By: UBS SECURITIES LLC

By: \_\_\_\_\_

Name:

Title:

By: \_\_\_\_\_

Name:

Title:

By: MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

By: \_\_\_\_\_

Name:

Title:

SCHEDULE A

	Firm Shares	Additional Shares
UBS Securities LLC		
Merrill Lynch, Pierce, Fenner & Smith Incorporated		
[to be inserted]		
Total		

### SCHEDULE B

Subsidiary	Vessel to be Acquired
Ann Tanker Corporation	<i>Overseas Ann</i>
Overseas Chris Tanker Corporation	<i>Overseas Chris</i>
Regal Unity Tanker Corporation	<i>Regal Unity</i>
Overseas Cathy Tanker Corporation	<i>Overseas Cathy</i>
Overseas Sophie Tanker Corporation	<i>Overseas Sophie</i>
Rebecca Tanker Corporation	<i>Rebecca</i>
Ania Aframax Corporation	<i>Ania</i>

### SCHEDULE C

#### Memoranda of Agreement

- Memorandum of Agreement, dated September 20, 2005, between Ann Tanker Corporation and 1320 Tanker Corporation.
- Memorandum of Agreement, dated September 20, 2005, between Chris Tanker Corporation and 1320 Tanker Corporation.
- Memorandum of Agreement, dated September 20, 2005, between Regal Unity Tanker Corporation and Regency Tankers Corporation.
- Memorandum of Agreement, dated September 20, 2005, between Cathy Tanker Corporation and Tenth Aframax Corporation.
- Memorandum of Agreement, dated September 20, 2005, between Sophie Tanker Corporation and Ninth Aframax Corporation.
- Memorandum of Agreement, dated September 20, 2005, between Rebecca Tanker Corporation and Third Aframax Corporation.
- Memorandum of Agreement, dated September 20, 2005, between Ania Aframax Corporation and Sargasso Tanker Corporation.

#### Time Charters

- Time Charter Party, dated October 6, 2005, 2005, between Ann Tanker Corporation and DHT Ann VLCC Corp.
- Time Charter Party, dated October 6, 2005, between Chris Tanker Corporation and DHT Chris VLCC Corp.
- Time Charter Party, dated October 6, 2005, between Regal Unity Tanker Corporation and DHT Regal Unity VLCC Corp.
- Time Charter Party, dated October 6, 2005, between Cathy Tanker Corporation and DHT Cathy Aframax Corp.
- Time Charter Party, dated October 6, 2005, between Sophie Tanker Corporation and DHT Sophie Aframax Corp.
- Time Charter Party, dated October 6, 2005, between Rebecca Tanker Corporation and DHT Rebecca Aframax Corp.
- Time Charter Party, dated October 6, 2005, between Ania Aframax Corporation and DHT Ania Aframax Corp.

#### Ship Management Agreements

- Ship Management Agreement, dated October 6, 2005, between Ann Tanker Corporation and Tanker Management Ltd.
- Ship Management Agreement, dated October 6, 2005, between Chris Tanker Corporation and Tanker Management Ltd.
- Ship Management Agreement, dated October 6, 2005, between Regal Unity Tanker Corporation and Tanker Management Ltd.
- Ship Management Agreement, dated October 6, 2005, between Cathy Tanker Corporation and Tanker Management Ltd.
- Ship Management Agreement, dated October 6, 2005, between Sophie Tanker Corporation and Tanker Management Ltd.
- Ship Management Agreement, dated October 6, 2005, between Rebecca Tanker Corporation and Tanker Management Ltd.



**MEMORANDUM OF AGREEMENT**

Dated: September 20, 2005

**SARGASSO TANKER CORPORATION, MAJURO, MARSHALL ISLANDS**, hereinafter called the Seller, have agreed to sell and **ANIA AFRAMAX CORPORATION, MAJURO, MARSHALL ISLANDS**, hereinafter called the Buyer, have agreed to purchase **M/T ANIA (the "Vessel")**

Classification: **American Bureau of Shipping**Built: **December 1994**Flag: **Marshall Islands**Call sign: **V7AW3**Register number: **IMO #9053672**

on the following conditions:

by: **Hyundai Heavy Industries Co., Ltd., Ulsan, So. Korea**Place of Registration: **Majuro, Marshall Islands**Register tonnage: **GRT: 53,341; NRT: 28,328****1. Purchase Price**

The Purchase Price for the Vessel shall consist of common shares of Double Hull Tankers, Inc. ("DHT") and cash in the amounts set forth below, and shall be payable in accordance with Clause 3.

A. The number of common shares of DHT that will comprise the Purchase Price shall be determined by:

1. multiplying the initial public offering price per share of DHT common stock (without deduction for underwriters' discounts or fees) by the number of shares of DHT common stock that are issued to OSG International, Inc. in connection with the purchase of the seven vessels that will comprise DHT's initial fleet;
2. multiplying the result by the percentage that corresponds to the Vessel below:

<i>Overseas Ann</i>	21.5%
<i>Overseas Chris</i>	21.5%
<i>Regal Unity</i>	16.8%
<i>Overseas Cathy</i>	12.2%
<i>Overseas Sophie</i>	11.8%
<i>Rebecca</i>	8.1%
<i>Ania</i>	8.1%; and

3. dividing the result by the initial public offering price per share of DHT common stock (without deduction for underwriters' discounts or fees).

B. The amount of cash that will comprise the Purchase Price shall be determined by:

1. multiplying the initial public offering price per share of DHT common stock (without deduction for underwriters' discounts or fees) by the number of shares of DHT common stock that are sold to the public in the underwritten public offering (which, for the avoidance of doubt, excludes any shares issued to OSG International, Inc.) to obtain the "Gross IPO Proceeds" and then adding \$236,000,000 to the Gross IPO Proceeds to obtain the "Gross Proceeds";
2. deducting from the Gross Proceeds: (i) the product of the Gross IPO Proceeds and 6%, (ii) all fees paid by DHT to The Royal Bank of Scotland in connection with its entering into its \$401 million secured credit facility and (iii) the estimated total expenses of issuance and distribution found under the caption "Other Expenses of Issuance and Distribution" in the final prospectus related to the initial public offering of shares of DHT common stock to obtain "Net Proceeds"; and
3. multiplying Net Proceeds by the percentage that corresponds to the Vessel in the table in Section 1.A.2 above.

**2. Deposit**

Security for the correct fulfillment of this contract has been waived.

**3. Payment**

In exchange for those delivery documents required to be delivered by Seller to Buyer in accordance with this MOA, Buyer shall deliver to Seller (i) the cash portion of the Purchase Price, to be paid on the Delivery Date (as defined below), net of any bank charges by wire transfer from Buyer's bank or its correspondent bank in New York City, United States to Seller's nominated bank account in New York City, and confirmed by Seller's nominated bank to have been received, and (ii) the portion of the Purchase Price paid in DHT shares, to be transferred on the Delivery Date (as defined below) into Seller's nominated custody account and confirmed to have been received.

The closing of the delivery of, and transfer of title to, the Vessel by the Seller to the Buyer shall take place at a place designated by OSG Ship Management, Inc. At such closing the Seller shall deliver to the Buyer the documents in accordance with Clause 16.

**4. Inspections**

The Buyer has inspected the Vessel and its class records between April and June, 2005 and has accepted the Vessel and such class records. This sale is therefore outright and subject only the terms and conditions of this MOA incorporating the terms set forth herein and not subject to any subsequent or additional inspections of the Vessel or her records by the Buyer.

## **5. Place and time of delivery**

The Vessel shall be delivered and taken over safely afloat, at sea or at a safe port, at a safe berth, safely alongside or at a safe and readily accessible anchorage of anywhere in the Atlantic, Pacific or Indian Ocean(s), or Arabian, Caribbean, Mediterranean or Red Sea(s) or any connecting bodies of water or the islands thereof, within Institute Warranty Limits, all in the Seller's option, on the date of the closing of DHT's initial public offering (the "Delivery Date") after payment is received by the Seller and confirmed to be received in accordance with Clause 3.

The Seller shall keep the Buyer informed about the Vessel's schedule and the Vessel is to be delivered to the Buyer wherever the Vessel may be at the designated time and date of closing.

Should the Vessel become a total or constructive total loss before delivery this contract shall be considered null and void.

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## **6. Drydocking**

No predelivery drydocking as per NSF 1987.

## **7. Spares/bunkers etc.**

The Seller shall deliver the Vessel to the Buyer with everything belonging to her, unless excluded herein, on board, including broached/unbroached stores and with all spare parts and spare equipment including a spare anchor, a spare tail-end shaft or a spare propeller, if any. Forwarding charges, if any, shall be for the Buyer's account. The Seller is not required to replace spare parts, including spare tail-end shaft, spare propeller or a spare anchor, if any, which are taken out of spare and used as replacement prior to delivery, but the replaced items shall be the property of the Buyer. The wireless station/equipment and all navigational aids/equipment on board the Vessel, and the above items, shall be included in the sale without any extra cost to the Buyer. The Seller has the right to take ashore crockery, plate, cutlery, linen and other articles bearing the Seller's flag or name, provided they replace same with similar unmarked items. Library, forms, etc., exclusively for use in the vessels of the Seller, its parent or affiliates, shall be excluded without compensation. Personal belongings of master, officers and crew including slop chest to be excluded from the sale without compensation, as well as the additional items as per exclusions in Clause 18.

The Buyer shall not be required to pay for bunkers or lubricating oils and greases remaining onboard at the time of delivery, but the quantities of IFO and MDO/MGO and lubricating oils and greases at the time of delivery shall be recorded.

Items on Exclusions List as per Clause 18 are the only ones other than the personal effects of master, officers and crew and victualling (provisions) and leased gas bottles/cylinders which are excluded from the sale.

## **8. Documentation**

In exchange for payment of the Purchase Price, the Seller shall, on the Delivery Date, furnish the Buyer with the documents specified in Clause 17(A) of this Contract.

The Seller shall, on the Delivery Date, leave to the Buyer all classification certificates, not required to be returned to any Authority, as well as all plans etc. which are onboard the Vessel. Other technical documentation which may be in the Seller's possession shall promptly upon the Buyer's instructions be forwarded to the Buyer. The Seller may keep the log books kept up to the time of delivery, but the Buyer has the right to take copies of same at its own expense.

## **9. Encumbrances**

The Seller warrants that the Vessel, at the time of delivery, is free from all encumbrances, mortgages, and maritime liens or any other debts whatsoever. However, the Vessel may be on a charter (voyage or time), and delivery shall not affect the performance of such charter. Should any claims which have been incurred prior to the time of delivery be made against the Vessel, the Seller hereby undertakes to indemnify the Buyer against all consequence of such claims.

## **10. Taxes etc.**

Any taxes, fees and expenses connected with the purchase and registration under the Buyer's flag shall be for the Buyer's account, whereas similar charges connected with the closing of the Seller's register shall be for the Seller's account.

## **11. Condition on delivery**

The Vessel, with everything belonging to her, shall be at the Seller's risk and expense until she is delivered to the Buyer on the Delivery Date. Subject to the terms of this contract, she shall be delivered and taken over as she is at the time of inspection, fair wear and tear excepted. The Vessel shall be delivered with her present class maintained, free of recommendations, and the Vessel's continuous survey cycles of machinery are to be clean and up-to-date. All trading, national/international certificates shall be valid and unextended on the Delivery

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Date. The Seller shall notify the Classification Society of any matters coming to their knowledge prior to delivery which upon being reported to the Classification Society would lead to the withdrawal of the Vessel's class or to the imposition of a recommendation relating to her class. If a

recommendation is issued by Class prior to the Vessel's delivery, the Seller will make arrangements to have the recommendation cleared at their time and expense in accordance with the Class recommendation that was issued.

## 12. Name/markings

(not applicable)

## 13. Buyer's default

Should the Purchase Price not be paid on the Delivery Date, the Seller has the right to cancel this contract.

## 14. Seller's default

If the Seller fails to execute a legal transfer or to deliver the Vessel with everything belonging to her (unless excluded herein) on the Delivery Date, the Buyer shall have the right to cancel this contract.

## 15. Arbitration

If any dispute should arise in connection with the interpretation and fulfillment of this contract, same shall be decided by arbitration in the city of New York, New York and shall be referred to a single Arbitrator to be appointed by the parties hereto. If the parties cannot agree upon the appointment of the single Arbitrator, the dispute shall be settled by three Arbitrators, each party appointing one Arbitrator, the third being appointed by the two Arbitrators already chosen unless they fail to agree or refuse to appoint a third Arbitrator in which case The Society of Maritime Arbitrators in New York City shall select the third Arbitrator.

If either of the appointed Arbitrators refuses or is incapable of acting, the party who appointed him, shall appoint a new Arbitrator in his place.

If one of the parties fails to appoint an Arbitrator — either originally or by way of substitution — for two weeks after the other party having appointed his Arbitrator has sent the party making default notice by mail, cable or telex to make the appointment, the party appointing the third Arbitrator shall, after application from the party having appointed his Arbitrator, also appoint an Arbitrator on behalf of the party making default.

The award rendered by the Arbitrators shall be final and binding upon the parties and judgment on the award may be entered in any court of competent jurisdiction. The Arbitrators shall determine which party shall bear the expense of the arbitration or the proportion of such expense that each party shall bear. The Arbitrators shall be commercial men conversant with shipping matters. To the extent not otherwise set forth in this Contract or agreed by the parties, the rule of the Society of Maritime Arbitrators, Inc. shall apply.

This contract shall be governed by the law of the State of New York.

## 16. Closing and Delivery

The closing of the delivery of, and transfer of title to, the Vessel by the Seller to the Buyer shall take place on the Delivery Date after payment is received by Seller and is confirmed to be received in accordance with Clause 3, at a place designated by OSG Ship Management, Inc. The Seller's obligation to sell the Vessel and the Buyer's obligation to purchase the Vessel shall be conditioned upon delivery of (i) a time charter agreement and related charter framework agreement as described in the prospectus related to the initial public offering of shares by DHT by each of the parties thereto and (ii) a final underwriting agreement related to the initial public offering of shares of DHT by each of Overseas Shipholding Group, Inc., DHT and the underwriters party thereto.

The Seller shall keep the Buyer informed about the Vessel's schedule.

At such closing:

A. Seller shall deliver to Buyer the following documents:

1. Original notarized bill of sale in triplicate, in proper form for recording with the Marshall Islands authorities, transferring title to the vessel and everything belonging to her (unless excluded herein) to

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the Buyer free from all debts, claims, encumbrances, mortgages, and maritime liens and warranting such title.

2. Certificate of ownership and encumbrance issued by the Marshall Islands authorities dated on the Delivery Date evidencing ownership of the vessel by the Seller free and clear from all liens and encumbrances of record.
3. Permission from the Marshall Islands authorities to transfer the Vessel to the Buyer for re-registration under Marshall Islands flag.
4. Copies of Seller's Articles of Incorporation and By-laws and an incumbency certificate of the Seller.
5. Certificate of Good Standing.
6. Notarized copies of resolutions of the board of directors and shareholders of Seller authorizing the sale of the Vessel to the Buyer on the terms set forth in this MOA and the appointment of the Seller's attorneys-in-fact.
7. A notarized power of attorney authorizing the officers and attorneys-in-fact of the Seller to execute and deliver all documents relevant to the sale and delivery of the Vessel, including the bill of sale for the Vessel.

8. A confirmation of class certificate from American Bureau of Shipping issued not earlier than three (3) business days prior to the Delivery Date, confirming that the Vessel is in class with certificates valid as onboard.
9. Written instructions directing the master to record the change of ownership in the Vessel's logbook at the time of delivery.
10. Commercial invoice in triplicate giving main particulars of the Vessel.
11. A copy of the Vessel's international/national, class and trading certificates as follows:
  - Certificate of Registry
  - International tonnage certificate
  - Radio station license
  - Safety construction certificate
  - Safety radiotelegraphy certificate
  - Oil pollution (IOPP) certificate
  - Load line certificate
  - Safe manning certificate
  - Vessel's classification certificate
  - Current SMC issued to the Vessel and doc as per the ISM code
  - International ship security certificate

The Seller shall email scanned copies of draft documents prior to intended date of delivery and the Buyer shall provide comments on such draft documents. Seller also to provide reasonable additional documentation required for re-registration provided same is communicated prior to intended date of delivery.

B. The Buyer shall deliver to the Seller:

1. Payment of the Purchase Price as provided in Clauses 1 and 3 of this MOA.
2. A notarized power of attorney authorizing the officers and attorneys-in-fact of the Buyer to execute and deliver all documents relevant to the purchase of the Vessel, including this MOA.

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3. A notarized copy of resolutions of the board of directors of the Buyer authorizing the purchase of the Vessel from the Seller on the terms set forth in this MOA and authorizing the execution and delivery of the MOA, and any other documents required in connection therewith.

C. Buyer and Seller shall execute:

1. A protocol of delivery and acceptance fixing the place, date and time of the transfer of title to the Vessel.

## 17. Certain Included and Excluded Items

The Vessel shall be delivered with everything belonging to her as on board, unless excluded herein, including broached/unbroached stores and with all spare parts and spare equipment, wireless station/equipment and all navigational aids/equipment on board the Vessel. There is nothing ashore that belongs to the Vessel.

The above items shall be included in the sale without any extra cost to the Buyer. All spares shall be treated as per clause seven (7) of the NSF 1987.

Bunkers (IFO and MDO/MGO) and lubricating oils and greases remaining on board at the time of delivery are excluded from sale without compensation and remain the property of the Seller, who may transfer ownership of same to affiliates at or subsequent to delivery. Sale to exclude without compensation the personal effects of master, officers and crew.

Exclusions listed below are the only ones other than the personal effects of master, officers and crew, victualling (provisions) and leased gas bottles/cylinders which are excluded from the sale.

The following items are excluded from the sale without compensation and remain the property of the Seller, and the Seller may transfer ownership of same to affiliates at or subsequent to delivery. These items may remain on board at the sole discretion of and for the use and convenience of the Seller or its affiliate(s) (as the case may be) and may be removed at any time after delivery at the expense of such party.

1. All onboard log books up to the time and date of delivery for deck, engine and radio with the Buyer's right to photocopy these logs at its own expense.
2. Seller's company forms, documents / stationery and all correspondence and company manuals.
3. All ISPS, ISM and quality documentation and correspondence.
4. Vessel's Rydex communications e-mail system and server.
5. Training video library, books.
6. Oxygen / acetylene / freon / nitrogen / argon cylinders / bottles.
7. Crew/officers library / walport videos.

8. Master's slopchest/bonded stores; personal effects of master, officers and crew.
9. Personal hand-held computers.
10. Personal cell phones.
11. Contents of master's safe.
12. Arms / ammunition.
13. Works of art, originals, copies, prints, statues.

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14. Safety clothing / hats or other shirts/hats with logo of OSG and/or the Seller, otherwise unmarked items will remain.
  15. Certificates/documents to be returned to authorities.
  16. Seagull training software.
  17. All Seller's non-class computer software and server.
  18. Chartco digital chart updates system software.
  19. Any rented or leased or third party's equipment are excluded from the sale of the Vessel whether or not removed from the Vessel prior to delivery.

## 18. Notices

All notices required to be given in accordance with this MOA shall be in writing, by email or fax and shall be addressed as follows:

To the Seller:

Mr. Charles F. Nolfo  
OSG Ship Management, Inc.  
511 Fifth Avenue, New York, NY 10017  
Tele: 212 – 578 – 1807  
Fax: 212 – 251 – 1139  
e-mail: cnolfo@osg.com

To the Buyer:

Mr. Ole Jacob Diesen  
Chief Executive Officer  
Double Hull Tankers, Inc.  
26 New Street  
St. Helier, Jersey JE23RA  
Channel Islands  
Tele: 44-1534-639759

## 19. No Representations or Warranties

EXCEPT AS EXPRESSLY SET FORTH IN THIS CONTRACT, SELLER MAKES NO WARRANTY AND NONE SHALL BE IMPLIED AS TO THE DESCRIPTION OR CONDITION OF THE VESSEL OR ITS FITNESS OR ELIGIBILITY FOR A PARTICULAR TRADE, REGISTRY OR PURPOSE, THE VESSEL'S PERFORMANCE, MERCHANTABILITY, INSURABILITY OR SEAWORTHINESS OR ITS COMPLIANCE WITH NATIONAL OR INTERNATIONAL CODES, CONVENTIONS, LAWS OR REGULATIONS.

If the Seller shall be unable to deliver the Vessel or the Buyer shall be unable to accept delivery of the Vessel due to outbreak of war, restraint of government, princes or people or other reasons that may be brought about by force majeure, the Seller or the Buyer may terminate this contract without any liability upon either party.

This contract or any interest herein may not be assigned by either party without the prior written consent of the other. Any assignment by either of the parties hereto in violation of the foregoing sentence shall be void. This contract may not be modified in any respect except in writing signed by both parties and shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

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The parties hereto agree that the price, terms, and conditions of this contract will not be disclosed until it may be otherwise mutually agreed, unless such disclosure is required to be made in order to comply with any law, regulation, order or process binding on either of the parties or their respective parents, subsidiaries, agents, directors, officers or legal or accounting advisors.

For the Seller  
SARGASSO TANKER CORPORATION.

For the Buyer  
ANIA AFRAMAX CORPORATION



By: /s/ James I. Edelson

James I. Edelson  
Secretary

By: /s/ Ole Jacob Diesen

Ole Jacob Diesen  
Chief Executive Officer

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**Code word for this Charter Party**  
**“SHELLTIME 4”**

Issued December 1984 amended December 2003

**Time Charter Party**  
**New York**  
**October 6, 2005**

IT IS THIS DAY AGREED between ANN TANKER CORPORATION of MAJURO, MARSHALL ISLANDS (hereinafter referred to as “Owners”), being owners of the good motor vessel called “OVERSEAS ANN” (hereinafter referred to as “the vessel”) described as per Clause 1 hereof and DHT ANN VLCC CORP. of MAJURO, MARSHALL ISLANDS (hereinafter referred to as “Charterers”):

**Description and Condition of Vessel**

1. At the date of delivery of the vessel under this charter and throughout the charter period:
    - (a) she shall be classed by a Classification Society which is a member of the International Association of Classification Societies;
    - (b) she shall be in every way fit to carry no heat crude petroleum and/or its dirty products; such as no heat Fuel Oil and Orimulsion in accordance with vessel’s class certificates, coating manufacturers resistance list and in accordance with the vessels stability trim and stress requirements.
    - (c) she shall be tight, staunch, strong, in good order and condition, and in every way fit for the service, with her machinery, boilers, hull and other equipment (including but not limited to hull stress calculator, radar, computers and computer systems) in a good and efficient state;
    - (d) her tanks, valves and pipelines shall be oil-tight;
    - (e) she shall be in every way fitted for burning IFO and MDO (if applicable), in accordance with the grades specified in Clause 29 hereof;
    - (f) she shall comply with the regulations in force so as to enable her to pass through the Suez Canal by day and night without delay;
    - (g) she shall have on board all certificates, documents and equipment required from time to time by any applicable law to enable her to perform the charter service without delay;
    - (h) she shall comply with the description in the Questionnaire 88, appended hereto provided however that if there is any conflict between the provisions of this questionnaire and any other provision, including this Clause 1, of this charter such other provisions shall govern;
    - (i) her flag, registry, and classification society shall not be changed;
    - (j) Owners will operate:
      - (i) a safety management system certified to comply with the International Safety Management Code (“ISM Code”) for the Safe Operation of Ships and for Pollution Prevention;
      - (ii) a documented safe working procedures system (including procedures for the identification and mitigation of risks);
      - (iii) a documented environmental management system;
      - (iv) documented accident/incident reporting system compliant with flag state requirements;
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- (k) Owners shall maintain Health Safety Environmental (“HSE”) records sufficient to demonstrate compliance with the requirements of their HSE system and of this charter. Charterers reserve the right to confirm compliance with HSE requirements by audit of Owners.

**Shipboard Personnel and their Duties**

2. (a) At the date of delivery of the vessel under this charter and throughout the charter period:
  - (i) she shall have a full and efficient complement of master, officers and crew for a vessel of her tonnage, who shall in any event be not less than the number required by the laws of the flag state and who shall be trained to operate the vessel and her equipment competently and safely;
  - (ii) all shipboard personnel shall hold valid certificates of competence in accordance with the requirements of the law of the flag state;
  - (iii) all shipboard personnel shall be trained in accordance with the relevant provisions of the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1995 or any additions, modifications or subsequent versions thereof;
  - (iv) (See Clause 91).
  - (v) the terms of employment of the vessel’s staff and crew will always remain acceptable to The International Transport Worker’s Federation and the vessel will at all times carry a Blue Card; (See Clause 50e).

- (vi) the nationality of the vessel's officers will not change without Charterers' prior agreement.
- (b) Owners guarantee that throughout the charter service the master shall with the vessel's officers and crew, unless otherwise ordered by Charterers;
  - (i) prosecute all voyages with the utmost despatch;
  - (ii) render all customary assistance; and
  - (iii) load and discharge cargo as rapidly as possible when required by Charterers or their agents to do so, by night or by day, but always in accordance with the laws of the place of loading or discharging (as the case may be) and in each case in accordance with any applicable laws of the flag state.

### **Duty to Maintain**

- 3. (a) Throughout the charter service Owners shall, whenever the passage of time, wear and tear or any event (whether or not coming within Clause 27 hereof) requires steps to be taken to maintain or restore the conditions stipulated in Clauses 1 and 2(a), exercise due diligence so to maintain or restore the vessel.
- (b) If at any time whilst the vessel is on hire under this charter the vessel fails to comply with the requirements of Clauses 1, 2(a) or 10 then hire shall be reduced to the extent necessary to indemnify Charterers for such failure. If and to the extent that such failure affects the time taken by the vessel to perform any services under this charter, hire shall be reduced by an amount equal to the value, calculated at the rate of hire, of the time so lost.

Any reduction of hire under this sub-Clause (b) shall be without prejudice to any other remedy available to Charterers, but where such reduction of hire is in respect of time lost, such time shall be excluded from any calculation under Clause 24.

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- (c) If Owners are in breach of their obligations under Clause 3(a), Charterers may so notify Owners in writing and if, after the expiry of 30 days following the receipt by Owners of any such notice, Owners have failed to demonstrate to Charterers' reasonable satisfaction the exercise of due diligence as required in Clause 3(a), the vessel shall be off-hire, and no further hire payments shall be due, until Owners have so demonstrated that they are exercising such due diligence.
  - (d) Owners shall advise Charterers immediately, in writing, should the vessel fail an inspection by, but not limited to, a governmental and/or port state authority, and/or terminal and/or major charterer of similar tonnage. Owners shall simultaneously advise Charterers of their proposed course of action to remedy the defects which have caused the failure of such inspection (see clause 57).
  - (e) If, in Charterers reasonably held view:
    - (i) failure of an inspection, or,
    - (ii) any finding of an inspection,

referred to in Clause 3(d), prevents normal commercial operations then Charterers have the option to place the vessel off-hire from the date and time that the vessel fails such inspection, or becomes commercially inoperable, until the date and time that the vessel passes a re-inspection by the same organisation, or becomes commercially operable, which shall be in a position no less favourable to Charterers than at which she went off-hire.

- (f) Furthermore, at any time while the vessel is off-hire under this Clause 3 (with the exception of Clause 3(e)(ii)), Charterers have the option to terminate this charter by giving notice in writing with effect from the date on which such notice of termination is received by Owners or from any Later date stated in such notice. This sub-Clause (f) is without prejudice to any rights of Charterers or obligations of Owners under this charter or otherwise (including without limitation Charterers' rights under Clause 21 hereof).

### **Period, Trading Limits and Safe Places**

- 4. (a) Owners agree to let and Charterers agree to hire the vessel for a period of (See clause 93). The last firm period shall having a tolerance of plus or minus 30 days in Charterers' option commencing from the time and date of delivery of the vessel under the Memorandum of Agreement (the "MOA") dated , 2005, for the purpose of carrying all lawful merchandise (subject always to Clause 28) including in particular:

No heat crude petroleum and its dirty products including no heat fuel Oil and Orimulsion in any part of the world, as Charterers shall direct, subject to the limits of the current British Institute Warranties and any subsequent amendments thereof excluding countries under U.N. and/or U.S. sanctions/embargoes. The vessel may trade to war zones, with Owners consent which not to be unreasonably withheld, in which case, Charterers to pay for the additional premium. Notwithstanding the foregoing, but subject to Clause 35, Charterers may order the vessel to ice-bound waters or to any part of the world outside such limits provided that Owner's consent thereto (such consent not to be unreasonably withheld) and that Charterers pay for any insurance premium required by the vessel's underwriters as a consequence of such order.

- (b) Any time during which the vessel is off-hire under this charter may be added to the last firm charter period in Charterers' option up to the total amount of time spent off-hire. In such cases the rate of hire will be that prevailing at the time the vessel would, but for the provisions of this Clause, have been redelivered.
  - (c) Charterers shall use due diligence to ensure that the vessel is only employed between and at safe places (which expression when used in this charter shall include ports, berths, wharves, docks, anchorages, submarine lines, alongside vessels or lighters, and other locations including locations at sea) where she can safely lie always afloat. Notwithstanding anything contained in this or any other clause of this charter, Charterers do not warrant the safety of any place to which they order the vessel and shall be under no
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liability in respect thereof except for loss or damage caused by their failure to exercise due diligence as aforesaid. Subject as above, the vessel shall be loaded and discharged at any places as Charterers may direct, provided that Charterers shall exercise due diligence to ensure that any ship-to-ship transfer operations shall conform to standards not less than those set out in the latest published edition of the ICS/OCIMF Ship-to-Ship Transfer Guide.

- (d) The vessel shall be delivered by Owners at a safe port or at sea in Charterer's option and redelivered to Owners at one safe port or at sea, worldwide at Charterer's option.
- (e) The vessel will deliver with last cargo of crude and/or its dirty products and will redeliver with last cargo of crude and/or its dirty products
- (f) Charterers are required to give Owners 30 days prior approximate notice of redelivery and 5/3/2/1 day(s) definite notice of redelivery and place.

#### **Laydays/Canceling**

- 5. The delivery of the vessel under this charter shall be deemed to have occurred and this Charter shall be effective as of the date of the delivery of the vessel from the Sellers to the Buyers (Owners) under the terms of the MOA between 1320 Tanker Corporation and Ann Tanker Corporation dated September 20, 2005.

The vessel may be on a voyage or time charter at the time of delivery. Charterers accept this Charter subject to such charters (which become sub-charters to this time charter) upon delivery. Furthermore, notwithstanding anything to the contrary contained in this charter, including but not limited to Clause 1 hereof, the Charterers accept the vessel in the condition it is in at the time of delivery, including the vetting status, and agrees that at such time the vessel satisfies the standard set forth in Clause 1.

#### **Owners to Provide**

- 6. Owners undertake to provide and to pay for all provisions, wages (including but not limited to all overtime payments), and shipping and discharging fees and all other expenses of the master, officers and crew; also, except as provided in Clauses 4 and 34 hereof, for all insurance on the vessel, for all Deck, cabin and engine-room stores, and for water (limited to crew only); for all drydocking, overhaul, maintenance and repairs to the vessel. Owners' obligations under this Clause 6 extend to all liabilities for customs or import duties arising at any time during the performance of this charter in relation to the personal effects of the master, officers and crew, and in relation to the stores, provisions and other matters aforesaid which Owners are to provide and pay for and Owners shall refund to Charterers any sums Charterers or their agents may have paid or been compelled to pay in respect of any such liability. Any amounts allowable in general average for wages and provisions and stores shall be credited to Charterers insofar as such amounts are in respect of a Period when the vessel is on-hire.

#### **Charterers to Provide**

- 7. (a) Charterers shall provide and pay for all fuel (except for fuel used for domestic services), towage and pilotage and shall pay agency fees, port charges, commissions, expenses of loading and unloading cargoes, canal dues, and tax/dues on cargo/freight and all charges other than those payable by Owners in accordance with Clause 6 hereof, provided that all charges for the said items shall be for Owners' account when such items are consumed, employed or incurred for Owners' purposes or while the vessel is off-hire (unless such items reasonably relate to any service given or distance made good and taken into account under Clause 21 or 22); and provided further that any fuel used in connection with a general average sacrifice or expenditure shall be paid for by Owners. OPA charges to be paid by Charterers, COFR to be arranged and paid for by Owners.
- (b) In respect of bunkers consumed for Owners' purposes these will be charged on each occasion by Charterers on a "first-in-first-out" basis valued on the prices actually paid by Charterers.

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- (c) If the trading limits of this charter include ports in the United States of America and/or its protectorates then Charterers shall reimburse Owners for port specific charges relating to additional premiums charged by providers of oil pollution cover, when incurred by the vessel calling at ports in the United States of America and/or its protectorates in accordance with Charterers orders. The liability to reimburse Owners shall not apply where the OPA charges has arisen through the actions of the Owner.

#### **Rate of Hire**

- 8. (See Clause 99).

#### **Payment of Hire**

- 9. Subject to Clause 3(c) and 3(e), payment of hire shall be made in immediately available funds to:

Wachovia Bank, NA New York  
ABA # 031-201-467  
Account: The Royal Bank of Scotland International Limited  
Account Number: 2000193009149 (CHIPS:155424)  
SWIFT: PNBUS3NNYC  
For further credit to: Double Hull Tankers, Inc.  
Account Number: 1028 - 50440694

in United States Dollars per calendar month in advance, less:

- (i) any hire paid which Charterers reasonably estimate to relate to off-hire periods, and,

(ii) any amounts disbursed on Owners' behalf, any advances and commission therein, and charges which are for Owners' account pursuant to any provision hereof, and;

(iii) any amounts due or reasonably estimated to become due to Charterers under Clause 3(c) or 24 hereof,

any such adjustments to be made at the due date, which shall be the 27<sup>th</sup> day of the preceding month for which payment is being made, for the next monthly payment after the facts have been ascertained. Charterers shall not be responsible for any delay or error by Owners' bank in crediting Owners' account provided that Charterers have made proper and timely payment.

In default of such proper and timely payment:

- (a) Owners shall notify Charterers of such default and Charterers shall within seven days of receipt of such notice pay to Owners the amount due, including interest, failing which Owners may withdraw the vessel from the service of Charterers without prejudice to any other rights Owners may have under this charter or otherwise; and;
- (b) Interest on any amount due but not paid on the due date shall accrue from the day after that date up to and including the day when payment is made, at a rate per annum which shall be 1% above the U.S. Prime Rate as published in the Wall Street Journal as effective for each day the amount is outstanding, or, if no such interest rate is published for a given day, the interest rate published for the next preceding day for which such a rate was so published, computed on an actual/365 basis.

### **Space Available to Charterers**

10. The whole reach, burthen and decks on the vessel and any passenger accommodation (including Owners' suite) shall be at Charterers' disposal, reserving only proper and sufficient space for the vessel's master, officers, crew, tackle, apparel, furniture, provisions and stores.

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### **Segregated Ballast**

11. In connection with the Council of the European Union Regulation on the Implementation of IMO Resolution A747(18) Owners will ensure that the following entry is made on the International Tonnage Certificate (1969) under the section headed "Remarks".

"The segregated ballast tanks comply with the Regulation 13 of Annex 1 of the International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 relating thereto".

### **Instructions and Logs**

12. Charterers shall from time to time give the master all requisite instructions and sailing directions, and the master shall keep a full and correct log of the voyage or voyages, which Charterers or their agents may inspect as required. The master shall when required furnish Charterers or their agents with a true copy of such log and with properly completed loading and discharging port sheets and voyage reports for each voyage and other returns as Charterers may require. Charterers shall be entitled to take copies at Owners' expense of any such documents which are not provided by the master. Owner's crew to be trained to operate and to utilize Charter Operations System (CHOPS) as directed by Charterer.

### **Bills of Lading**

13. (a) The master (although appointed by Owners) shall be under the orders and direction of Charterers as regards employment of the vessel, agency and other arrangements, and shall sign Bills of Lading as Charterers or their agents may direct (subject always to Clauses 35(a) and 40) without prejudice to this charter. Charterers hereby indemnify Owners against all consequences or liabilities that may arise;
- (i) from signing Bills of Lading in accordance with the directions of Charterers or their agents, to the extent that the terms of such Bills of Lading fail to conform to the requirements of this charter, or (except as provided in Clause 13(b)) from the master otherwise complying with Charterers' or their agents' orders;
  - (ii) from any irregularities in papers supplied by Charterers or their agents.
- (b) Notwithstanding the foregoing, Owners shall not be obliged to comply with any orders from Charterers to discharge all or part of the cargo:
- (i) at any place other than shown on the Bill of Lading and/or
  - (ii) without presentation of an original Bill of Lading

unless they receive from Charterers both written confirmation of such orders and an indemnity in a form acceptable to Owners (See Clause 49).

### **Conduct of Vessel's Personnel**

14. If Charterers complain of the conduct of the master or any of the officers or crew, Owners shall immediately investigate the complaint. If the complaint proves to be well founded, Owners shall, without delay, make a change in the appointments and Owners shall in any event communicate the result of their investigations to Charterers as soon as possible.

### **Bunkers at Delivery and Redelivery**

15. There shall be no physical payment for bunkers on board at the time of delivery. Owners shall on redelivery (whether it occurs at the end of the charter or on the earlier termination of this charter) accept and pay for all
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bunkers remaining on board, at the price actually paid, on a "first-in-first-out" basis. Such prices are to be supported by paid invoices.

Vessel to be delivered to and redelivered from the charter with, at least, a quantity of bunkers on board sufficient to reach the nearest main bunkering port.

Notwithstanding anything contained in this charter all bunkers on board the vessel shall, throughout the duration of this charter, remain the property of Charterers and can only be purchased on the terms specified in the charter at the end of the charter period or, if earlier, at the termination of the charter.

### **Stevedores, Pilots, Tugs**

16. Stevedores, when required, shall be employed and paid by Charterers, but this shall not relieve Owners from responsibility at all times for proper stowage, which must be controlled by the master who shall keep a strict account of all cargo loaded and discharged. Owners hereby indemnify Charterers, their servants and agents against all losses, claims, responsibilities and liabilities arising in any way whatsoever from the employment of pilots, tugboats or stevedores, who although employed by Charterers shall be deemed to be the servants of and in the service of Owners and under their instructions (even if such pilots, tugboat personnel or stevedores are in fact the servants of Charterers their agents or any affiliated company); provided, however, that:
- (a) the foregoing indemnity shall not exceed the amount to which Owners would have been entitled to limit their liability if they had themselves employed such pilots, tugboats or stevedores, and;
  - (b) Charterers shall be liable for any damage to the vessel caused by or arising out of the use of stevedores, fair wear and tear excepted, to the extent that Owners are unable by the exercise of due diligence to obtain redress therefor from stevedores.

### **Super-Numeraries**

17. Charterers may send representatives in the vessel's available accommodation upon any voyage made under this charter, Owners finding provisions and all requisites as supplied to officers, except alcohol. Charterers paying at the rate of United States Dollars 20 (twenty) per day for each representative while on board the vessel.

### **Sub-letting/Assignment/Novation**

18. Charterers may sub-let the vessel, but shall always remain responsible to Owners for due fulfilment of this charter.

### **Final Voyage**

19. If when a payment of hire is due hereunder Charterers reasonably expect to redeliver the vessel before the next payment of hire would fall due, the hire to be paid shall be assessed on Charterers' reasonable estimate of the time necessary to complete Charterers' programme up to redelivery, and from which estimate Charterers may deduct amounts due or reasonably expected to become due for:
- (a) disbursements on Owners' behalf or charges for Owners' account pursuant to any provision hereof, and;
  - (b) bunkers on board at redelivery pursuant to Clause 15.

Promptly after redelivery any overpayment shall be refunded by Owners or any underpayment made good by Charterers.

If at the time this charter would otherwise terminate in accordance with Clause 4 the vessel is on a ballast voyage to a port of redelivery or is upon a laden voyage, Charterers shall continue to have the use of the vessel

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at the same rate and conditions as stand herein for as long as necessary to complete such ballast voyage, or to complete such laden voyage and return to a port of redelivery as provided by this charter, as the case may be.

### **Loss of Vessel**

20. Should the vessel be lost, this charter shall terminate and hire shall cease at noon (GMT) on the day of her loss; should the vessel be a constructive total loss, this charter shall terminate and hire shall cease at noon (GMT) on the day on which the vessel's underwriters agree that the vessel is a constructive total loss; should the vessel be missing, this charter shall terminate and hire shall cease at noon (GMT) on the day on which she was last heard of. Any hire paid in advance and not earned shall be returned to Charterers and Owners shall reimburse Charterers for the value of the estimated quantity of bunkers on board at the time of termination, at the price paid by Charterers at the last bunkering port.

### **Off-hire**

21. (a) On each and every occasion that there is loss of time (whether by way of interruption in the vessel's service or, from reduction in the vessel's performance, or in any other manner):
- (i) due to deficiency of personnel or stores; repairs; gas-freeing for repairs; time in and waiting to enter dry dock for repairs; breakdown (whether partial or total) of machinery, boilers or other parts of the vessel or her equipment (including without limitation tank coatings); overhaul, maintenance or survey; collision, stranding, accident or damage to the vessel; or any other similar cause preventing the efficient working of the vessel; and such loss continues for more than three consecutive hours (if resulting from interruption in the vessel's service) or cumulates to more than three hours (if resulting from partial loss of service); or;
  - (ii) due to industrial action, refusal to sail, breach of orders or neglect of duty on the part of the master, officers or crew; or;

- (iii) for the purpose of obtaining medical advice or treatment for or landing any sick or injured person (other than a Charterers' representative carried under Clause 17 hereof) or for the purpose of landing the body of any person (other than a Charterers' representative), and such loss continues for more than three consecutive hours; or;
  - (iv) due to any delay in quarantine arising from the master, officers or crew having had communication with the shore at any infected area without the written consent or instructions of Charterers or their agents, or to any detention by customs or other authorities caused by smuggling or other infraction of local law on the part of the master, officers, or crew; or;
  - (v) due to detention of the vessel by authorities at home or abroad attributable to legal action against or breach of regulations by the vessel, the vessel's owners, or Owners (unless brought about by the act or neglect of Charterers); then, without prejudice to Charterers' rights under Clause 3 or to any other rights of Charterers hereunder, or otherwise, the vessel shall be off-hire from the commencement of such loss of time until she is again ready and in an efficient state to resume her service from a position not less favourable to Charterers than that at which such loss of time commenced; provided, however, that any service given or distance made good by the vessel whilst off-hire shall be taken into account in assessing the amount to be deducted from hire.
  - (vi) Charterers shall keep owners/master advised of vessels schedule to allow Owners the opportunity to make use of any idle time for the purpose of maintenance during the charter. Such idle time not to count as off-hire.
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(b) If the vessel fails to proceed at any guaranteed speed pursuant to Clause 24, and such failure arises wholly or partly from any of the causes set out in Clause 21(a) above, then the period for which the vessel shall be off-hire under this Clause 21 shall be the difference between:

- (i) the time the vessel would have required to perform the relevant service at such guaranteed speed, and;
- (ii) the time actually taken to perform such service (including any loss of time arising from interruption in the performance of such service).

For the avoidance of doubt, all time included under (ii) above shall be excluded from any computation under Clause 24.

- (c) Further and without prejudice to the foregoing, in the event of the vessel deviating (which expression includes without limitation putting back, or putting into any port other than that to which she is bound under the instructions of Charterers) for any cause or purpose mentioned in Clause 21(a), the vessel shall be off-hire from the commencement of such deviation until the time when she is again ready and in an efficient state to resume her service from a position not less favourable to Charterers than that at which the deviation commenced, provided, however, that any service given or distance made good by the vessel whilst so off-hire shall be taken into account in assessing the amount to be deducted from hire. If the vessel, for any cause or purpose mentioned in Clause 21(a), puts into any port other than the port to which she is bound on the instructions of Charterers, the port charges, pilotage and other expenses at such port shall be borne by Owners. Should the vessel be driven into any port or anchorage by stress of weather hire shall continue to be due and payable during any time lost thereby.
- (d) If the vessel's flag state becomes engaged in hostilities, and Charterers in consequence of such hostilities find it commercially impracticable to employ the vessel and have given Owners written notice thereof then from the date of receipt by Owners of such notice until the termination of such commercial impracticability the vessel shall be off-hire and Owners shall have the right to employ the vessel on their own account.
- (e) Time during which the vessel is off-hire under this charter shall count as part of the charter period except where Charterers declare their option to add off-hire periods under Clause 4(b).
- (f) All references to "time" in this charter party shall be references to GMT except where otherwise stated.
- (g) During any time that the vessel is off-hire under this charter, Basic Hire shall not accrue. Any additional hire that may be due for periods that the Vessel is off-hire shall be determined in accordance with the terms of the Charter Framework Agreement.

### **Periodical Drydocking**

22. (a) Owners have the right and obligation to drydock the vessel at regular intervals not exceeding 5 years. On each occasion Owners shall propose to Charterers a date on which they wish to drydock the vessel, not less than 90 days before such date and Charterers shall offer a port for such periodical drydocking and shall take all reasonable steps to make the vessel available as near to such date as practicable.

Owners shall put the vessel in drydock at their expense as soon as practicable after Charterers place the vessel at Owners' disposal clear of cargo other than tank washings and residues. Owners shall be responsible for and pay for the disposal into reception facilities of such tank washings and residues and shall have the right to retain any monies received therefor, without prejudice to any claim for loss of cargo under any Bill of Lading or this charter.

- (b) If a periodical drydocking is carried out in the port offered by Charterers (which must have suitable accommodation for the purpose and reception facilities for tank washings and residues), the vessel shall

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be off-hire from the time she arrives at such port until drydocking is completed and she is in every way ready to resume Charterers' service and is at the position at which she went off-hire or a position no less favourable to Charterers, whichever she first attains. However:

- (i) provided that Owners exercise due diligence in gas-freeing, any time lost in gas-freeing to the standard required for entry into drydock for cleaning and painting the hull shall not count as off-hire, whether lost on passage to the drydocking port or after arrival there (notwithstanding Clause 21), and;

- (ii) any additional time lost in further gas-freeing to meet the standard required for hot work or entry to cargo tanks shall count as off-hire, whether lost on passage to the drydocking port or after arrival there.

Any time which, but for sub-Clause (i) above, would be off-hire, shall not be included in any calculation under Clause 24.

The expenses of gas-freeing, including without limitation the cost of bunkers, shall be for Owners account.

- (c) If Owners require the vessel, instead of proceeding to the offered port, to carry out periodical drydocking at a special port selected by them, the vessel shall be off-hire from the time when she is released to proceed to the special port until she next presents for loading in accordance with Charterers' instructions, provided, however, that Charterers shall credit Owners with the time which would have been taken on passage at the service speed had the vessel not proceeded to drydock. All fuel consumed shall be paid for by Owners but Charterers shall credit Owners with the value of the fuel which would have been used on such notional passage calculated at the guaranteed daily consumption for the service speed, and shall further credit Owners with any benefit they may gain in purchasing bunkers at the special port.
- (d) Charterers shall, insofar as cleaning for periodical drydocking may have reduced the amount of tank-cleaning necessary to meet Charterers' requirements, credit Owners with the value of any bunkers which Charterers calculate to have been saved thereby, whether the vessel drydocks at an offered or a special port.

### Ship Inspection

23. (See Clause 83).

### Detailed Description and Performance

24. Owners guarantee that the speed and consumption of the vessel shall be as follows: (see Clause 78).

The bunker consumptions are for all purposes except cargo heating, purging and tank cleaning and shall be pro-rated between the speeds shown.

Charterer may order the vessel to proceed at any speed above/below the guaranteed speed, weather and safe navigation permitting.

If the vessel is ordered to proceed at any speed other than the highest speed and the average speed actually attained by the vessel during the currency of such order exceeds such ordered speed plus 0.5 knots (the "maximum recognised speed"), then for the purpose of calculating a decrease of hire under this Clause 24 the maximum recognised speed shall be used in place of the average speed actually attained.

For the purposes of this charter the "guaranteed speed" at any time shall be the then-current ordered speed or the service speed, as the case may be.

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The average speeds and bunker consumptions shall for the purposes of this Clause 24 be calculated by reference to the observed distance from pilot station to pilot station on all sea passages during each period stipulated in Clause 24(c), but excluding any time during which the vessel is (or but for Clause 22(b)(i) would be) off-hire and also excluding "Adverse Weather Periods", being:

- (i) any periods during which reduction of speed is necessary for safety in congested waters or in poor visibility;
  - (ii) any days, noon to noon, when winds exceed force 5 on the Beaufort Scale for more than 12 hours.
- (b) If during any half year (i.e., 6 calendar months) period from the date on which the vessel enters service and continuing for each succeeding 6 calendar month period thereafter, the vessel falls below the performance guaranteed in Clause 24(a), then if such shortfall results:
    - (i) from a reduction in the average speed of the vessel, compared to the speed guaranteed in Clause 24(a), then an amount equal to the value at the hire rate of the time so lost shall be included in the performance calculation;
    - (ii) from an increase in the total bunkers consumed, compared to the total bunkers which would have been consumed had the vessel performed as guaranteed in Clause 24(a), an amount equivalent to the value of the additional bunkers consumed or based on the average price paid by Charterers for the vessel's bunkers in such period, shall be included in the performance calculation.

The results of the performance calculation for laden and ballast mileage respectively shall be adjusted to take into account the mileage steamed in each such condition during Adverse Weather Periods, by dividing such deduction by the number of miles over which the performance has been calculated and multiplying by the same number of miles plus the miles steamed during the Adverse Weather Periods, in order to establish the total performance calculation for such period.

Reduction of hire under the foregoing sub-Clause (b) shall be without prejudice to any other remedy available to Charterers.

- (c) Calculations under this Clause 24 shall be made every 6 months terminating on each successive anniversary of the date on which the vessel enters service, and for the period between the last such anniversary and the date of termination of this charter if less than a year. Claims in respect of reduction of hire arising under this Clause during the final year or part year of the charter period shall in the first instance be settled in accordance with Charterers' estimate made two months before the end of the charter period. Any necessary adjustment after this charter terminates shall be made by payment by Owners to Charterers.
- (d) Owners and Charterers agree that this Clause 24 is assessed on the basis that Owners are not entitled to additional hire for performance in excess of the speeds and consumptions given in this Clause 24.

It is understood between Owner and Charterers that any speed over performance and/or fuel under consumption are to be credited to any under performance/over consumption during the (6) months review period, but no over performance and/or under consumption bonus shall be paid to owners.



## **Salvage**

25. Subject to the provisions of Clause 21 hereof, all loss of time and all expenses (excluding any damage to or loss of the vessel or tortious liabilities to third parties) incurred in saving or attempting to save life or in successful or unsuccessful attempts at salvage shall be borne equally by Owners and Charterers provided that Charterers shall not be liable to contribute towards any salvage payable by Owners arising in any way out of services rendered under this Clause 25.
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All salvage and all proceeds from derelicts shall be divided equally between Owners and Charterers after deducting the master's, officers' and crew's share.

## **Lien**

26. Owners shall have a lien upon all cargoes and all freights, sub-freights and demurrage for any amounts due under this charter; and Charterers shall have a lien on the vessel for all monies paid in advance and not earned, and for all claims for damages arising from any breach by Owners of this charter.

## **Exceptions**

27. (a) The vessel, her master and Owners shall not, unless otherwise in this charter expressly provided, be liable for any loss or damage or delay or failure arising or resulting from any act, neglect or default of the master, pilots, mariners or other servants of Owners in the navigation or management of the vessel; fire, unless caused by the actual fault or privity of Owners; collision or stranding; dangers and accidents of the sea; explosion, bursting of boilers, breakage of shafts or any latent defect in hull, equipment or machinery; provided, however, that Clauses 1, 2, 3, and 24 hereof shall be unaffected by the foregoing. Further, neither the vessel, her master or Owners, nor Charterers shall, unless otherwise in this charter expressly provided, be liable for any loss or damage or delay or failure in performance hereunder arising or resulting from act of God, act of war, seizure under legal process, quarantine restrictions, strikes, lock-outs, riots, restraints of labour, civil commotions or arrest or restraint of princes, rulers or people.
- (b) The vessel shall have liberty to sail with or without pilots, to tow or go to the assistance of vessels in distress and to deviate for the purpose of saving life or property.
- (c) Clause 27(a) shall not apply to, or affect any liability of Owners or the vessel or any other relevant person in respect of:
- (i) loss or damage caused to any berth, jetty, dock, dolphin, buoy, mooring line, pipe or crane or other works or equipment whatsoever at or near any place to which the vessel may proceed under this charter, whether or not such works or equipment belong to Charterers, or;
- (ii) any claim (whether brought by Charterers or any other person) arising out of any loss of or damage to or in connection with cargo. Any such claim shall be subject to the Hague-Visby Rules or the Hague Rules or the Hamburg Rules, as the case may be, which ought pursuant to Clause 38 hereof to have been incorporated in the relevant Bill of Lading (whether or not such Rules were so incorporated) or, if no such Bill of Lading is issued, to the Hague-Visby Rules unless the Hamburg Rules compulsorily apply in which case to the Hamburg Rules.
- (d) In particular and without limitation, the foregoing subsections (a) and (b) of this Clause shall not apply to or in any way affect any provision in this charter relating to off-hire or to reduction of hire.

## **Injurious Cargoes**

28. No acids, explosives or cargoes injurious to the vessel shall be shipped and without prejudice to the foregoing any damage to the vessel caused by the shipment of any such cargo, and the time taken to repair such damage, shall be for Charterers' account. No voyage shall be undertaken, nor any goods or cargoes loaded, that would expose the vessel to capture or seizure by rulers or governments.

## **Grade of Bunkers**

29. Charterers shall supply the vessel with IFO 380 CST RMG 35 as per ISO 8217:1996 (E) requirements for Marine residual fuels and MDO (if applicable) DMB distillate diesel as per ISO 8217:1996 (E) requirements for Marine distillate fuels. Specifications are subject to any revisions of the ISO standards over the term of this charter (See Clause 62).
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## **Disbursements**

30. Should the master require advances for ordinary disbursements at any port, Charterers or their agents shall make such advances to him, in consideration of which Owners shall pay a commission of two and a half per cent, and all such advances and commission shall be deducted from hire.

## **Laying-up**

31. Charterers shall have the option, after consultation with Owners, of requiring Owners to lay up the vessel at a safe place nominated by Charterers, in which case the hire provided for under this charter shall be adjusted to reflect any net increases in expenditure reasonably incurred or any net saving which should reasonably be made by Owners as a result of such lay up. Charterers may exercise the said option any number of times during the charter period.

## **Requisition**

32. Should the vessel be requisitioned by any government, de facto or de jure, during the period of this charter, the vessel shall be off-hire during the period of such requisition, and any hire paid by such governments in respect of such requisition period shall be for Owners' account. Any such requisition period shall not count as part of the charter period and the cumulative requisition time may, at the sole discretion of the Charterer, be added to the end of the firm charter period at a rate in effect at the time the off hire was incurred.

### **Outbreak of War**

33. If war or hostilities break out between any two or more of the following countries: U.S.A., the countries or republics having been part of the former U.S.S.R. (except that declaration of war or hostilities solely between any two or more of the countries or republics having been part of the former USSR shall be exempted), P.R.C., U.K., Netherlands, then both Owners and Charterers shall have the right to cancel this charter provided that the hostilities directly interfere with the vessels trading under Clause 4.

### **Additional War Expenses**

34. If the vessel is ordered to trade in areas where there is war (de facto or de jure) or threat of war, Charterers shall reimburse Owners for any additional insurance premia, crew bonuses and other expenses which are reasonably incurred by Owners as a consequence of such orders, provided that Charterers are given notice of such expenses as soon as practicable and in any event before such expenses are incurred, and provided further that Owners obtain from their insurers a waiver of any subrogated rights against Charterers in respect of any claims by Owners under their war risk insurance arising out of compliance with such orders.

Any payments by Charterers under this Clause will only be made against proven documentation. Any discount or rebate refunded to Owners, for whatever reason, in respect of additional war risk premium shall be passed on to Charterers.

### **War Risks**

35. (a) The master shall not be required or bound to sign Bills of Lading for any place which in his or Owners' reasonable opinion is dangerous or impossible for the vessel to enter or reach owing to any blockade, war, hostilities, warlike operations, civil war, civil commotions or revolutions.
- (b) If in the reasonable opinion of the master or Owners it becomes, for any of the reasons set out in Clause 35(a) or by the operation of international law, dangerous, impossible or prohibited for the vessel to reach or enter, or to load or discharge cargo at, any place to which the vessel has been ordered pursuant to this charter (a "place of peril"), then Charterers or their agents shall be immediately notified in writing or by radio messages, and Charterers shall thereupon have the right to order the cargo, or such part of it as may be affected, to be loaded or discharged, as the case may be, at any other place within the trading

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limits of this charter (provided such other place is not itself a place of peril). If any place of discharge is or becomes a place of peril, and no orders have been received from Charterers or their agents within 48 hours after dispatch of such messages, then Owners shall be at liberty to discharge the cargo or such part of it as may be affected at any place which they or the master may in their or his discretion select within the trading limits of this charter and such discharge shall be deemed to be due fulfilment of Owners' obligations under this charter so far as cargo so discharged is concerned.

- (c) The vessel shall have liberty to comply with any directions or recommendations as to departure, arrival, routes, ports of call, stoppages, destinations, zones, waters, delivery or in any other wise whatsoever given by the government of the state under whose flag the vessel sails or any other government or local authority or by any person or body acting or purporting to act as or with the authority of any such government or local authority including any de facto government or local authority or by any person or body acting or purporting to act as or with the authority of any such government or local authority or by any committee or person having under the terms of the war risks insurance on the vessel the right to give any such directions or recommendations. If by reason of or in compliance with any such directions or recommendations anything is done or is not done, such shall not be deemed a deviation. If by reason of or in compliance with any such direction or recommendation the vessel does not proceed to any place of discharge to which she has been ordered pursuant to this charter, the vessel may proceed to any place which the master or Owners in his or their discretion select and there discharge the cargo or such part of it as may be affected. Such discharge shall be deemed to be due fulfilment of Owners' obligations under this charter so far as cargo so discharged is concerned.

Charterers shall procure that all Bills of Lading issued under this charter shall contain the Chamber of Shipping War Risks Clause 1952.

### **Both to Blame Collision Clause**

36. If the liability for any collision in which the vessel is involved while performing this charter fails to be determined in accordance with the laws of the United States of America, the following provision shall apply:

"If the ship comes into collision with another ship as a result of the negligence of the other ship and any act, neglect or default of the master, mariner, pilot or the servants of the carrier in the navigation or in the management of the ship, the owners of the cargo carried hereunder will indemnify the carrier against all loss, or liability to the other or non-carrying ship or her owners in so far as such loss or liability represents loss of, or damage to, or any claim whatsoever of the owners of the said cargo, paid or payable by the other or non-carrying ship or her owners to the owners of the said cargo and set off, recouped or recovered by the other or non-carrying ship or her owners as part of their claim against the carrying ship or carrier."

"The foregoing provisions shall also apply where the owners, operators or those in charge of any ship or ships or objects other than, or in addition to, the colliding ships or objects are at fault in respect of a collision or contact."

Charterers shall procure that all Bills of Lading issued under this charter shall contain a provision in the foregoing terms to be applicable where the liability for any collision in which the vessel is involved fails to be determined in accordance with the laws of the United States of America.

### **New Jason Clause**

37. General average contributions shall be payable according to York/Antwerp Rules, 2000 as amended from time to time, and shall be adjusted in New York in accordance with New York law and practice.

In the event of accident, danger, damage or disaster before or after the commencement of the voyage, resulting from any cause whatsoever, whether due to negligence or not, for which, or for the consequence of which, the carrier is not responsible by statute, contract or otherwise, the cargo, shippers, consignees or owners of the cargo shall contribute with the carrier in general average to the payment of any sacrifices, losses or expenses of

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a general average nature that may be made or incurred and shall pay salvage and special charges incurred in respect of the cargo.

If a salving ship is owned or operated by the carrier, salvage shall be paid for as fully as if the said salving ship or ships belonged to strangers. Such deposit as the carrier or his agents may deem sufficient to cover the estimated contribution of the cargo and any salvage and special charges thereon shall, if required, be made by the cargo, shippers, consignees or owners of the cargo to the carrier before delivery.

Charterers shall procure that all Bills of Lading issued under this charter shall contain a provision in the foregoing terms, to be applicable where adjustment of general average is made in accordance with the laws and practice of the United States of America.

#### **Clause Paramount**

38. Charterers shall procure that all Bills of Lading issued pursuant to this charter shall contain the following:

“(1) Subject to sub-Clause (2) or (3) hereof, this Bill of Lading shall be governed by, and have effect subject to, the rules contained in the International Convention for the Unification of Certain Rules relating to Bills of Lading signed at Brussels on 25th August 1924 (hereafter the “Hague Rules”) as amended by the Protocol signed at Brussels on 23rd February 1968 (hereafter the “Hague-Visby Rules”). Nothing contained herein shall be deemed to be either a surrender by the carrier of any of his rights or immunities or any increase of any of his responsibilities or liabilities under the Hague-Visby Rules.”

“(2) If there is governing legislation which applies the Hague Rules compulsorily to this Bill of Lading, to the exclusion of the Hague-Visby Rules, then this Bill of Lading shall have effect subject to the Hague Rules. Nothing therein contained shall be deemed to be either a surrender by the carrier of any of his rights or immunities or an increase of any of his responsibilities or liabilities under the Hague Rules.”

“(3) If there is governing legislation which applies the United Nations Convention on the Carriage of Goods by Sea 1978 (hereafter the “Hamburg Rules”) compulsorily to this Bill of Lading, to the exclusion of the Hague-Visby Rules, then this Bill of Lading shall have effect subject to the Hamburg Rules. Nothing therein contained shall be deemed to be either a surrender by the carrier of any of his rights or immunities or an increase of any of his responsibilities or liabilities under the Hamburg Rules.”

“(4) If any term of this Bill of Lading is repugnant to the Hague-Visby Rules, or Hague Rules, or Hamburg Rules, as applicable, such term shall be void to that extent but no further.”

“(5) Nothing in this Bill of Lading shall be construed as in any way restricting, excluding or waiving the right of any relevant party or person to limit his liability under any available legislation and/or law.”

#### **Insurance/ITOPF**

39. Owners warrant that the vessel is now, and will, throughout the duration of the charter:

- (a) be owned or demise chartered by a member of the International Tanker Owners Pollution Federation Limited;
- (b) be properly entered in U.K. or GARD P & I Club, being a member of the International Group of P & I Clubs;
- (c) have in place insurance cover for oil pollution for the maximum on offer through the International Group of P & I Clubs but always a minimum of United States Dollars 1,000,000,000 (one thousand million);
- (d) have in full force and effect Hull and Machinery insurance placed through reputable brokers on Institute Time Clauses or equivalent for the market value of the vessel plus twenty (20) percent as from time to time

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may be amended with Charterers' approval, which shall not be unreasonably withheld. Insurance amount always to comply with loan covenants.

Owners will provide, within a reasonable time following a request from Charterers to do so, documented evidence of compliance with the warranties given in this Clause 39.

#### **Export Restrictions**

40. The master shall not be required or bound to sign Bills of Lading for the carriage of cargo to any place to which export of such cargo is prohibited under the laws, rules or regulations of the country in which the cargo was produced and/or shipped.

Charterers shall procure that all Bills of Lading issued under this charter shall contain the following clause:

“If any laws rules or regulations applied by the government of the country in which the cargo was produced and/or shipped, or any relevant agency thereof, impose a prohibition on export of the cargo to the place of discharge designated in or ordered under this Bill of Lading, carriers shall be entitled to require cargo owners forthwith to nominate an alternative discharge place for the discharge of the cargo, or such part of it as may be affected, which

alternative place shall not be subject to the prohibition, and carriers shall be entitled to accept orders from cargo owners to proceed to and discharge at such alternative place. If cargo owners fail to nominate an alternative place within 72 hours after they or their agents have received from carriers notice of such prohibition, carriers shall be at liberty to discharge the cargo or such part of it as may be affected by the prohibition at any safe place on which they or the master may in their or his absolute discretion decide and which is not subject to the prohibition, and such discharge shall constitute due performance of the contract contained in this Bill of Lading so far as the cargo so discharged is concerned".

The foregoing provision shall apply mutatis mutandis to this charter, the references to a Bill of Lading being deemed to be references to this charter.

### **Business Principles**

41. (Deleted)

### **Drugs and Alcohol**

42. (Deleted)

### **Oil Major Acceptability**

43. (See Clause 57)

### **Pollution and Emergency Response**

44. Owners are to advise Charterers of organisational details and names of Owners personnel together with their relevant telephone/facsimile/e-mail/telex numbers, including the names and contact details of Qualified Individuals for OPA 90 response, who may be contacted on a 24 hour basis in the event of oil spills or emergencies.

### **ISPS Code/US MTSA 2002**

45. (See Clause 98).

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### **Law and Litigation**

46. (a) This charter shall be construed and the relations between the parties determined in accordance with the laws of the State of New York, U.S.A.

(b) All disputes arising out of this charter shall be referred to Arbitration in New York in accordance with the Rules of the Society of Marine Arbitrators, Inc. New York (SMA).

(i) Any Award of the arbitrator(s) shall be final and binding and not subject to appeal.

(ii) For the purposes of this Clause 46(b) any requests or notices in writing shall be sent by fax, e-mail or telex and shall be deemed received on the day of transmission.

(c) It shall be a condition precedent to the right of any party to a stay of any legal proceedings in which maritime property has been, or may be, arrested in connection with a dispute under this charter, that that party furnishes to the other party security to which that other party would have been entitled in such legal proceedings in the absence of a stay.

### **Confidentiality**

47. (Deleted)

### **Construction**

48. The side headings have been included in this charter for convenience of reference and shall in no way affect the construction hereof.

Additional Clauses: Special clauses to Shelltime 4 CP form, 49 through 112 shall be fully incorporated into the terms of this Charter Party.

Appendix A: Questionnaire 88 for the vessel, as attached, shall be incorporated herein.

Appendix B: List of Approved Ship Brokers, as attached, shall be incorporated herein.

For the Owners  
ANN TANKER CORPORATION

For the Charterers  
DHT ANN VLCC CORP.

By: /s/ Ole Jacob Diesen  
Ole Jacob Diesen  
Chief Executive Officer

By: /s/ Myles R. Itkin  
Myles R. Itkin

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**TIME CHARTER  
SPECIAL CLAUSES  
MT OVERSEAS ANN**

**IF THERE IS ANY CONFLICT BETWEEN THE FOLLOWING CLAUSES AND THE PRINTED CLAUSES OF THE CHARTER PARTY FORM AS ADJUSTED, THE FOLLOWING CLAUSES SHALL PREVAIL.**

**49) Bill of Lading Indemnification**

The standard form of letter of indemnity to be given in the case of delivery of cargo (a) without production of the original Bill of Lading, or (b) at a port other than stated in the Bill of Lading, or (c) both of the foregoing, in each case without bank guarantee, in revised form as recommended by the International Group of P&I Clubs in 2001, shall be used in all cases, provided that the reference to English law and jurisdiction shall be revised to read New York law and the jurisdiction of any court of competent jurisdiction sitting in New York County.

**50) Certificates/Regulations Compliance**

The Owners warrant that during the term of this charter party the vessel fully complies with the following:

- A. all governmental laws, regulations, protocols and directives promulgated by the authoritative body or any of its legally constituted agencies charged with the application of the same laws/regulations/protocols and directives applicable to the countries and ports within the trading limits defined in the charter party.
- B. that it has secured and maintains aboard the vessel all Certificates of Financial Responsibility issued and required by the competent authorities of the countries within the trading limits defined in the charter party.
- C. (Deleted)
- D. that the vessel shall have on board for inspection by the appropriate port authorities all certificates, records, compliance letters and other documents required.
- E. The vessel shall be approved by the international transport workers federation and carry a valid ITF 'Blue Certificate' on board at all times. Any losses, expenses or damages arising as a result of failure to comply with ITF regulations, as interpreted by local union, shall be for Owners account.
- F. COFR — Owners to provide the vessel, at their cost, with a valid Certification of Financial Responsibility which is acceptable to U.S. authorities at Owners' cost. Compliance with state laws during the currency of this charter to be Owners' responsibility and cost. COFR to be in place prior to the vessels arrival at first U.S. or Canadian port.

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Owners will pay for the initial cost of issuing and maintaining the certificate. Any additional premiums or surcharges payable by Owners in relation to the vessel calling at U.S. ports to be for Charterers account.

- G. Owners shall have a program covering oil pollution avoidance, including compliance with latest international maritime organization and port state regulations and SOLAS and MARPOL conventions and the adoption of vessel response plans and qualified individuals for OPA response.

**51) IMO Clause**

Owners warrant that during the term of this charter party and any extension thereof the vessel will be in full compliance with: the requirements of the United States Port and Tanker Safety Act of 1978 and applicable regulations promulgated thereunder (hereinafter called "U.S. Regulations") the International Convention for the Prevention of Pollution from Ships (MARPOL 1973) and the 1978 Protocol thereto as applicable: and the International Convention for Safety of Lives at Sea (SOLAS 1974) and the 1978 Protocol thereto as applicable (the foregoing conventions and protocols hereinafter called "IMO Regulations"). Owners warrant that it will carry onboard certifications evidencing compliance with U.S. Regulations, compliance with IMO Regulations and any other records or documentation as may be required by the U.S. government authorities the vessel is currently ISM certified and will remain so during the duration of this charter (see ISM Clause).

**52) Pollution Financial Responsibility**

Owners warrant that at the date of the charter that Owners complies with all financial capability, responsibility, security or like laws, regulations and/or other requirements of whatsoever kind with respect to oil or other pollution damage applicable to the vessel entering, leaving, remaining at or passing through any ports or places or waters to perform this charter.

Owners further warrant that it shall continue to comply with these requirements throughout the period of the charter at the levels and in amounts in effect at the date of this charter.

Owners, at its sole risk and expense, shall make all arrangements by bond, insurance or otherwise and obtain all certificates or other documentary evidence and take all such other action, as may be necessary, to satisfy such laws, regulations and/or other requirements.

**53) OPA**

It is mutually understood that Oil Pollution Act of 1990 (OPA) surcharges for trading to the United States ports/territories shall be for Charterer's account.

**54) Contingency Plans Clause**

Owners warrant at the date of the charter that Owners complies with and satisfies existing U.S. federal, state and local rules, regulations and requirements for contingency plans applicable to the vessel entering, leaving, remaining at or passing through any ports or places or waters in performance of the charter, including having under contract

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the services of a catastrophic spill contractor (e.g., Marine Spill Response Corporation (MSRC) or National Response Corporation (NRC)).

Owners further warrant that it shall continue to comply with these requirements throughout the period of the charter at the levels in effect at the date of this charter.

The Owners shall be responsible for obtaining and maintaining all necessary and future approvals and satisfying existing and future federal, state, and local rules, regulations or requirements for contingency plans. Costs incurred shall be for Owners' account.

Qualified individual:            Mr. Steven McCall  
   212 578 1892 office  
   646 327 7206 mobile

## 55) Documentation

Owners undertake that throughout the term of this charter, the vessel shall have on board all such valid documentation as may, from time to time, be required to enable the vessel to enter and carry out all required operations at loading or discharging ports or places and leave, without hindrance, all ports or places to which the vessel may be directed under the terms of this charter.

In addition, the vessel shall be off-hire and Owners shall be held responsible for any losses, costs or damages for any period during which she is not fully and freely available to Charterer as a result of action taken against her by any government, government organization, competent authority, competent person or competent organization, owing to her flag, failure to have on board valid documentation as aforesaid or any dispute relating to Owners' wages or crew employment policy or to the condition of the vessel or her equipment. All cumulative off hire under this Clause may be added to the end of the charter period in the sole option of the Charterer.

Any time lost during which the vessel awaiting USCG TVEL inspection, or in the case of calls at non-U.S. ports where any similar certificate is required to be issued by a state authority at these ports prior to loading or discharging cargo, and until such time as she has secured TVEL certificate or any similar certificate, vessel will be considered off-hire.

## 56) ISM Clause

The requirements of the International Safety Management (ISM) Code are hereby incorporated in the terms of this charter party. Owners/operator warrant that a Safety Management System (SMS) in accordance with the ISM Code is in operation both on shore and on board the vessel. Owners/operator further warrant that they (or the company as defined by the ISM Code) have a valid Document of Compliance (DOC), and the vessel has a valid Safety Management Certificate (SMC). Owners/operator shall supply Charterer with a copy of the DOC and the SMC. Owners shall, when required by Charterer, provide a copy of the documents both ashore and on board the vessel evidencing the SMS and its application and when further required by Charterer, Owners/operator shall provide a report on safety audits carried out internally or by the vessel's flag administration.

Non compliance with the requirements of the ISM code resulting in loss or suspension of the ISM certificate shall be deemed a breach of condition and Charterer shall have the

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right to cancel the charter. Owners shall be responsible for any delays, costs, damages incurred for non compliance with the above conditions.

## 57) Vetting

During the period of this charter, Charterers require Owners to endeavor to arrange for at least four of the following oil company inspections/approvals at their time and expense: BP, Shell, Exxon/Mobil, Chevron Corp., Vela, PDVSA, Statoil and Dreyfus. Charterers may request Owners to obtain other vetting approvals as/when required, and Owners shall do so.

The above is always subject to the vessel's trading pattern, ports accessibility, the oil company's interest in the vessel and the availability of inspectors at the time, all of which Owners will keep a record of and keep Charterers advised.

Charterers shall keep Owners fully informed of the vessels forward schedule in order to facilitate vetting inspections.

If the vessel, during the period of this charter, fails to obtain a minimum of four approvals because of Owners fault/negligence, or fails a physical inspection by any company listed above, or loses a vetting approval required to maintain the vessels' trading pattern, then, Owners shall have a period of forty five (45) days from the date Owners are notified of such non-acceptance to have the vessel obtain such minimum number of approvals or reinstate such approval, subject always to the vessel's trading pattern, ports accessibility, the oil company's interest in the vessel and the availability of inspectors at the time, all of which Owners will keep a record of and keep Charterers advised.

If the Owners do not obtain the minimum number of vetting approvals or the necessary vetting approval is not reinstated as provided for in the preceding paragraphs, and the lack of vettings affect the vessel's trading pattern, then the Charterer shall have the right (i) to terminate this charter party without penalty to either party, or, (ii) to place the Vessel off-hire for any loss of time (whether by way of interruption in the Vessel's service, including time necessary for re-positioning to an alternate trading pattern or otherwise)(a) resulting from the vessel being placed off hire by a pool in which it is entered due to such lack of vetting, or (b) otherwise due to such lack of vetting.

In the event the preceding paragraph is invoked, and the Charterer does not terminate the Charter, it shall use commercially reasonable efforts to employ the Vessel in an alternate trading pattern to maximize its earning capacity on commercially reasonable terms provided that the terms of the pool it is entered into or the time charter it is operating under permit the Charterer to do so. For each day the Vessel is operating under a subcharter on such alternate trading pattern, and not otherwise off hire, if the Basic Hire rate otherwise applicable pursuant to this Charter exceeds the time charter rate or equivalent rate obtained by the Charterer on its sub-charters in the alternate trading pattern, then the Basic Hire payable hereunder shall be reduced by an amount equal to the difference between (a) the Basic Hire rate and (b) the time charter rate or equivalent rate obtained by the Charterer on its sub-charters in the alternate trading pattern until the later of (i) the date the Vessel has re-obtained the minimum number of vetting approvals or the necessary vetting approval has been reinstated, and (ii) the last day of the applicable sub-charter.

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**58) Adherence to Voyage Instructions**

- A. Owners shall be responsible to and will indemnify Charterer for any time, costs, delays or loss suffered by Charterer due to underlift, overlift or other failure to comply fully with Charterer's lawful instructions as long as such failure was solely due to Owners'/vessel's proven negligence.
- B. If a conflict arises between terminal orders and Charterers' instructions, master is to stop cargo operations and to contact Charterer at once. Terminal orders shall never supersede Charterer's instructions and any conflict shall be resolved prior to resumption of cargo operations.

Vessel is not to resume cargo operations until Charterers has directed vessel to do so.

**59) Traffic Separation and Routing**

Owners shall instruct the master to observe recommendations as to traffic separation and routing as issued from time to time by authorities (national or local) and comply with federal, state or local regulations of the United States. Voluntary and mandatory traffic separation schemes shall be adhered to while the vessel is in the United States or international waters.

**60) ETA Notice**

Master shall give both Charterer and load/discharge port(s)/place(s) agents notices of estimated time of arrival (ETA) to load/discharge port(s)/place(s) or any other port/place where Charterers order vessel to proceed on a daily basis or as required by Charterers voyage orders.

Any delay incurred to the vessel at any load or discharge port(s) resulting from master's failure to comply with the above requirements, shall be deducted from the monthly hire. The foregoing is without prejudice to Charterer's right to recover for any damages incurred as a result of such breach by Owners of the obligations herein defined. Notices of ETA to be sent to Charterer as instructed. This Clause only applies where the Charterer cannot claim demurrage or any other claim and incur a loss due to the master's failure to follow Charterers instructions.

**61) Watchmen**

Compulsory shore gangway watchmen shall be servants of the Charterer and the cost for such watchmen shall be borne by Charterer throughout the currency of this charter party.

**62) Bunkers**

On every occasion where the bunkers are taken, the ship will participate in either the DNV VQFT, Lloyds FOBAS or ABS scheme (line samples). As between Owners and Charterers fuel shall be deemed delivered to the ship upon arrival at the ship's manifold, which shall be the point of custody transfer. Three samples will be taken at the ship's manifold, using an approved in line drip sampler. One sample shall be provided to the surveyor and analysed, a second shall be given to the suppliers, and third shall be

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retained on board for independent joint testing, in the event of disputes about the quality of the bunkers supplied.

In the event of dispute about the quality of the fuel the third sample left on board shall be jointly analysed at a mutually acceptable independent laboratory, and the results shall be binding on the parties

The quantity of fuel shall be finally determined using the density determined in the sample analysed. Owners undertake to provide Charterers with a copy of each off specification analysis report, to enable Charterers to notify suppliers promptly in the event of a quality or quantity dispute.

The supplier and Charterers shall at all times be entitled to witness the extraction and division of the sample at the ship's manifold and shall be entitled to employ a bunker surveyor.

Charterers shall not cause or permit any lien or other rights to be created against the ship, her crew, Owners, etc., by any fuel suppliers, or otherwise bind the ship, her Owners in crew in any way whatsoever, arising out of the supply of fuels.

Should analysis confirm that bunkers are off specification, (as per specification detailed in Clause 29). Charterers will be notified regarding Owners intentions. Should Owners decide to use the bunkers supplied then Charterers are not entitled to present Owners with a speed or consumption claim for any period during which vessel is using bunkers that do not reasonably meet the specified requirements. Charterers reserve the right to discuss analysis results with Owners to ensure an equitable resolution of any problems. Owners shall not be obliged to use fuel that is injurious to the engine/auxiliaries and associated equipment.

Owners warrant that the vessel shall comply with the emission control and other requirements of Regulation 14 and 18 of MARPOL Annex VI and any other laws or regulations relating to bunker content and bunkering procedures applicable in any areas to which the vessel is ordered.

Charterers warrant that they will supply bunkers:

- A. of sufficient quantity and quality to enable the vessel to meet the emission control and other requirements of Regulation 14 and 18 of MARPOL Annex VI and any other laws or regulations relating to bunker content and bunkering procedures applicable in any areas to which the vessel is ordered, and
- B. in accordance with the specifications in ISO 8217 as in force at the time of supply and any other specifications contained elsewhere in this charterparty.

Charterers further warrant that all bunker suppliers and bunkers supplied hereunder shall with respect to all areas in which the vessel may trade comply with the current and future requirements of MARPOL Annex VI and MEPC96(47) in respect of sampling and the provision of a bunker delivery notes and, where bunkers are supplied in a state where MARPOL Annex VI is in force, that suppliers shall be registered in accordance therewith.

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**63) Heating**

(Deleted)

**64) Pumping Clause**

Owners warrant that the vessel is fitted with and will use the main cargo pumps and the stripping pumps as per Charterers instructions.

Owners further guarantees that vessel will discharge the full cargo in twenty four (24) hours, stripping excluded or maintain an average pressure of 100 PSI at the vessel's manifold during discharge, provided shore facilities permit. It is agreed that time lost as a result of vessel being unable to discharge the cargo in accordance with the guarantee stated herein will be deducted from monthly hire.

In the event of the vessel failing to maintain average discharge pressure of 100 PSI or to discharge the cargo within 24 hours, Charterers are entitled to deduct all time over and above 24 hours taken to discharge cargo from hire.

Discharge terminal shall have the right to gauge line pressure. Should the vessel fail to comply with the guarantee herein stipulated should terminal request, Charterer shall have the right to order the vessel to be withdrawn from the berth and all time and expenses incurred to leave the berth and return later to complete discharge will be for Owners' account with the proven lost time and/or expenses being deductible from the monthly hire. In any event, Owners shall provide Charterer with a detailed hourly pumping record showing the pressure maintained at the vessel's manifold throughout the discharge. Such record shall be duly counter signed by a terminal representative and/or independent surveyor, if possible.

If the vessel discharges at more than one port or discharges a partial cargo, then time to be prorated relative to the vessel's full cargo capacity for the nominated cargo(es).

Should the discharge terminal(s) restrict in any way the vessel's performance indicated in this charter party, the master shall immediately issue a letter of protest to the terminal indicating the nature of the restriction and any details he may consider relevant. The vessel to obtain terminals signature on the letter of protest.

**65) STS Clause**

Charterers shall have the right to require the vessel to perform lighterage operations and or ship to ship transfer operations at anchor or underway at a safe anchorage or place and these ship to ship transfer operations shall be conducted in accordance with the provisions of the latest ICS/OCIMF transfer guide (petroleum) always to master's acceptance which not to be unreasonably withheld.

It is understood and agreed that the crew of the vessel will be required to assist in handling the fenders and cargo hoses as well as mooring and unmooring of the vessel as designated by the mooring master at the STS transfer site at no additional cost to the Charterer.

All extra equipment required for such transfer operations shall be provided by Charterer at its expense.

Extra cost of insurance 'if any' to be for Charterers account.

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**66) Pressure Gauges**

Vessel to be equipped with pressure gauges at each discharge manifold which will be maintained in a proper working condition and each gauge shall have a valid test certificate.

**67) Bilge Liquids**

Vessel shall have efficient and safe means of transferring engine room/pump room bilge to designated holding tanks onboard for disposal in accordance with international regulations.

**68) Previous Cargoes**



(Deleted)

**69) Condition of Cargo Spaces on Delivery and Redelivery**

Vessel will be redelivered with tanks free of liquid slops.

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**70) Tanks, Lines, Pumps Suitability**

Owners warrant that vessel will arrive at each load port with all cargo tanks, pumps and lines suitable to load the intended cargo as per Charterer's representative and/or independent surveyor's satisfaction, subject to Charterers voyage orders and vessels time to comply. All damages, time lost and costs incurred due to noncompliance will be for Owners' account and deducted from monthly hire.

**71) Inert Gas System**

Owners warrant that vessel has a good working inert gas system and that the officers and crew are experienced in the operation of the system. Owners further warrant that the vessel will arrive at the load port with cargo tanks inerted and that tanks will remain inerted throughout the loading, voyage and discharge operations. Any delay, cost and expense due to improper operation of the inert gas system shall be for Owners' account and shall be deducted from monthly hire.

The master may be required by terminal personnel or independent surveyor(s) before and/or after discharge to breach the inert gas system for the purpose of gauging, sampling, temperature determination and/or determining the quantity of cargo remaining on board (ROB). The master shall comply with these requests consistent with the safe operation of the vessel. Vessel to remain on hire for such periods.

**72) Crude Oil Washing (COW)**

Owners warrant that the vessel is capable of crude oil washing (COW) of all cargo tanks.

If requested by Charterer, Owners agrees to conduct crude oil washing of cargo tanks at discharge port(s) simultaneously with the discharge of the cargo to shore. Under no circumstance shall the vessel utilize more than eight (8) hours to effect COW or prorata on the basis of the number of tanks washed to the total number of tanks unless authorized by Charterer.

The vessel will comply with the requirements of the Pumping Clause during simultaneous discharge to shore and the COW operation. If the vessel fails to comply, all additional time to discharge the cargo will be deducted from the monthly hire.

Owners agrees to comply with applicable port and terminal regulations and, if necessary, to submit any advance information or technical data that may be required by local authorities relative to the COW operations.

**73) Fittings, Equipment and Dimensions**

- A. Owners warrant that all piping, valves, spools, reducers and other fittings comprising that portion of the vessel's manifold system outboard of the last fixed rigid support to the vessel's deck and used in the transfer of cargo, bunkers or ballast, are made of steel or nodular iron; and the fixed rigid support for the manifold system is designed to prevent both lateral and vertical movement of the manifold. Owners further warrant that no more than one reducer or spool piece (each ANSI standard) will be used between the vessel's manifold valve and the terminal hose or loading arm connection.
  - B. Owners are responsible for providing safety equipment to persons aboard the vessel when the cargo is high sulfur or otherwise dangerous to the health of the crew.
  - C. Owners warrant that the vessel is capable of discharging more than one grade simultaneously.
  - D. Owners warrant that throughout the charter vessel will have on board the calibration tables for its tanks calculated by the builder or by a reputable independent international surveyor.
  - E. Charterers, subject to Owners' approval (which shall not be unreasonably withheld) and class approval, shall be at liberty to fit any additional pumps and/or other vessel gear beyond what is on board at the commencement of the charter, and to make the necessary connections with hydraulic, steam or water pipes, such work to be done at Charterers time and their expense, and such pumps and/or gear so fitted to be considered their property, and Charterers shall be at liberty to remove it at their time and expense and time during or at the expiry of this charter, with the vessel to be left in her original condition.
  - F. Vessel is fitted with 95 percent and 98 percent high level alarms. Any delays due to breakdown of these high level alarms will be considered off hire and will be deducted from the charter hire.
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**74) Cargo Transference**

Owners shall notify Charterer of any transfer of cargo within the vessel that takes place after loading and before discharge for purposes of trimming, stress or any other similar purposes.

**75) Prohibited Detergent Washing**

Owners warrant that vessel will not perform cargo tanks washing utilizing detergents with organic chloride contents throughout the duration of the charter period. Owners to be held responsible for all damages and consequences including but not limited to all cargo claims if Owners/master fails

to adhere to this Clause.

**76) Cargo Retention**

- A. In the event that liquid cargo remains on board upon completion of discharge Charterers shall have the right to deduct from hire an amount equal to the fob port of loading cost of such cargo plus its pro rata cost of freight and insurance unless such cargo is unpumpable or unreachable by the vessel's fixed pumps.
- B. Nothing in this Clause deprives Owners of any defenses they have to counterclaims for cargo shortloading or damage but it is agreed that such counterclaims will not be time barred if asserted in any proceedings commenced by Owners for hire deducted under this Clause provided that the deduction was proper.
- C. Any action or lack of action in accordance with this provision shall be without prejudice to any rights or obligations of the parties.

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D. All slops throughout the charter term shall belong to Charterer.

**77) Loss of Carrying Capacity**

In the event cargo is shut out by the fault of the master, officers, crew or mechanical deficiency of the vessel, then Charterer shall be entitled to claim compensation for the transportation cost of the cargo shut out on a round voyage basis by reference to the rate of hire or the current market level (whichever is greater). Any additional port costs and/or bunker consumed due to the loss of carrying capacity shall for Owners account.

**78) Speed and Fuel Warranties**

The Owners warrant that the vessel is capable of maintaining and shall maintain, consistent with safety throughout the period of this charter party on all sea passages, from seabuoy to seabuoy, unless otherwise ordered by Charterer, an average speed under weather conditions up to and including Beaufort Force 5 of about 14.75 knots laden on a daily consumption of about 105 metric tons IFO 380 CST plus 0 metric tons MDO at sea and about 15.75 knots ballast on a daily consumption of about 100 metric tons IFO 380 CST 0 metric tons MDO at sea for all purposes excluding tank cleaning, cargo heating and IGS plus about 50 mts IFO for loading and about 200 mts IFO for discharging, based on single port loading and discharging excluding Laguna and Boscan crude and similar cargoes.

The above speed and consumption rates shall be adjusted in accordance with, and always be subject to any changes made to the Tankers International pool key, provided the vessel continues to trade in the Tankers International Pool.

**79) Slow Steaming/Speed Up**

Weather and safe navigation permitting, Charterer shall have the right to order the vessel to proceed at any speed greater than/less than normal full speed.

**80) Adjustment of Hire**

The speed and fuel consumption guaranteed by the Owners in Part 1 will be reviewed by the Charterer 30 days after every six (6) months. If at the end of the period, if it is found that the vessel has failed to maintain, as an average during the period, the speed and/or fuel consumption warranted, the Charterer shall be retroactively compensated in respect of such failings, as per Clause 24.

No bonus shall be payable to Owners under any circumstances.

The Charterer shall provide Owners with an opportunity to review any claim submitted by Charterer under this Clause, and the Owners shall complete such review and provide Charterer with the results thereof within thirty (30) days from the date such claim was received by Owners. In the absence of such response, Charterer may deduct from hire any amount to which it is entitled under this Clause.

In the event of Charterer having a claim in respect of vessel's performance during the final year of the charter period and any extension thereof, the amount of such claim shall be withheld from hire in accordance with Charterer's estimate made two months before the end of the charter period and any necessary adjustment after the end of the charter shall be made by the Owners to the Charterer.

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**81) Additional Offhire**

- A. The vessel shall be offhire whenever there is loss of time if:
  - 1) due to the boycott of the vessel due to the terms or conditions of employment of Owners' servants; or employment, trades, or cargoes of vessels other than under this charter.
  - 2) due to restraint or interference in the vessel's operation by any governmental authority in connection with the ownership, registration, or obligations of Owners or the vessel, or stowaways, or in connection with smuggling or other prohibited activities.
  - 3) due to cargo contamination or damage caused by unseaworthiness of the vessel or negligence of Owners' servants.
- B. In addition, if during offhire the vessel loses its turn to berth, it shall remain offhire until it regains the same berthing position. If the vessel goes offhire while in berth, extra expenses thereby incurred by Charterers in connection with the vessel remaining at the berth shall be for Owners' account and Charterers shall also have the option to order the vessel out of berth, so as to avoid delay to other vessels waiting to

use the berth, with the cost of unberthing and reberthing for this purpose to be for Owners' account. The vessel shall remain offhire during time lost in between berths.

- C. In the event of detention of vessel by any governmental authority, or by any legal action against vessel or Owners, or by any strike or boycott by the vessel's officers or crew, whereby vessel is rendered unavailable for Charterers' service for a period of thirty (30) days or more, Charterers may, by written notice given before vessel is free and ready to resume service, elect to terminate this charter, without prejudice to any other rights Charterers may have under this charter or to any claim it may have for damages.

## **82) Off Hire Survey**

A joint off hire bunker survey shall be conducted by Charterers and Owners representatives at the place of redelivery. The time and cost for the offhire bunker survey at redelivery shall be split equally between Owner and Charterer.

## **83) Access**

The Charterer shall have the right and privilege of having their representatives visit the vessel while in port or at sea. Charterer's representatives shall have access to the entire vessel (excluding accommodation spaces) and the master, officers and crew of the vessel shall cooperate with and render any reasonable assistance that Charterer's representatives may require.

Charterer shall be entitled, from time to time during the period of this charter, to cause their representative(s) to take samples of the cargo and to inspect the vessel in order to ascertain whether Owners is reasonably complying in all respects with their obligations under this charter party.

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In the case of inspection of the vessel, Charterer shall give Owners appropriate notice of their intention to inspect the vessel and any such inspection may include, but shall not be limited to: examination of the vessel's hull, machinery, boilers, auxiliaries and equipment, examination of the vessel's deck and engine, rough and official log books, certificates, investigation of the vessel's operating procedures both in port and at sea, examination of the qualifications and conduct of the vessel's master, officers and crew. Any inspections carried out by Charterer under this sub-Clause shall be without prejudice to any other rights of inspection or investigation allowed to Charterer in accordance with the provisions of this charter.

In the event of Owners' failing, at any time during the period of this charter, to comply with their obligations under this Clause, Charterer shall be entitled to give Owners notice in writing, whether or not an inspection under the terms of this Clause has taken place, requiring Owners to take immediate steps to remedy their default.

In the event the Owners fails forthwith, or within such period as may be agreed to remedy such default to Charterer's satisfaction, Charterer shall be entitled at their absolute discretion, to place the vessel off-hire, until such default shall have been satisfactorily remedied. Any exercise of, or failure to exercise, their discretion under the terms hereof by Charterer shall be without prejudice to any other remedy available to Charterer.

## **84) Change of Flag, Management, Ownership**

Owners rights and obligations under this charter are not transferable and except as provided in this Clause Owners undertake not to change the vessel's management nor flag nor to sell the vessel or stock in the ownership company without Charterer's consent which consent shall not be unreasonably withheld.

In the event that the Owners desire to hire a manager other than Tanker Management Ltd., Owners shall provide written notice (the "New Manager Notice") to the Charterer at least 10 business days prior to the proposed date of hire, which notice shall seek the Charterer's consent to the new manager. The Charterer shall have the right, within 5 business days of receipt of the New Manager Notice, to object to the new manager in writing. Such objection must be based on reasonable grounds, and must be accompanied by a list of two comparable managers (other than any affiliates of Charterer) to which the Charterer would have no objection, and which Owners may then hire without any further requirement for consent from Charterer.

If written notice of objection together with the accompanying list of acceptable managers is not provided by the Charterer within 10 business days of receiving the New Manager Notice, the Charterer shall be deemed to consent to the new manager.

Owners shall have the right to transfer the vessel and Charterer agrees that stock in the Owners may also be transferred (either of which, for purposes of this Clause, a "Transfer"), subject to the Charterer's right of first offer as described in this Clause:

Prior to and in order to effect a Transfer, the Owners shall first give written notice (a "Sale Notice") to the Charterer stating (i) the Owners (or its parent's) intention to make a Transfer, (ii) the name of a broker who Owners have selected to be a member of the three member panel described below (the "Panel") that will determine the fair market price of the vessel (on the basis that it is sold subject to this charter) and (iii) the material terms other than price upon which the Owners (or its parent) intends to make the Transfer.

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The Charterer shall select a member of the Panel within 5 business days after receipt of the Sale Notice by delivery of written notice to Owners. If Charterer does not make such selection within such 5 business day period, then the Panel shall consist solely of the broker selected by Owners. If Charterer makes such selection, then the two members selected by Owners and Charterer shall select together a third member of the Panel within 10 business days after delivery of Charterer's written notice to Owners. If the members selected by Owners and Charterer do not select a third member of the Panel within such 10 business day period, then the third member of the Panel shall be selected by the President of the Society of Marine Arbitrators, Inc. New York. No broker is eligible to be selected as a member of the Panel unless it is listed in Appendix B of approved ship brokers to this charter.

After all the members of the Panel have been selected in accordance with the preceding paragraph, the Panel shall determine the fair market price of the vessel, taking into account that any sale would be made subject to this charter. The market price determined by the Panel (the "Price") shall be

the price determined by the sole member of the Panel if there is only one member and shall be the average of the two closest prices determined by members of the Panel if there are three members. The sole member, or, the member of the Panel selected by the other two members shall notify in writing the Owners and Charterer of the Price (the "Price Notice"). Owners and Charterer shall each pay one-half of the fees and expenses of the members of the Panel in performing their services under this Clause 84. Such Price shall be considered the price of the vessel, if Owners elect to proceed with the sale of the vessel after receiving the Price Notice. Owners shall not be obligated to proceed with the sale of the vessel if it, in its sole discretion, deems the Price to be inadequate. If the parent of Owners seeks to sell the stock of the Owners, then the Panel, in addition to determining the Price of the vessel as aforesaid, shall determine the fair market price of the assets of the Owners (other than the vessel) and the fair market value of the liabilities of the Owners in accordance with the foregoing methodology. The sum of the Price of the vessel in the Price Notice and the price of the other assets of the Owners determined as aforesaid reduced by the value of the liabilities of Owners determined as aforesaid shall be considered the price for the stock (the "Stock Price") and the Stock Price shall be set forth in the Price Notice.

In the event that the Owners elect to proceed with the sale of the vessel upon its review of the Price Notice, Charterer shall have an irrevocable and non-transferable option to effect Transfer to it of the vessel or stock in the Owners at the Price or at the Stock Price, as the case may be, set forth in the Price Notice and on materially the same terms as set forth in the Sale Notice. Such option may be exercisable during the period (the "Purchase Option Period") commencing on receipt of the Price Notice and ending (a) if Tanker Management Ltd. is the manager at the time of the Price Notice, 30 days after Charterer's receipt of the Price Notice or (b) if Tanker Management Ltd. is not the manager at the time of the Price Notice, 30 days after the later of (i) the date (the "Inspection Date"), set forth in a notice from Owners to Charterer that the vessel and the records of the vessel may be inspected by Charterer, which notice shall be given after the Sale Notice and at least 5 business days prior to the Inspection Date and (ii) Charterer's receipt of the Price Notice. In order to exercise its option, the Charterer shall, within the Purchase Option Period, send an irrevocable written acceptance notice to the Owners (the "Purchase Notice"). The Charterer shall then be obligated to consummate the purchase of the vessel or stock at the Price or at the Stock Price, as the case may be, set forth in the Price Notice and on materially the same terms as set forth in the Sale Notice within thirty (30) days after the Purchase Notice. If Charterer does not exercise its option

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within the Purchase Option Period or, if such option is exercised, Charterer fails to consummate the purchase of the vessel or stock within the time period set forth above, then, in addition to any other remedies available, the Owners may during the period set forth in the next sentence (the "Sale Option Period") sign a legally binding agreement for the Transfer of the vessel or stock to a third party at a price not less than the Price or the Stock Price, as the case may be, set forth in the Price Notice, minus up to 2.5% of the Price of the vessel, and on materially the same terms as set forth in the Sale Notice. The Sale Option Period shall commence on the earlier of (i) the date Charterer notifies Owners that Charterer will not exercise its option and (ii) the expiration of the Purchase Option Period (such earlier date referred to as the "Start Date") and end on the later of 90 days after (i) the Start Date and (ii) the date after the Start Date when the vessel and the records of the vessel are first made available at a port for inspection at the request of potential third party purchasers of the vessel or stock. If an agreement for the Transfer of the vessel or stock is not signed during the Sale Option Period or the Transfer of the vessel or stock is not completed under such agreement, then Charterer's right of first offer as described in this Clause 84 shall begin again and a new Price determined in accordance with the provisions of this Clause 84. Any Transfer of the vessel or stock to a third party shall be subject to (x) Charterer's prior approval, which shall not be unreasonably withheld, and (y) Charterer's right to purchase at par any loan obtained by the third party purchaser of the vessel to finance such purchase if such purchaser defaults under the credit agreement for such loan or this charter provided the third party can obtain such right from its lenders on, in the sole good faith opinion of the Owners, commercially reasonable terms. This charter, including all options to extend it, shall continue in full force and effect notwithstanding any Transfer of the vessel or stock in the ownership company of the vessel.

If the Owners fail to comply with the terms of this Clause, Charterer may, in its absolute discretion, terminate this charter, whereupon Owners shall reimburse Charterer for any hire paid in advance and not earned, the cost of bunker fuel on board the vessel and for any amount for which the Owners are liable to Charterer under the terms of this charter. Charterer's rights of termination shall, whether or not it is exercised, be without prejudice to any other rights available to Charterer.

The managers shall be responsible for the day to day technical operations of the vessel however Owners always to be held responsible for the overall management of the vessel.

If Charterer is not satisfied with the performance of the manager, Charterer may request a meeting within 7 business days with Owners and manager to discuss the deficiencies in the management which deficiencies shall be presented in writing by Charterer. If after thirty days, the management deficiencies are evidently still unresolved in Charterer's determination (which deficiencies and determination will be delivered to Owners and manager in writing), then the management company may be changed provided that the new management company shall be selected by the Owners subject to the consent of the Charterer, such consent not to be unreasonably withheld.

## **85) Ownership**

Owners will not effect any mortgage, encumbrance or other lien on the vessel, other than liens that are not material in amount and that arise in the ordinary course of business or by operation of law, without the prior written consent of the Charterer, such consent not to be unreasonably withheld. In the case of the initial financing by Royal Bank of Scotland for the purchase of the vessel (the "Initial Financing"), the Charterer hereby consents. In the case of any refinancing of the vessel, Owners shall negotiate in good faith and use

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their best efforts to have the refinancing mortgagee agree on, in the sole good faith opinion of the Owners, commercially reasonable terms that are no less favorable to the Charterer than the terms contained in the Initial Financing in terms of the mortgagee's rights to enforce its mortgage in the event and so long as the Charterer continues to pay the charter hire under this charter. If the Owners, after negotiating in good faith and using their best efforts, are unable to obtain such provisions from the refinancing mortgagee on, in the sole good faith opinion of the Owners, commercially reasonable terms, Charterer or its affiliates may seek such provisions on behalf of Owners and Owners shall consider in good faith all refinancing proposals obtained by Charterer or its affiliates which have, in the sole good faith opinion of Owners, commercially reasonable terms. In addition, Owners shall use their best efforts to have the refinancing lenders agree on, in the sole good faith opinion of the Owners, commercially reasonable terms, that Charterer or its affiliates may purchase at par the loan made by such lenders and related mortgage and other security interests if Owners breach any provision of this charter, including this Clause 85, or if Owners or any of their affiliates default under the loan agreement for such loan.

- A. Charterer may blend cargo on board. If original Bills of Lading are issued for one or more of the parcels which are blended, upon return of all such Original Bills of Lading and at Charterers' request, Owners will issue new Bills of Lading for the blended cargo. New Bills of Lading can only be issued for the blend as a whole. Owners are hereby indemnified against all claims for contamination or quality deterioration or off specification whatsoever due to cargo blending on board.
- B. Extra insurance on freight and/or cargo, if any, due to vessel's age shall be for Owners' account and Charterer shall have the right to deduct such extra insurance cost from hire due Owners. Charterer will provide supporting invoice for extra insurance cost deducted from charter hire.
- C. Whenever requested by Charterer, Owners shall arrange for war risk underwriters to advise Charterer via Owners about actual net 'additional premium' then in effect. If requested by Charterer, Owners shall arrange in advance for war risk underwriters to furnish such information to Charterer via Owners 48 hours before vessel enters 'additional premium' zone, weekend and local holidays are excluded, at Charterers expense.
- D. Any 'additional premiums' due from Charterer shall be documented by underwriters and Charterer shall pay only the net premium charged to Owners — i.e. gross premium less rebate, if any.
- E. Charterer shall not be responsible for any time lost due to officers and/or crew refusing to proceed to an actual war zone, or for any time lost as a result of the vessel remaining in an "additional premium" zone due to action by vessel's officers and/or crew and/or breakdown and/or accident to vessel or her equipment not caused by fault of the Charterer, or as a result of an occurrence of a war risk.
- F. Pollution insurance. Owners warrant that they will have in place the maximum cover for pollution offered by members of the International Group of P&I Clubs (currently USD 1 billion) and that this cover from underwriters approved by

Charterer (such approval not to be unreasonably withheld) will remain in place throughout the period of this charter. Owners shall provide Charterers within five business days after the fixture is concluded, written evidence from the vessel's P&I club or insurance broker of such pollution cover.

Any additional premiums or surcharges payable by Owners in relation to the vessel calling to United States of America ports to be for Charterers account.

- G. (Deleted)
- H. Owners warrant that vessel is fully capable of carrying 'Orimulsion' and Owners/operators are fully aware of the requirements for carrying this type of cargo. Normally, crude oil washing nor inert gas system never to be utilized while Orimulsion is onboard.
- I. It is understood that the vessel shall not be required to force ice but to follow ice breakers from time to time always subject to master's approval.
- J. (Deleted)
- K. Grades and comingling. Charterer shall be at liberty to ship three grades of cargo. Grades and quantities of petroleum products shall be defined by Charterer prior to each voyage. Segregated grades shall be kept within vessels natural segregations. At the option of the Charterer, loading of three or more grades of cargo in such a manner as to voluntarily mix the cargo to obtain a new grade shall be carried out by the Owners pursuant to Charterers requirements. Any such mixture or admixture shall be at Charterers risk and expense and shall be considered to be one grade under the present agreement. Any new bills of lading that are issued will only be for the blended cargo as a whole.
- L. Vessel to have a working vapour recovery system onboard.
- M. Owners warrant that it has a policy on drug and alcohol abuse ("Policy") applicable to the vessel which meets or exceeds the standards of the OCIMF guidelines for the control of drugs and alcohol onboard ship. Under the Policy, alcohol impairment shall be defined as a blood alcohol content of 40 mg/100 ml or greater; the appropriate seafarers to be tested shall be all the vessel's officers and the drug/alcohol testing and screening shall include unannounced testing in addition to routine medical examinations. An objective of the Policy should be that the frequency of the unannounced testing be adequate to act as an effective abuse deterrent, and that the officers be tested at least once a year though a combined program of unannounced testing and routine medical examinations. Owners further warrant that the Policy will remain in effect during the term of this charter providing that the terms are in conformity with the laws of the vessel's flag state and that the Owners shall exercise due diligence to ensure that the Policy is complied with. It is understood that an actual impairment, shall not in and of itself mean Owners has failed to exercise due diligence. Persons who test positive, refuse to test, or are unfit for duty (impaired because of drug or alcohol abuse) shall be removed from the vessel and shall not be reassigned to service on the vessel.
- N. (Deleted)

- O. (Deleted)
- P. Vessel shall be capable of full hot fresh water wash, as well as hot sea water wash followed by fresh water rinse, with all fresh water to be procured by Charterers over and above what vessel is capable of producing with all time and expense for the cost of the water as well as

extra bunkers, and time and expense for all related operations to be for Charterers account. Owners will make best efforts to produce fresh water for Charterer's purposes, however without guaranty.

- Q. Worldwide trading always within American Institute Trade Warranties limits and any subsequent amendments thereof as permitted by U.S. and/or Marshall Island authorities.

Charter may order the vessel to Alaska, outside of American IWL, provided Owners' consent thereto and that Charterers pay for any insurance premium required by the vessel's underwriters. Charterers to give adequate prior notice to Owners and Charterer shall provide and pay for response plan and OSRO coverage for the vessel while in Alaskan waters. All costs for any breach of BIWL as well as all costs for trading to Alaska, and to comply with Charterer's orders to be for Charterer's account including any insurance premium required by the vessel's underwriters.

Costs of complying with USWC trading, with port, local and OPA 90 rules and regulations to be for Charterers account in addition to filing spill response plans.

- R. Where the vessel is required to change over to and from low sulphur fuel, the fuel consumption and any delays due to flushing the fuel system is to be for Charterers account.

S. (Deleted)

**87) Agency**

Owners can appoint their own agents or have the right to use and pay Charterer's agents for Owners' matters.

**88) Hull And Machinery Value**

(Deleted)

**89) War Risk Premium**

Owners to be responsible only for the basic annual contributions payable to obtain war risk cover. Charterer shall be responsible for the full amount of any sums payable by way of additional premiums to maintain that full cover as a result of the vessel proceeding any areas designated as additional war risk premium areas.

**90) Histories**

Owners shall provide a work history to Charterer prior to any change of the master, chief engineer and chief officer serving onboard vessel. The history which shall show the

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extent of tanker experience in rank. Similar histories shall be furnished for any new master, chief engineer and chief officers prior to assignment to the vessel. After reviewing same, Charterers have the right to reasonably reject any of the above in which case Owners will nominate a substitute which shall be subject to Charterers approval as well.

**91) Personnel**

Conversational English language proficiency is required for the master and officers in charge of cargo or bunker oil handling.

**92) Reduction or Increase in Deadweight**

(Deleted)

**93) Confidentiality**

(Deleted)

**94) General Average**

- A. In addition to any other rights Charterer may have, and if requested by Charterer, Owners will release one or more cargoes to Charterer for transshipment from a port of refuge by and at the expense of Charterer in exchange for a nonseparation of interest agreement, general average bond, and a general average undertaking from cargo underwriters in the customary forms. Charterer's transshipment expenses, up to the general average expenses saved, are to be treated like the general average expenses saved, as if those expenses had actually been incurred and paid for by Charterer. If a subcharter is involved and freight is at risk, subcharterer shall be credited for the vessel's daily manning, bunkers, insurance costs as well as port expenses saved for any part of the voyage not required to be made by reason of transshipment. Bills of lading for such transshipped cargoes are deemed to be accomplished on completion of transfer to the transshipping vessel, and port of refuge where transfer is made shall be treated as a discharge port.
- B. Any amounts allowable in general average for wages, provisions and stores shall be credited to Charterer insofar as such amounts are in respect of a period when the vessel is on hire.

95) (Deleted)

**96) Hydrogen Sulphide (H2S) Clause:**

Owners shall comply with the requirements in ISGOTT (as amended from time to time) concerning Hydrogen Sulphide and ensuring that the Hydrogen Sulphide level is always below the threshold limit value (TLV).

If on arrival at the loading terminal, the loading authorities, inspectors or other authorised and qualified personnel declare that the Hydrogen Sulphide levels exceed the TLV and request the vessel to reduce the said level to within the TLV, provided that the duration of the voyage between the last discharge port and such loading terminal permits such

reduction, then the delay shall be considered off hire and any additional expenses incurred by Charterer to be for Owners account.

**97) Yugoslavia Clause**

(Deleted)

**98) BIMCO ISPS Clause for Time Charter Parties 2005**

- (A) (i) The Owners shall comply with the requirements of the International Code for the Security of Ships and of Port Facilities and the relevant amendments to Chapter XI of SOLAS (ISPS Code) relating to the vessel and “the company” (as defined by the ISPS Code). If trading to or from the United States or passing through United States waters, the Owners shall also comply with the requirements of the U.S. Maritime Transportation Security Act 2002 (MTSA) relating to the vessel and the “owner” (as defined by the MTSA).
- (ii) Upon request the Owners shall provide the Charterers with a copy of the relevant International Ship Security Certificate (or the interim international ship security certificate) and the full style contact details of the Company Security Officer (CSO).
- (iii) Loss, damages, expense or delay (excluding consequential loss, damages, expense or delay) caused by failure on the part of the Owners or “the company”/“owner” to comply with the requirements of the ISPS Code/MTSA or this Clause shall be for the Owners’ account, except as otherwise provided in this charter party.
- (B) (i) The Charterers shall provide the Owners and the master with their full style contact details and, upon request, any other information the Owners require to comply with the ISPS Code/MTSA. Where sub-letting is permitted under the terms of this charter party, the Charterers shall ensure that the contact details of all sub-charterers are likewise provided to the Owners and the master. Furthermore, the Charterers shall ensure that all sub-charter parties they enter into during the period of this charter party contain the following provision:
- “The Charterers shall provide the Owners with their full style contact details and, where sub-letting is permitted under the terms of the charter party, shall ensure that the contact details of all sub-charterers are likewise provided to the Owners”.
- (ii) Loss, damages, expense or delay (excluding consequential loss, damages, expense or delay) caused by failure on the part of the Charterers to comply with this Clause shall be for the Charterers’ account, except as otherwise provided in this charter party.
- (C) Notwithstanding anything else contained in this charter party all delay, costs or expenses whatsoever arising out of or related to security regulations or measures required by the port facility or any relevant authority in accordance with the ISPS Code/MTSA including, but not limited to, security guards, launch services, vessel escorts, security fees or taxes and inspections, shall be for the Charterers’ account, unless such costs or expenses result solely from the

negligence of the Owners, master or crew. All measures required by the Owners to comply with the ship security plan shall be for the Owners’ account.

- (D) If either party makes any payment which is for the other party’s account according to this Clause, the other party shall indemnify the paying party.

**99) Period / Charter Hire**

Owner and Charterer agree that the initial charter period shall be the period commencing on October 17, 2005 and ending on April 16, 2012 (the “Initial Expiration Date”). Until the Initial Expiration Date, the Charterer shall pay to the Owner, charter hire (“Basic Hire”) monthly in advance by the due date set forth in Clause 9. Each payment of Basic Hire (“Basic Hire Amount”) shall equal the basic hire rate set forth in the initial charter rate table below that corresponds to the time period for which payment is being made multiplied by the actual number of days in the month for which the Basic Hire Amount is being calculated.

**INITIAL CHARTER RATE TABLE**

<u>CHARTER YEAR</u>	<u>COMMENCING (0001 GMT)</u>	<u>ENDING (2400 GMT)</u>	<u>BASIC HIRE RATE</u>
1	October 17, 2005	October 16, 2006	USD 37,200 per day
2	October 17, 2006	October 16, 2007	USD 37,400 per day
3	October 17, 2007	October 16, 2008	USD 37,500 per day
4	October 17, 2008	October 16, 2009	USD 37,600 per day
5	October 17, 2009	October 16, 2010	USD 37,800 per day
6	October 17, 2010	October 16, 2011	USD 38,100 per day
To 6 ½	October 17, 2011	April 16, 2012	USD 38,500 per day

The Charterer may, at its option, extend the charter on one or more occasions (provided that the charter is still in effect at the time of extension) by giving written notice (the "Extension Notice") to the Owner at least 90 days prior to the expiration date of the charter then in effect. The Extension Notice shall specify the new expiration date of this charter, which shall be the first, second or third anniversary of the existing expiration date; provided, however, that in no event shall the expiration date be subsequent to April 16, 2020. The Extension Notice shall also specify the Basic Hire Amount for the selected extension period, which shall be calculated in the same manner as the Basic Hire Amount for the initial charter period, and shall, at the option of the Charterer, be equal to either:

- A. the one-, two- or three-year time charter rate for VLCCs, which rate corresponds to the selected extension period, established by the Association of Shipbrokers Agents and Agents Tanker Broker Panel (the "Broker Panel"), plus five percent, or
- B. the basic hire rate for the corresponding time period(s) set forth in the option period rate table below.

Upon receipt of the Extension Notice by the Owner, the charter shall be extended to the new expiration date on the same terms and conditions (other than as expressly set forth herein). If, at the time of the exercise of any extension period, the Broker Panel is no longer quoting one-, two- or three-year time charter rates, then a mutually acceptable replacement Broker Panel shall be selected by the Owner and Charterer. The following broker panels shall be deemed mutually acceptable by the Owner and Charterer:

London Tanker Broker Panel

**OPTION PERIOD RATE TABLE**

<b>OPTION YEAR</b>	<b>COMMENCING (0001 GMT)</b>	<b>ENDING (2400 GMT)</b>	<b>BASIC HIRE RATE</b>
1	April 17, 2012	October 16, 2012	USD 38,500 per day
	October 17, 2012	April 16, 2013	USD 38,800 per day
2	April 17, 2013	October 16, 2013	USD 38,800 per day
	October 17, 2013	April 16, 2014	USD 39,200 per day
3	April 17, 2014	October 16, 2014	USD 39,200 per day
	October 17, 2014	April 16, 2015	USD 39,400 per day
4	April 17, 2015	October 16, 2015	USD 39,400 per day
	October 17, 2015	April 16, 2016	USD 39,600 per day
5	April 17, 2016	October 16, 2016	USD 39,600 per day
	October 17, 2016	April 16, 2017	USD 39,800 per day
6	April 17, 2017	October 16, 2017	USD 39,800 per day
	October 17, 2017	April 16, 2018	USD 40,000 per day
7	April 17, 2018	October 16, 2018	USD 40,000 per day
	October 17, 2018	April 16, 2019	USD 40,300 per day
8	April 17, 2019	October 16, 2019	USD 40,300 per day
	October 17, 2019	April 16, 2020	USD 40,500 per day

**ADDITIONAL HIRE**

Charterer agrees that Additional Hire Payment Amount (as defined in the Charter Framework Agreement, dated October 6, 2005, by and among the Owners, the Charterer and the other parties thereto), if any, shall be calculated and paid in accordance with such Charter Framework Agreement.

**100) AMS Clause**

U.S. Customs Clearance – if cargo is to be discharged in a U.S. port or territory subject to control by the U.S. Customs and Border Protection (CBP), Charterers warrant that all necessary details required by CBP for clearance of the cargo, inclusive of but not limited to, shipper consignee and notify party full name, address and phone number or telex

number, will be included on each bill of lading or alternatively supplied to Owners in writing a minimum of 24 hours prior to the vessel's arrival at the first designated U.S. port of discharge. For voyages less than 24 hours in duration this information must be included on the bill of lading or advised to Owners prior to the vessel departure from the loading place or port. Any delays, fines or penalties incurred due to Charterers' failure to comply with the above will be for Charterers' account.

Effective March 4, 2004, all imported cargoes into the U.S. must be electronically reported via the Bureau of U.S. Customs and Border Protection AMS system. This requires the Owner to have a Type 3 International Carriers Bond as well as a Standard Carriers Alpha Code (SCAC). It is the responsibility of the Owner to ensure that his reporting requirement occurs 24 hours prior to the vessel's arrival at the first U.S. port. Should the international voyage be less than 24 hours in duration, the Owner shall electronically file the manifest via the automated manifest system at the time of the loading in the foreign port. Owners and/or vessel master or their designated agent will provide a copy of the electronically filed manifest to the Charterers or their designated agent at the time of filing with CBP.

Owners warrant that it is aware of the requirements of the U.S. Customs and Border Protection regulation issued on December 5, 2003 under Federal Register Part II Department of Homeland Security 19 CFP Parts 4, 103, et al. and will comply fully with these requirements for entering U.S. ports. Any delays, fines or penalties incurred due to Owners failure to comply with the above will be for Owners account.

The cost of filing to be for Charterers account. Charterers to be responsible for any delay and/or fines related to late filing by their agents.

**101) House Flag/Charterers Markings**



At any time during the period of this charter, Charterers shall have the privilege of flying their house flag, to paint the funnel and bow crest in their house colors and to paint their markings on ships sides and put/change the name of the vessel. Upon vessels redelivery, Owners shall be obliged to rename the vessel and remove Charterers markings on ships sides and repaint ships name and funnel. The cost of such paintings and/or repaintings and/or name change to be for Charterers account unless otherwise agreed with Owners. Upon Charterers request, crew to perform the work and payment to be settled directly between Charterers and master.

In the event of a change in the technical management of the vessel, Charterers shall have the option to change the markings on the vessel and/or the name of the vessel at Owners time and expense.

**102) Green Award Clause**

Rebates in port dues, etc. obtained via the green award certificate to be refunded to Charterers, provided that Charterers have paid for the green award audit fees in full, or prorated for the period covered under this charter party.

**103) Remeasure Clause**

Charterers have the option to re-measure the vessel for the purpose of satisfying certain port/terminal regulations. All cost and time to be for Charterers' account. The vessel is to be redelivered non-measured at Owners' option if Charterers exercised their option to re-measure

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in the first place.

**104) Exxon Mooring**

(Deleted)

**105) Storage Clause**

Charterers shall have the option of requesting the vessel to remain idle, at a safe place, at anchor/or drifting.

**106) Breach Of Warranty Clause**

(Deleted)

**107) Tracking System Clause**

It is agreed that Charterers may from the time of fixing until completion of the charter period employ an INMARSAT tracking system on the vessel. Such tracking system works on data provided from the vessel's onboard INMARSAT C system and can be installed simply, either remotely, or on some older systems with minimal set up input from the vessel. All registration/communication costs relating to this tracking system will be for Charterers' account. Charterers will advise when the system is operative and confirm termination on completion of charter.

**108) Q88.Com Clause**

Owners to provide, free of charge, a copy of the OCIMF VPQ in the required electronic form so that the vessel can be included in Charterers' subscription to the website "q88.com". Owners are furthermore required to update the system with vessel approval status, certification and any other information as required on a regular basis.

**109) Changes/Improvements Necessary for the Operation of the Vessel or Imposed by Legislation, Class or Oil Company Vetting Requirements**

- A. In the event any improvement, structural change or the installation of new equipment is imposed by compulsory legislation and/or Class rules and/or oil company vetting requirements, Charterers shall have the right to require that the Owners effect such improvement, changes or installations. The Charterers shall fully reimburse the Owners for the total cost of all such improvements, structural changes or installations up to USD 50,000 in any calendar year. To the extent that the total cost of all such improvements, structural changes or installations exceed USD 50,000 in any calendar year, the Charterers shall reimburse the Owners in an amount equal to 50 percent of the product of (i) the cost of such improvements, structural changes or installations over USD 50,000 and (ii) a fraction, the numerator of which shall be the number of whole months remaining in the charter period at the time of completion of such improvement, structural change or installation (the "Remaining Charter Period") and the denominator of which shall be the number of whole months remaining in the depreciation period of the vessel (calculated as 25 years from the year the vessel was built) at the time of completion of such improvement, structural change or installation (such product, the "Reimbursement Payment") and the balance of the cost of such improvement, structural change or installation over USD 50,000 shall be paid by

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the Owners. In the event the charter period is extended for any reason, included but not limited to any extension under Clause 99, the Charterers shall pay additional reimbursement to the Owners in an amount equal to the difference between the reimbursement calculated under the preceding sentence (plus any additional reimbursement calculated for any other extension period if applicable) and the amount that would have been due from the Charterers had the Remaining Charter Period used to calculate the Reimbursement Payment including the number of whole months in the extension period as the numerator of the relevant fraction.

- B. In the event any improvement, structural change or the installation of new equipment, not falling under (A) above, is deemed necessary by the Charterers for the continued operation of the vessel, Charterers shall have the right at their own cost to effect such improvement, structural changes or installation, with the Owners' consent which shall not unreasonably be withheld.

C. The Owners shall be notified in writing in advance by the Charterers about any changes and/or improvements as afore mentioned.

D. Any change, improvement or installation made pursuant to this Clause shall be the property of Owners.

**110) Third Party Clause**

Except as may be otherwise agreed in writing by the parties with any third party, a person who is not party to this agreement/charter may not enforce, or otherwise have the benefit of, any provision of this agreement/charter under the contract.

**111) Optional Termination**

In the event the vessel is not delivered under this charter by [IPO closing], 2005 both the Owners and the Charterers shall have the right to terminate this charter and neither the Owners nor the Charterers shall be entitled to damages or to any other compensation or reimbursement of expenses.

**112) Damages Clause**

In subchartering to its customers, Charterer shall endeavor to avoid or limit any liability to such customers for consequential damages. Owners shall not be liable for any consequential damages or losses unless the Charterer's sub-charter provides for such consequential damages or losses to such customers.

**APPENDIX A**

**QUESTIONNAIRE 88 FOR M/T OVERSEAS ANN**

**INTERTANKO'S STANDARD TANKER VOYAGE CHARTERING QUESTIONNAIRE 1988 (Version 2)**

*(Metric system to be applied, HVPQ reference specified where applicable)*

		<u>HVPQ Ref</u>
<b>GENERAL INFORMATION</b>		
Date Updated:	Jul 20, 2005	
Vessel's name:	Overseas Ann	1.2
IMO number:	9217979	1.3
Vessel's previous name(s):	Not Applicable	1.4-1.7
Flag:	Marshall Island	1.8
Port of Registry:	Majuro	1.9
Call sign:	V7CV6	1.11
Inmarsat phone number:	Sat B 353844610	1.12
Fax number:	Sat B 353844520	1.13
Email address:	master.ovann@ships.osg.com	1.16
Type of vessel:	Oil Tanker	1.17
Type of hull:	Double Hull	1.19
<b>OWNERSHIP &amp; OPERATION</b>		
Registered owner - Full Style:	1320 Tanker Corporation c/o OSG Ship Management (UK) Ltd +44 191 218 0100 osguk@osg.com	1.20
Technical operator - Full Style:	OSG Ship Management (UK) Ltd. Quorum 4, Balliol Business Park East, Benton Lane, Newcastle-upon-Tyne, NE12 8EZ, United kingdom, +44 191 218 0100 osguk@osg.com	1.22
Commercial operator - Full Style:	Tankers International LLC c/o Tankers (UK) Agencies Ltd, 3rd Floor, Moreau House, 116 Brompton Road, London SW3 1JJ, United Kingdom +44 207 8704700 operations@tankers.uk.com	1.25
Disponent owner / Bareboat charterer - Full Style:		
Number of vessels in disponent owner's fleet:		
<b>BUILDER</b>		
Where Built :	Hyundai Heavy Industries	1.26
Date Delivered:	Aug 17, 2001	1.31
<b>CLASSIFICATION</b>		
Vessel's classification society:	Lloyds Register	1.34
Class notation:	+ 100A1 Double Hull Oil	1.35

	Tanker,ESP,Shipright (SDA,FDA,CM), *IWS,SPM,L1, , +LMC, UMS, IGS	
If Classification society changed, name of previous society?	N/A	1.36
If Classification society changed, date of change?	Not Applicable	1.37
Last dry-dock:	Not Applicable	1.38
Last special survey:	Not Applicable	1.41
Latest CAP Rating (if applicable)	0	1.44
Last annual survey:	Jul 12, 2004	1.45
Does the vessel have a statement of compliance issued under the provisions of the Condition Assessment Scheme (CAS)?		

#### DIMENSIONS

LOA (Length Over All):	334.59 Metres	1.49
Extreme breadth:	58.05 Metres	1.51
KTM (Keel to Masthead):	62.703 Metres	1.54
BCM (Bow to Center Manifold):	168.36 Metres	1.57.1
Lightship parallel body length:	112.5 Metres	1.57.3
Normal ballast parallel body length:	143 Metres	1.57.6
Parallel body length at Summer DWT:	164.4 Metres	1.57.9

#### TONNAGES

Net Tonnage:	109555 Tonnes	1.59
Gross Tonnage:	157883 Tonnes	1.60
Suez Net Tonnage:	169993.47 Tonnes	1.61
Panama Net Tonnage:	Tonnes	1.62

	Freeboard	Draft	Deadweight	Displacement	
<b>LOADLINE INFORMATION</b>					
Summer:	8323 Metres	22.723 Metres	309326.9 Tonnes	352989.7 Tonnes	1.63
Winter:	8796 Metres	22.25 Metres	301328.2 Tonnes	344991 Tonnes	1.64
Tropical:	7850 Metres	23.196 Metres	317365.2 Tonnes	361028 Tonnes	1.65
Lightship:	27666 Metres	3.38 Metres	0 Tonnes	43663 Tonnes	1.66
Normal Ballast Condition:	20786 Metres	10.26 Metres	104754 Tonnes	148417 Tonnes	1.67
TPC on summer draft:			169.53 Tonnes		1.70
Does vessel have Multiple SDWT?			Yes		1.72
If yes what is the maximum assigned Deadweight?			309326.9 Tonnes		1.73
Air draft (sea level to top of mast/highest point) in normal SBT condition?			52.443 Metres		1.74

#### RECENT OPERATIONAL HISTORY

Has vessel been involved in any collision, grounding or pollution incident the past 12 months, full description:	Pollution: No Grounding: No Collision: No	1.77-1.79
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#### CERTIFICATION

Owners warrant following certificates to be valid throughout the Charter Party period:		
SOLAS Safety Equipment:	Aug 16, 2006	2.2
SOLAS Safety Radio:	Aug 16, 2006	2.3
SOLAS Safety Construction:	Aug 16, 2006	2.4
Load line:	Aug 16, 2006	2.5
IOPPC:	Aug 16, 2006	2.6
Safety Management (ISM):	Feb 12, 2007	2.8
USCG COC:	Feb 07, 2007	2.11
CLC:		2.13
US COFR:		2.15
Certificate of Fitness (Gas/Chemicals):	Gas: Chem:	2.16 & 2.17
Certificate of Class:		
ISPS ISSC:		

#### DOCUMENTATION

Does the vessel have the following documents on board?		
International Safety Guide for Oil Tankers & Terminals (ISGOTT):	Yes	2.28
OCIMF/ICS Ship to Ship Transfer Guide (Petroleum):	Yes	2.31
Is the vessel entered with ITOPF?		

#### CREW MANAGEMENT

Nationality of Master		
Nationality of Officers:	BRITISH 2, IRISH 1, CROATIAN 6,	3.1
Nationality of Crew:	CROATIAN 14	3.2

If Officers/Crew employed by a Manning Agency - Full Style:	Officers:	3.1 & 3.2
	Crew:	
What is the common working language onboard?	ENGLISH	3.1
Do key officers understand English?		
In case of Flag Of Convenience (FOC), is the ITF Special Agreement on board?		

## STRUCTURAL CONDITION

Are cargo tanks coated?	Yes	7.1
If Yes, specify type of coating:	BISCON HB 200	7.1.1
If cargo tanks are coated, specify to what extent:	AS ABOVE	7.1.3
Are slop tanks coated?		
If slop tanks are coated, specify to what extent:		

## CARGO & BALLAST SYSTEMS

If double hull, is vessel fitted with centreline bulkhead in all cargo tanks?	No	8.2
Groups / Tank Capacities	1: Cu. Metres - , 2: Cu. Metres - 3: Cu. Metres - 4: Cu. Metres - 5: Cu. Metres - 6: Cu. Metres - 7: Cu. Metres - 8: Cu. Metres - 9: Cu. Metres -	8.3
Total cubic capacity 98% ex slop tank:	336246 Cu. Metres	8.4 & 8.6
Slop tank(s) capacity 98%:	6707 Cu. Metres	8.5 & 8.7
SBT or CBT?	SBT	
If SBT, what percentage of SDWT can vessel maintain with SBT only?	33.36%	8.14.2
If SBT, does vessel meet the requirements of MARPOL Reg 13(2)?	Yes	8.14.3
Number of natural segregations with double valve:	3	8.15

## CARGO PUMPS

Number / Capacity / Type:	3 x 5000 Cu. Metres/Hour (Centrifugal)	8.18-8.25
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## GAUGING AND SAMPLING

Can tank innage/ullage be read from the CCR?	Yes	8.48
Can vessel operate under closed conditions in accordance with ISGOTT 7.6.3?	Yes	8.51
Type of tank gauging system (radar / floating / other)	Radar	8.51.1
Are high level alarms fitted and operational in cargo tanks?	Yes	8.54

## VAPOUR EMISSION CONTROL AND VENTING

Is a vapour return system fitted?	Yes	8.65
State what type of venting system is fitted:	Common, Single Vent riser	8.67
Max loading rate per midships connection for homogenous cargo?	Cu. Metres/Hour	8.79

## CARGO MANIFOLDS

Does vessel comply with the latest edition of the OCIMF 'Recommendations for Oil Tanker Manifolds and Associated Equipment'?	Yes	8.80
What is the number of cargo connections per side?	3	8.83
What is the size of cargo connections?	26 Millimetres	8.84
What is the material of the manifold?	Cast Steel	8.86
Distance between cargo manifold centres:	3000 Millimetres	8.93
Distance ships rail to manifold:	4500 Millimetres	8.95
Distance main deck to centre of manifold:	2100 Millimetres	8.97
Height of manifold connections above the waterline at loaded (Summer Deadweight) condition?	10.423 Metres	8.101
Height of manifold connections above the waterline in normal ballast?	22.886 Metres	8.102
Is vessel fitted with a stern manifold?	No	8.104
Number / size reducers:	6 x 660/500 Millimetres 3 x 660/400 Millimetres 3 x 660/300 Millimetres 3 x 400/250 Millimetres	8.106-8.110

## CARGO HEATING

Type of cargo heating system?		8.120
Material of heating system?		8.128
Max load temp:		
Max temp maintain:		

## IGS & COW

Is an Inert Gas System (IGS) fitted?	Yes	9.1
Is IGS supplied by flue gas, inert gas (IG) generator and/or nitrogen?	Flue Gas	9.3
Is a Crude Oil Washing (COW) installation fitted?	Yes	9.17

**MOORING ARRANGEMENTS**

Number / length / diameter of wires:	Forecastle: 4 / 300 / 42 Fwd main deck: 6 / 300 / 42 Aft main deck: 4 / 300 / 42 Poop: 6 / 300 / 42	<b>10.2-5</b>
Breaking strength of wires:	Forecastle: 114 Fwd main deck: 114 Aft main deck: 114 Poop: 114	<b>10.2-5</b>
Number / length / diameter of ropes:	None	<b>10.11-18</b>
Breaking strength of ropes:	None	<b>10.11-18</b>
Number and brake holding power of winches:	Forecastle: 2 / 72 Fwd main deck: 3 / 72 Aft main deck: 2 / 72 Poop: 3 / 72	<b>10.22-10.25</b>
How many closed chocks and/or fairleads of enclosed type are fitted on:		
	Focsle:	
	Main deck fwd:	
	Main deck aft:	
	Poop:	

**SINGLE POINT MOORING (SPM) EQUIPMENT**

Fairlead size:	650 mm x 450mm	<b>10.48</b>
Does vessel comply with the latest edition of OCIMF 'Recommendations for Equipment Employed in the Mooring of Vessels at Single Point Moorings (SPM)'?	Yes	<b>10.60</b>
Is vessel fitted with chain stopper(s)?	Yes	<b>10.61</b>
Number:	2	<b>10.61.1</b>
Type:	Tongue	<b>10.61.2</b>
SWL:	200 Tonnes	<b>10.61.3</b>
Max diameter chain size:	76 Millimetres	<b>10.62</b>

**LIFTING EQUIPMENT**

Derrick(s) - Number / SWL:	0 / Tonnes	<b>10.75</b>
Crane(s) - Number / SWL:	2 / 20 Tonnes	<b>10.76</b>

**ENGINE ROOM**

What type of fuel is used for main propulsion?	I.F.O.	<b>12.5</b>
What type of fuel is used in the generating plant?	IFO	<b>12.14</b>

**MISCELLANEOUS**

P & I Club name:		
Last three cargoes (Last / 2 <sup>nd</sup> Last / 3 <sup>rd</sup> Last):		Contact owner for details.
Last three charterers (Last / 2 <sup>nd</sup> Last / 3 <sup>rd</sup> Last):		Contact owner for details.
Last three voyages (Last / 2 <sup>nd</sup> Last / 3 <sup>rd</sup> Last):		Contact owner for details.
Date of last SIRE Inspection:		
Date of last CDI Inspection:		
Current Oil Major Company Acceptances (TBOOK):		
Date and place of last Port State Control:		/
Any outstanding deficiencies as reported by any Port State Control?		
If yes, provide details:		

**FOR USA CALLS ONLY**

Qualified individual (QI) - Full Style:	
Oil Spill Response Organization (OSRO) - Full Style:	
Has owner, manager, or operator signed the Sea Carrier Initiative agreement with US customs concerning drug smuggling?	

Revised: July 2004 (INTERTANKO.com / Q88.com)

**APPENDIX B****APPROVED SHIP BROKERS**

P.F. Bassoe A/S (Norway)  
 Platou (Norway)  
 Fearnleys (Norway)  
 H. Clarkson (U.K.)

E.A. Gibson (U.K.)  
Simpson Spence & Young Ltd.  
Jacq. Pierot Jr. & Sons, Inc. (USA)  
Compass Maritime Services LLC  
Galbraith's Limited

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**Code word for this Charter Party**  
**“SHELLTIME 4”**

Issued December 1984 amended December 2003

**Time Charter Party**  
**New York**  
**October 6, 2005**

IT IS THIS DAY AGREED between CHRIS TANKER CORPORATION of MAJURO, MARSHALL ISLANDS (hereinafter referred to as “Owners”), being owners of the good motor vessel called “OVERSEAS CHRIS” (hereinafter referred to as “the vessel”) described as per Clause 1 hereof and DHT CHRIS VLCC CORP. of MAJURO, MARSHALL ISLANDS (hereinafter referred to as “Charterers”):

**Description and Condition of Vessel**

1. At the date of delivery of the vessel under this charter and throughout the charter period:
    - (a) she shall be classed by a Classification Society which is a member of the International Association of Classification Societies;
    - (b) she shall be in every way fit to carry no heat crude petroleum and/or its dirty products; such as no heat Fuel Oil and Orimulsion in accordance with vessel’s class certificates, coating manufacturers resistance list and in accordance with the vessels stability trim and stress requirements.
    - (c) she shall be tight, staunch, strong, in good order and condition, and in every way fit for the service, with her machinery, boilers, hull and other equipment (including but not limited to hull stress calculator, radar, computers and computer systems) in a good and efficient state;
    - (d) her tanks, valves and pipelines shall be oil-tight;
    - (e) she shall be in every way fitted for burning IFO and MDO (if applicable), in accordance with the grades specified in Clause 29 hereof;
    - (f) she shall comply with the regulations in force so as to enable her to pass through the Suez Canal by day and night without delay;
    - (g) she shall have on board all certificates, documents and equipment required from time to time by any applicable law to enable her to perform the charter service without delay;
    - (h) she shall comply with the description in the Questionnaire 88, appended hereto provided however that if there is any conflict between the provisions of this questionnaire and any other provision, including this Clause 1, of this charter such other provisions shall govern;
    - (i) her flag, registry, and classification society shall not be changed;
    - (j) Owners will operate:
      - (i) a safety management system certified to comply with the International Safety Management Code (“ISM Code”) for the Safe Operation of Ships and for Pollution Prevention;
      - (ii) a documented safe working procedures system (including procedures for the identification and mitigation of risks);
      - (iii) a documented environmental management system;
      - (iv) documented accident/incident reporting system compliant with flag state requirements;
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- (k) Owners shall maintain Health Safety Environmental (“HSE”) records sufficient to demonstrate compliance with the requirements of their HSE system and of this charter. Charterers reserve the right to confirm compliance with HSE requirements by audit of Owners.

**Shipboard Personnel and their Duties**

2. (a) At the date of delivery of the vessel under this charter and throughout the charter period:
  - (i) she shall have a full and efficient complement of master, officers and crew for a vessel of her tonnage, who shall in any event be not less than the number required by the laws of the flag state and who shall be trained to operate the vessel and her equipment competently and safely;
  - (ii) all shipboard personnel shall hold valid certificates of competence in accordance with the requirements of the law of the flag state;
  - (iii) all shipboard personnel shall be trained in accordance with the relevant provisions of the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1995 or any additions, modifications or subsequent versions thereof;
  - (iv) (See Clause 91).
  - (v) the terms of employment of the vessel’s staff and crew will always remain acceptable to The International Transport Worker’s Federation and the vessel will at all times carry a Blue Card; (See Clause 50e).

- (vi) the nationality of the vessel's officers will not change without Charterers' prior agreement.
- (b) Owners guarantee that throughout the charter service the master shall with the vessel's officers and crew, unless otherwise ordered by Charterers;
  - (i) prosecute all voyages with the utmost despatch;
  - (ii) render all customary assistance; and
  - (iii) load and discharge cargo as rapidly as possible when required by Charterers or their agents to do so, by night or by day, but always in accordance with the laws of the place of loading or discharging (as the case may be) and in each case in accordance with any applicable laws of the flag state.

### **Duty to Maintain**

- 3. (a) Throughout the charter service Owners shall, whenever the passage of time, wear and tear or any event (whether or not coming within Clause 27 hereof) requires steps to be taken to maintain or restore the conditions stipulated in Clauses 1 and 2(a), exercise due diligence so to maintain or restore the vessel.
- (b) If at any time whilst the vessel is on hire under this charter the vessel fails to comply with the requirements of Clauses 1, 2(a) or 10 then hire shall be reduced to the extent necessary to indemnify Charterers for such failure. If and to the extent that such failure affects the time taken by the vessel to perform any services under this charter, hire shall be reduced by an amount equal to the value, calculated at the rate of hire, of the time so lost.

Any reduction of hire under this sub-Clause (b) shall be without prejudice to any other remedy available to Charterers, but where such reduction of hire is in respect of time lost, such time shall be excluded from any calculation under Clause 24.

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- (c) If Owners are in breach of their obligations under Clause 3(a), Charterers may so notify Owners in writing and if, after the expiry of 30 days following the receipt by Owners of any such notice, Owners have failed to demonstrate to Charterers' reasonable satisfaction the exercise of due diligence as required in Clause 3(a), the vessel shall be off-hire, and no further hire payments shall be due, until Owners have so demonstrated that they are exercising such due diligence.
  - (d) Owners shall advise Charterers immediately, in writing, should the vessel fail an inspection by, but not limited to, a governmental and/or port state authority, and/or terminal and/or major charterer of similar tonnage. Owners shall simultaneously advise Charterers of their proposed course of action to remedy the defects which have caused the failure of such inspection (see clause 57).
  - (e) If, in Charterers reasonably held view:
    - (i) failure of an inspection, or,
    - (ii) any finding of an inspection,

referred to in Clause 3(d), prevents normal commercial operations then Charterers have the option to place the vessel off-hire from the date and time that the vessel fails such inspection, or becomes commercially inoperable, until the date and time that the vessel passes a re-inspection by the same organisation, or becomes commercially operable, which shall be in a position no less favourable to Charterers than at which she went off-hire.

- (f) Furthermore, at any time while the vessel is off-hire under this Clause 3 (with the exception of Clause 3(e)(ii)), Charterers have the option to terminate this charter by giving notice in writing with effect from the date on which such notice of termination is received by Owners or from any Later date stated in such notice. This sub-Clause (f) is without prejudice to any rights of Charterers or obligations of Owners under this charter or otherwise (including without limitation Charterers' rights under Clause 21 hereof).

### **Period, Trading Limits and Safe Places**

- 4. (a) Owners agree to let and Charterers agree to hire the vessel for a period of (See clause 93). The last firm period shall having a tolerance of plus or minus 30 days in Charterers' option commencing from the time and date of delivery of the vessel under the Memorandum of Agreement (the "MOA") dated , 2005, for the purpose of carrying all lawful merchandise (subject always to Clause 28) including in particular:

No heat crude petroleum and its dirty products including no heat fuel Oil and Orimulsion in any part of the world, as Charterers shall direct, subject to the limits of the current British Institute Warranties and any subsequent amendments thereof excluding countries under U.N. and/or U.S. sanctions/embargoes. The vessel may trade to war zones, with Owners consent which not to be unreasonably withheld, in which case, Charterers to pay for the additional premium. Notwithstanding the foregoing, but subject to Clause 35, Charterers may order the vessel to ice-bound waters or to any part of the world outside such limits provided that Owner's consent thereto (such consent not to be unreasonably withheld) and that Charterers pay for any insurance premium required by the vessel's underwriters as a consequence of such order.

- (b) Any time during which the vessel is off-hire under this charter may be added to the last firm charter period in Charterers' option up to the total amount of time spent off-hire. In such cases the rate of hire will be that prevailing at the time the vessel would, but for the provisions of this Clause, have been redelivered.
  - (c) Charterers shall use due diligence to ensure that the vessel is only employed between and at safe places (which expression when used in this charter shall include ports, berths, wharves, docks, anchorages, submarine lines, alongside vessels or lighters, and other locations including locations at sea) where she can safely lie always afloat. Notwithstanding anything contained in this or any other clause of this charter, Charterers do not warrant the safety of any place to which they order the vessel and shall be under no
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liability in respect thereof except for loss or damage caused by their failure to exercise due diligence as aforesaid. Subject as above, the vessel shall be loaded and discharged at any places as Charterers may direct, provided that Charterers shall exercise due diligence to ensure that any ship-to-ship transfer operations shall conform to standards not less than those set out in the latest published edition of the ICS/OCIMF Ship-to-Ship Transfer Guide.

- (d) The vessel shall be delivered by Owners at a safe port or at sea in Charterer's option and redelivered to Owners at one safe port or at sea, worldwide at Charterer's option.
- (e) The vessel will deliver with last cargo of crude and/or its dirty products and will redeliver with last cargo of crude and/or its dirty products
- (f) Charterers are required to give Owners 30 days prior approximate notice of redelivery and 5/3/2/1 day(s) definite notice of redelivery and place.

#### **Laydays/Canceling**

- 5. The delivery of the vessel under this charter shall be deemed to have occurred and this Charter shall be effective as of the date of the delivery of the vessel from the Sellers to the Buyers (Owners) under the terms of the MOA between 1321 Tanker Corporation and Chris Tanker Corporation dated September 20, 2005.

The vessel may be on a voyage or time charter at the time of delivery. Charterers accept this Charter subject to such charters (which become sub-charters to this time charter) upon delivery. Furthermore, notwithstanding anything to the contrary contained in this charter, including but not limited to Clause 1 hereof, the Charterers accept the vessel in the condition it is in at the time of delivery, including the vetting status, and agrees that at such time the vessel satisfies the standard set forth in Clause 1.

#### **Owners to Provide**

- 6. Owners undertake to provide and to pay for all provisions, wages (including but not limited to all overtime payments), and shipping and discharging fees and all other expenses of the master, officers and crew; also, except as provided in Clauses 4 and 34 hereof, for all insurance on the vessel, for all Deck, cabin and engine-room stores, and for water (limited to crew only); for all drydocking, overhaul, maintenance and repairs to the vessel. Owners' obligations under this Clause 6 extend to all liabilities for customs or import duties arising at any time during the performance of this charter in relation to the personal effects of the master, officers and crew, and in relation to the stores, provisions and other matters aforesaid which Owners are to provide and pay for and Owners shall refund to Charterers any sums Charterers or their agents may have paid or been compelled to pay in respect of any such liability. Any amounts allowable in general average for wages and provisions and stores shall be credited to Charterers insofar as such amounts are in respect of a Period when the vessel is on-hire.

#### **Charterers to Provide**

- 7. (a) Charterers shall provide and pay for all fuel (except for fuel used for domestic services), towage and pilotage and shall pay agency fees, port charges, commissions, expenses of loading and unloading cargoes, canal dues, and tax/dues on cargo/freight and all charges other than those payable by Owners in accordance with Clause 6 hereof, provided that all charges for the said items shall be for Owners' account when such items are consumed, employed or incurred for Owners' purposes or while the vessel is off-hire (unless such items reasonably relate to any service given or distance made good and taken into account under Clause 21 or 22); and provided further that any fuel used in connection with a general average sacrifice or expenditure shall be paid for by Owners. OPA charges to be paid by Charterers, COFR to be arranged and paid for by Owners.
- (b) In respect of bunkers consumed for Owners' purposes these will be charged on each occasion by Charterers on a "first-in-first-out" basis valued on the prices actually paid by Charterers.

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- (c) If the trading limits of this charter include ports in the United States of America and/or its protectorates then Charterers shall reimburse Owners for port specific charges relating to additional premiums charged by providers of oil pollution cover, when incurred by the vessel calling at ports in the United States of America and/or its protectorates in accordance with Charterers orders. The liability to reimburse Owners shall not apply where the OPA charges has arisen through the actions of the Owner.

#### **Rate of Hire**

- 8. (See Clause 99).

#### **Payment of Hire**

- 9. Subject to Clause 3(c) and 3(e), payment of hire shall be made in immediately available funds to:

Wachovia Bank, NA New York  
ABA # 031-201-467  
Account: The Royal Bank of Scotland International Limited  
Account Number: 2000193009149 (CHIPS:155424)  
SWIFT: PNBUS3NNYC  
For further credit to: Double Hull Tankers, Inc.  
Account Number: 1028 – 50440694

in United States Dollars per calendar month in advance, less:

- (i) any hire paid which Charterers reasonably estimate to relate to off-hire periods, and,

- (ii) any amounts disbursed on Owners' behalf, any advances and commission therein, and charges which are for Owners' account pursuant to any provision hereof, and;
- (iii) any amounts due or reasonably estimated to become due to Charterers under Clause 3(c) or 24 hereof,

any such adjustments to be made at the due date, which shall be the 27<sup>th</sup> day of the preceding month for which payment is being made, for the next monthly payment after the facts have been ascertained. Charterers shall not be responsible for any delay or error by Owners' bank in crediting Owners' account provided that Charterers have made proper and timely payment.

In default of such proper and timely payment:

- (a) Owners shall notify Charterers of such default and Charterers shall within seven days of receipt of such notice pay to Owners the amount due, including interest, failing which Owners may withdraw the vessel from the service of Charterers without prejudice to any other rights Owners may have under this charter or otherwise; and;
- (b) Interest on any amount due but not paid on the due date shall accrue from the day after that date up to and including the day when payment is made, at a rate per annum which shall be 1% above the U.S. Prime Rate as published in the Wall Street Journal as effective for each day the amount is outstanding, or, if no such interest rate is published for a given day, the interest rate published for the next preceding day for which such a rate was so published, computed on an actual/365 basis.

### **Space Available to Charterers**

- 10. The whole reach, burthen and decks on the vessel and any passenger accommodation (including Owners' suite) shall be at Charterers' disposal, reserving only proper and sufficient space for the vessel's master, officers, crew, tackle, apparel, furniture, provisions and stores.

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### **Segregated Ballast**

- 11. In connection with the Council of the European Union Regulation on the Implementation of IMO Resolution A747(18) Owners will ensure that the following entry is made on the International Tonnage Certificate (1969) under the section headed "Remarks".

"The segregated ballast tanks comply with the Regulation 13 of Annex 1 of the International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 relating thereto".

### **Instructions and Logs**

- 12. Charterers shall from time to time give the master all requisite instructions and sailing directions, and the master shall keep a full and correct log of the voyage or voyages, which Charterers or their agents may inspect as required. The master shall when required furnish Charterers or their agents with a true copy of such log and with properly completed loading and discharging port sheets and voyage reports for each voyage and other returns as Charterers may require. Charterers shall be entitled to take copies at Owners' expense of any such documents which are not provided by the master. Owner's crew to be trained to operate and to utilize Charter Operations System (CHOPS) as directed by Charterer.

### **Bills of Lading**

- 13. (a) The master (although appointed by Owners) shall be under the orders and direction of Charterers as regards employment of the vessel, agency and other arrangements, and shall sign Bills of Lading as Charterers or their agents may direct (subject always to Clauses 35(a) and 40) without prejudice to this charter. Charterers hereby indemnify Owners against all consequences or liabilities that may arise;
  - (i) from signing Bills of Lading in accordance with the directions of Charterers or their agents, to the extent that the terms of such Bills of Lading fail to conform to the requirements of this charter, or (except as provided in Clause 13(b)) from the master otherwise complying with Charterers' or their agents' orders;
  - (ii) from any irregularities in papers supplied by Charterers or their agents.
- (b) Notwithstanding the foregoing, Owners shall not be obliged to comply with any orders from Charterers to discharge all or part of the cargo:
  - (i) at any place other than shown on the Bill of Lading and/or
  - (ii) without presentation of an original Bill of Ladingunless they receive from Charterers both written confirmation of such orders and an indemnity in a form acceptable to Owners (See Clause 49).

### **Conduct of Vessel's Personnel**

- 14. If Charterers complain of the conduct of the master or any of the officers or crew, Owners shall immediately investigate the complaint. If the complaint proves to be well founded, Owners shall, without delay, make a change in the appointments and Owners shall in any event communicate the result of their investigations to Charterers as soon as possible.

### **Bunkers at Delivery and Redelivery**

- 15. There shall be no physical payment for bunkers on board at the time of delivery. Owners shall on redelivery (whether it occurs at the end of the charter or on the earlier termination of this charter) accept and pay for all
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bunkers remaining on board, at the price actually paid, on a "first-in-first-out" basis. Such prices are to be supported by paid invoices.

Vessel to be delivered to and redelivered from the charter with, at least, a quantity of bunkers on board sufficient to reach the nearest main bunkering port.

Notwithstanding anything contained in this charter all bunkers on board the vessel shall, throughout the duration of this charter, remain the property of Charterers and can only be purchased on the terms specified in the charter at the end of the charter period or, if earlier, at the termination of the charter.

### **Stevedores, Pilots, Tugs**

16. Stevedores, when required, shall be employed and paid by Charterers, but this shall not relieve Owners from responsibility at all times for proper stowage, which must be controlled by the master who shall keep a strict account of all cargo loaded and discharged. Owners hereby indemnify Charterers, their servants and agents against all losses, claims, responsibilities and liabilities arising in any way whatsoever from the employment of pilots, tugboats or stevedores, who although employed by Charterers shall be deemed to be the servants of and in the service of Owners and under their instructions (even if such pilots, tugboat personnel or stevedores are in fact the servants of Charterers their agents or any affiliated company); provided, however, that:
- (a) the foregoing indemnity shall not exceed the amount to which Owners would have been entitled to limit their liability if they had themselves employed such pilots, tugboats or stevedores, and;
  - (b) Charterers shall be liable for any damage to the vessel caused by or arising out of the use of stevedores, fair wear and tear excepted, to the extent that Owners are unable by the exercise of due diligence to obtain redress therefor from stevedores.

### **Super-Numeraries**

17. Charterers may send representatives in the vessel's available accommodation upon any voyage made under this charter, Owners finding provisions and all requisites as supplied to officers, except alcohol. Charterers paying at the rate of United States Dollars 20 (twenty) per day for each representative while on board the vessel.

### **Sub-letting/Assignment/Novation**

18. Charterers may sub-let the vessel, but shall always remain responsible to Owners for due fulfilment of this charter.

### **Final Voyage**

19. If when a payment of hire is due hereunder Charterers reasonably expect to redeliver the vessel before the next payment of hire would fall due, the hire to be paid shall be assessed on Charterers' reasonable estimate of the time necessary to complete Charterers' programme up to redelivery, and from which estimate Charterers may deduct amounts due or reasonably expected to become due for:
- (a) disbursements on Owners' behalf or charges for Owners' account pursuant to any provision hereof, and;
  - (b) bunkers on board at redelivery pursuant to Clause 15.

Promptly after redelivery any overpayment shall be refunded by Owners or any underpayment made good by Charterers.

If at the time this charter would otherwise terminate in accordance with Clause 4 the vessel is on a ballast voyage to a port of redelivery or is upon a laden voyage, Charterers shall continue to have the use of the vessel

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at the same rate and conditions as stand herein for as long as necessary to complete such ballast voyage, or to complete such laden voyage and return to a port of redelivery as provided by this charter, as the case may be.

### **Loss of Vessel**

20. Should the vessel be lost, this charter shall terminate and hire shall cease at noon (GMT) on the day of her loss; should the vessel be a constructive total loss, this charter shall terminate and hire shall cease at noon (GMT) on the day on which the vessel's underwriters agree that the vessel is a constructive total loss; should the vessel be missing, this charter shall terminate and hire shall cease at noon (GMT) on the day on which she was last heard of. Any hire paid in advance and not earned shall be returned to Charterers and Owners shall reimburse Charterers for the value of the estimated quantity of bunkers on board at the time of termination, at the price paid by Charterers at the last bunkering port.

### **Off-hire**

21. (a) On each and every occasion that there is loss of time (whether by way of interruption in the vessel's service or, from reduction in the vessel's performance, or in any other manner):
- (i) due to deficiency of personnel or stores; repairs; gas-freeing for repairs; time in and waiting to enter dry dock for repairs; breakdown (whether partial or total) of machinery, boilers or other parts of the vessel or her equipment (including without limitation tank coatings); overhaul, maintenance or survey; collision, stranding, accident or damage to the vessel; or any other similar cause preventing the efficient working of the vessel; and such loss continues for more than three consecutive hours (if resulting from interruption in the vessel's service) or cumulates to more than three hours (if resulting from partial loss of service); or;
  - (ii) due to industrial action, refusal to sail, breach of orders or neglect of duty on the part of the master, officers or crew; or;

- (iii) for the purpose of obtaining medical advice or treatment for or landing any sick or injured person (other than a Charterers' representative carried under Clause 17 hereof) or for the purpose of landing the body of any person (other than a Charterers' representative), and such loss continues for more than three consecutive hours; or;
  - (iv) due to any delay in quarantine arising from the master, officers or crew having had communication with the shore at any infected area without the written consent or instructions of Charterers or their agents, or to any detention by customs or other authorities caused by smuggling or other infraction of local law on the part of the master, officers, or crew; or;
  - (v) due to detention of the vessel by authorities at home or abroad attributable to legal action against or breach of regulations by the vessel, the vessel's owners, or Owners (unless brought about by the act or neglect of Charterers); then, without prejudice to Charterers' rights under Clause 3 or to any other rights of Charterers hereunder, or otherwise, the vessel shall be off-hire from the commencement of such loss of time until she is again ready and in an efficient state to resume her service from a position not less favourable to Charterers than that at which such loss of time commenced; provided, however, that any service given or distance made good by the vessel whilst off-hire shall be taken into account in assessing the amount to be deducted from hire.
  - (vi) Charterers shall keep owners/master advised of vessels schedule to allow Owners the opportunity to make use of any idle time for the purpose of maintenance during the charter. Such idle time not to count as off-hire.
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- (b) If the vessel fails to proceed at any guaranteed speed pursuant to Clause 24, and such failure arises wholly or partly from any of the causes set out in Clause 21(a) above, then the period for which the vessel shall be off-hire under this Clause 21 shall be the difference between:
  - (i) the time the vessel would have required to perform the relevant service at such guaranteed speed, and;
  - (ii) the time actually taken to perform such service (including any loss of time arising from interruption in the performance of such service).

For the avoidance of doubt, all time included under (ii) above shall be excluded from any computation under Clause 24.

- (c) Further and without prejudice to the foregoing, in the event of the vessel deviating (which expression includes without limitation putting back, or putting into any port other than that to which she is bound under the instructions of Charterers) for any cause or purpose mentioned in Clause 21(a), the vessel shall be off-hire from the commencement of such deviation until the time when she is again ready and in an efficient state to resume her service from a position not less favourable to Charterers than that at which the deviation commenced, provided, however, that any service given or distance made good by the vessel whilst so off-hire shall be taken into account in assessing the amount to be deducted from hire. If the vessel, for any cause or purpose mentioned in Clause 21(a), puts into any port other than the port to which she is bound on the instructions of Charterers, the port charges, pilotage and other expenses at such port shall be borne by Owners. Should the vessel be driven into any port or anchorage by stress of weather hire shall continue to be due and payable during any time lost thereby.
- (d) If the vessel's flag state becomes engaged in hostilities, and Charterers in consequence of such hostilities find it commercially impracticable to employ the vessel and have given Owners written notice thereof then from the date of receipt by Owners of such notice until the termination of such commercial impracticability the vessel shall be off-hire and Owners shall have the right to employ the vessel on their own account.
- (e) Time during which the vessel is off-hire under this charter shall count as part of the charter period except where Charterers declare their option to add off-hire periods under Clause 4(b).
- (f) All references to "time" in this charter party shall be references to GMT except where otherwise stated.
- (g) During any time that the vessel is off-hire under this charter, Basic Hire shall not accrue. Any additional hire that may be due for periods that the Vessel is off-hire shall be determined in accordance with the terms of the Charter Framework Agreement.

### **Periodical Drydocking**

- 22. (a) Owners have the right and obligation to drydock the vessel at regular intervals not exceeding 5 years. On each occasion Owners shall propose to Charterers a date on which they wish to drydock the vessel, not less than 90 days before such date and Charterers shall offer a port for such periodical drydocking and shall take all reasonable steps to make the vessel available as near to such date as practicable.

Owners shall put the vessel in drydock at their expense as soon as practicable after Charterers place the vessel at Owners' disposal clear of cargo other than tank washings and residues. Owners shall be responsible for and pay for the disposal into reception facilities of such tank washings and residues and shall have the right to retain any monies received therefor, without prejudice to any claim for loss of cargo under any Bill of Lading or this charter.

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- (b) If a periodical drydocking is carried out in the port offered by Charterers (which must have suitable accommodation for the purpose and reception facilities for tank washings and residues), the vessel shall be off-hire from the time she arrives at such port until drydocking is completed and she is in every way ready to resume Charterers' service and is at the position at which she went off-hire or a position no less favourable to Charterers, whichever she first attains. However:
    - (i) provided that Owners exercise due diligence in gas-freeing, any time lost in gas-freeing to the standard required for entry into drydock for cleaning and painting the hull shall not count as off-hire, whether lost on passage to the drydocking port or after arrival there (notwithstanding Clause 21), and;

- (ii) any additional time lost in further gas-freeing to meet the standard required for hot work or entry to cargo tanks shall count as off-hire, whether lost on passage to the drydocking port or after arrival there.

Any time which, but for sub-Clause (i) above, would be off-hire, shall not be included in any calculation under Clause 24.

The expenses of gas-freeing, including without limitation the cost of bunkers, shall be for Owners account.

- (c) If Owners require the vessel, instead of proceeding to the offered port, to carry out periodical drydocking at a special port selected by them, the vessel shall be off-hire from the time when she is released to proceed to the special port until she next presents for loading in accordance with Charterers' instructions, provided, however, that Charterers shall credit Owners with the time which would have been taken on passage at the service speed had the vessel not proceeded to drydock. All fuel consumed shall be paid for by Owners but Charterers shall credit Owners with the value of the fuel which would have been used on such notional passage calculated at the guaranteed daily consumption for the service speed, and shall further credit Owners with any benefit they may gain in purchasing bunkers at the special port.
- (d) Charterers shall, insofar as cleaning for periodical drydocking may have reduced the amount of tank-cleaning necessary to meet Charterers' requirements, credit Owners with the value of any bunkers which Charterers calculate to have been saved thereby, whether the vessel drydocks at an offered or a special port.

### Ship Inspection

23. (See Clause 83).

### Detailed Description and Performance

24. Owners guarantee that the speed and consumption of the vessel shall be as follows: (see Clause 78).

The bunker consumptions are for all purposes except cargo heating, purging and tank cleaning and shall be pro-rated between the speeds shown.

Charterer may order the vessel to proceed at any speed above/below the guaranteed speed, weather and safe navigation permitting.

If the vessel is ordered to proceed at any speed other than the highest speed and the average speed actually attained by the vessel during the currency of such order exceeds such ordered speed plus 0.5 knots (the "maximum recognised speed"), then for the purpose of calculating a decrease of hire under this Clause 24 the maximum recognised speed shall be used in place of the average speed actually attained.

For the purposes of this charter the "guaranteed speed" at any time shall be the then-current ordered speed or the service speed, as the case may be.

The average speeds and bunker consumptions shall for the purposes of this Clause 24 be calculated by reference to the observed distance from pilot station to pilot station on all sea passages during each period stipulated in Clause 24(c), but excluding any time during which the vessel is (or but for Clause 22(b)(i) would be) off-hire and also excluding "Adverse Weather Periods", being:

- (i) any periods during which reduction of speed is necessary for safety in congested waters or in poor visibility;
  - (ii) any days, noon to noon, when winds exceed force 5 on the Beaufort Scale for more than 12 hours.
- (b) If during any half year (i.e., 6 calendar months) period from the date on which the vessel enters service and continuing for each succeeding 6 calendar month period thereafter, the vessel falls below the performance guaranteed in Clause 24(a) then if such shortfall results:
- (i) from a reduction in the average speed of the vessel, compared to the speed guaranteed in Clause 24(a), then an amount equal to the value at the hire rate of the time so lost shall be included in the performance calculation;
  - (ii) from an increase in the total bunkers consumed, compared to the total bunkers which would have been consumed had the vessel performed as guaranteed in Clause 24(a), an amount equivalent to the value of the additional bunkers consumed or based on the average price paid by Charterers for the vessel's bunkers in such period, shall be included in the performance calculation.

The results of the performance calculation for laden and ballast mileage respectively shall be adjusted to take into account the mileage steamed in each such condition during Adverse Weather Periods, by dividing such deduction by the number of miles over which the performance has been calculated and multiplying by the same number of miles plus the miles steamed during the Adverse Weather Periods, in order to establish the total performance calculation for such period.

Reduction of hire under the foregoing sub-Clause (b) shall be without prejudice to any other remedy available to Charterers.

- (c) Calculations under this Clause 24 shall be made every 6 months terminating on each successive anniversary of the date on which the vessel enters service, and for the period between the last such anniversary and the date of termination of this charter if less than a year. Claims in respect of reduction of hire arising under this Clause during the final year or part year of the charter period shall in the first instance be settled in accordance with Charterers' estimate made two months before the end of the charter period. Any necessary adjustment after this charter terminates shall be made by payment by Owners to Charterers.
- (d) Owners and Charterers agree that this Clause 24 is assessed on the basis that Owners are not entitled to additional hire for performance in excess of the speeds and consumptions given in this Clause 24.

It is understood between Owner and Charterers that any speed over performance and/or fuel under consumption are to be credited to any under performance/over consumption during the (6) months review period, but no over performance and/or under consumption bonus shall be paid to owners.

## **Salvage**

25. Subject to the provisions of Clause 21 hereof, all loss of time and all expenses (excluding any damage to or loss of the vessel or tortious liabilities to third parties) incurred in saving or attempting to save life or in successful or unsuccessful attempts at salvage shall be borne equally by Owners and Charterers provided that Charterers shall not be liable to contribute towards any salvage payable by Owners arising in any way out of services rendered under this Clause 25.
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All salvage and all proceeds from derelicts shall be divided equally between Owners and Charterers after deducting the master's, officers' and crew's share.

## **Lien**

26. Owners shall have a lien upon all cargoes and all freights, sub-freights and demurrage for any amounts due under this charter; and Charterers shall have a lien on the vessel for all monies paid in advance and not earned, and for all claims for damages arising from any breach by Owners of this charter.

## **Exceptions**

27. (a) The vessel, her master and Owners shall not, unless otherwise in this charter expressly provided, be liable for any loss or damage or delay or failure arising or resulting from any act, neglect or default of the master, pilots, mariners or other servants of Owners in the navigation or management of the vessel; fire, unless caused by the actual fault or privity of Owners; collision or stranding; dangers and accidents of the sea; explosion, bursting of boilers, breakage of shafts or any latent defect in hull, equipment or machinery; provided, however, that Clauses 1, 2, 3, and 24 hereof shall be unaffected by the foregoing. Further, neither the vessel, her master or Owners, nor Charterers shall, unless otherwise in this charter expressly provided, be liable for any loss or damage or delay or failure in performance hereunder arising or resulting from act of God, act of war, seizure under legal process, quarantine restrictions, strikes, lock-outs, riots, restraints of labour, civil commotions or arrest or restraint of princes, rulers or people.
- (b) The vessel shall have liberty to sail with or without pilots, to tow or go to the assistance of vessels in distress and to deviate for the purpose of saving life or property.
- (c) Clause 27(a) shall not apply to, or affect any liability of Owners or the vessel or any other relevant person in respect of:
- (i) loss or damage caused to any berth, jetty, dock, dolphin, buoy, mooring line, pipe or crane or other works or equipment whatsoever at or near any place to which the vessel may proceed under this charter, whether or not such works or equipment belong to Charterers, or;
- (ii) any claim (whether brought by Charterers or any other person) arising out of any loss of or damage to or in connection with cargo. Any such claim shall be subject to the Hague-Visby Rules or the Hague Rules or the Hamburg Rules, as the case may be, which ought pursuant to Clause 38 hereof to have been incorporated in the relevant Bill of Lading (whether or not such Rules were so incorporated) or, if no such Bill of Lading is issued, to the Hague-Visby Rules unless the Hamburg Rules compulsorily apply in which case to the Hamburg Rules.
- (d) In particular and without limitation, the foregoing subsections (a) and (b) of this Clause shall not apply to or in any way affect any provision in this charter relating to off-hire or to reduction of hire.

## **Injurious Cargoes**

28. No acids, explosives or cargoes injurious to the vessel shall be shipped and without prejudice to the foregoing any damage to the vessel caused by the shipment of any such cargo, and the time taken to repair such damage, shall be for Charterers' account. No voyage shall be undertaken, nor any goods or cargoes loaded, that would expose the vessel to capture or seizure by rulers or governments.

## **Grade of Bunkers**

29. Charterers shall supply the vessel with IFO 380 CST RMG 35 as per ISO 8217:1996 (E) requirements for Marine residual fuels and MDO (if applicable) DMB distillate diesel as per ISO 8217:1996 (E) requirements for Marine distillate fuels. Specifications are subject to any revisions of the ISO standards over the term of this charter (See Clause 62).
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## **Disbursements**

30. Should the master require advances for ordinary disbursements at any port, Charterers or their agents shall make such advances to him, in consideration of which Owners shall pay a commission of two and a half per cent, and all such advances and commission shall be deducted from hire.

## **Laying-up**

31. Charterers shall have the option, after consultation with Owners, of requiring Owners to lay up the vessel at a safe place nominated by Charterers, in which case the hire provided for under this charter shall be adjusted to reflect any net increases in expenditure reasonably incurred or any net saving which should reasonably be made by Owners as a result of such lay up. Charterers may exercise the said option any number of times during the charter period.

## **Requisition**

32. Should the vessel be requisitioned by any government, de facto or de jure, during the period of this charter, the vessel shall be off-hire during the period of such requisition, and any hire paid by such governments in respect of such requisition period shall be for Owners' account. Any such requisition period shall not count as part of the charter period and the cumulative requisition time may, at the sole discretion of the Charterer, be added to the end of the firm charter period at a rate in effect at the time the off hire was incurred.

### **Outbreak of War**

33. If war or hostilities break out between any two or more of the following countries: U.S.A., the countries or republics having been part of the former U.S.S.R. (except that declaration of war or hostilities solely between any two or more of the countries or republics having been part of the former USSR shall be exempted), P.R.C., U.K., Netherlands, then both Owners and Charterers shall have the right to cancel this charter provided that the hostilities directly interfere with the vessels trading under Clause 4.

### **Additional War Expenses**

34. If the vessel is ordered to trade in areas where there is war (de facto or de jure) or threat of war, Charterers shall reimburse Owners for any additional insurance premia, crew bonuses and other expenses which are reasonably incurred by Owners as a consequence of such orders, provided that Charterers are given notice of such expenses as soon as practicable and in any event before such expenses are incurred, and provided further that Owners obtain from their insurers a waiver of any subrogated rights against Charterers in respect of any claims by Owners under their war risk insurance arising out of compliance with such orders.

Any payments by Charterers under this Clause will only be made against proven documentation. Any discount or rebate refunded to Owners, for whatever reason, in respect of additional war risk premium shall be passed on to Charterers.

### **War Risks**

35. (a) The master shall not be required or bound to sign Bills of Lading for any place which in his or Owners' reasonable opinion is dangerous or impossible for the vessel to enter or reach owing to any blockade, war, hostilities, warlike operations, civil war, civil commotions or revolutions.
- (b) If in the reasonable opinion of the master or Owners it becomes, for any of the reasons set out in Clause 35(a) or by the operation of international law, dangerous, impossible or prohibited for the vessel to reach or enter, or to load or discharge cargo at, any place to which the vessel has been ordered pursuant to this charter (a "place of peril"), then Charterers or their agents shall be immediately notified in writing or by radio messages, and Charterers shall thereupon have the right to order the cargo, or such part of it as may be affected, to be loaded or discharged, as the case may be, at any other place within the trading

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limits of this charter (provided such other place is not itself a place of peril). If any place of discharge is or becomes a place of peril, and no orders have been received from Charterers or their agents within 48 hours after dispatch of such messages, then Owners shall be at liberty to discharge the cargo or such part of it as may be affected at any place which they or the master may in their or his discretion select within the trading limits of this charter and such discharge shall be deemed to be due fulfilment of Owners' obligations under this charter so far as cargo so discharged is concerned.

- (c) The vessel shall have liberty to comply with any directions or recommendations as to departure, arrival, routes, ports of call, stoppages, destinations, zones, waters, delivery or in any other wise whatsoever given by the government of the state under whose flag the vessel sails or any other government or local authority or by any person or body acting or purporting to act as or with the authority of any such government or local authority including any de facto government or local authority or by any person or body acting or purporting to act as or with the authority of any such government or local authority or by any committee or person having under the terms of the war risks insurance on the vessel the right to give any such directions or recommendations. If by reason of or in compliance with any such directions or recommendations anything is done or is not done, such shall not be deemed a deviation. If by reason of or in compliance with any such direction or recommendation the vessel does not proceed to any place of discharge to which she has been ordered pursuant to this charter, the vessel may proceed to any place which the master or Owners in his or their discretion select and there discharge the cargo or such part of it as may be affected. Such discharge shall be deemed to be due fulfilment of Owners' obligations under this charter so far as cargo so discharged is concerned.

Charterers shall procure that all Bills of Lading issued under this charter shall contain the Chamber of Shipping War Risks Clause 1952.

### **Both to Blame Collision Clause**

36. If the liability for any collision in which the vessel is involved while performing this charter fails to be determined in accordance with the laws of the United States of America, the following provision shall apply:

"If the ship comes into collision with another ship as a result of the negligence of the other ship and any act, neglect or default of the master, mariner, pilot or the servants of the carrier in the navigation or in the management of the ship, the owners of the cargo carried hereunder will indemnify the carrier against all loss, or liability to the other or non-carrying ship or her owners in so far as such loss or liability represents loss of, or damage to, or any claim whatsoever of the owners of the said cargo, paid or payable by the other or non-carrying ship or her owners to the owners of the said cargo and set off, recouped or recovered by the other or non-carrying ship or her owners as part of their claim against the carrying ship or carrier."

"The foregoing provisions shall also apply where the owners, operators or those in charge of any ship or ships or objects other than, or in addition to, the colliding ships or objects are at fault in respect of a collision or contact."

Charterers shall procure that all Bills of Lading issued under this charter shall contain a provision in the foregoing terms to be applicable where the liability for any collision in which the vessel is involved fails to be determined in accordance with the laws of the United States of America.

### **New Jason Clause**

37. General average contributions shall be payable according to York/Antwerp Rules, 2000 as amended from time to time, and shall be adjusted in New York in accordance with New York law and practice.

In the event of accident, danger, damage or disaster before or after the commencement of the voyage, resulting from any cause whatsoever, whether due to negligence or not, for which, or for the consequence of which, the carrier is not responsible by statute, contract or otherwise, the cargo, shippers, consignees or owners of the cargo shall contribute with the carrier in general average to the payment of any sacrifices, losses or expenses of

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a general average nature that may be made or incurred and shall pay salvage and special charges incurred in respect of the cargo.

If a salving ship is owned or operated by the carrier, salvage shall be paid for as fully as if the said salving ship or ships belonged to strangers. Such deposit as the carrier or his agents may deem sufficient to cover the estimated contribution of the cargo and any salvage and special charges thereon shall, if required, be made by the cargo, shippers, consignees or owners of the cargo to the carrier before delivery.

Charterers shall procure that all Bills of Lading issued under this charter shall contain a provision in the foregoing terms, to be applicable where adjustment of general average is made in accordance with the laws and practice of the United States of America.

#### **Clause Paramount**

38. Charterers shall procure that all Bills of Lading issued pursuant to this charter shall contain the following:

“(1) Subject to sub-Clause (2) or (3) hereof, this Bill of Lading shall be governed by, and have effect subject to, the rules contained in the International Convention for the Unification of Certain Rules relating to Bills of Lading signed at Brussels on 25th August 1924 (hereafter the “Hague Rules”) as amended by the Protocol signed at Brussels on 23rd February 1968 (hereafter the “Hague-Visby Rules”). Nothing contained herein shall be deemed to be either a surrender by the carrier of any of his rights or immunities or any increase of any of his responsibilities or liabilities under the Hague-Visby Rules.”

“(2) If there is governing legislation which applies the Hague Rules compulsorily to this Bill of Lading, to the exclusion of the Hague-Visby Rules, then this Bill of Lading shall have effect subject to the Hague Rules. Nothing therein contained shall be deemed to be either a surrender by the carrier of any of his rights or immunities or an increase of any of his responsibilities or liabilities under the Hague Rules.”

“(3) If there is governing legislation which applies the United Nations Convention on the Carriage of Goods by Sea 1978 (hereafter the “Hamburg Rules”) compulsorily to this Bill of Lading, to the exclusion of the Hague-Visby Rules, then this Bill of Lading shall have effect subject to the Hamburg Rules. Nothing therein contained shall be deemed to be either a surrender by the carrier of any of his rights or immunities or an increase of any of his responsibilities or liabilities under the Hamburg Rules.”

“(4) If any term of this Bill of Lading is repugnant to the Hague-Visby Rules, or Hague Rules, or Hamburg Rules, as applicable, such term shall be void to that extent but no further.”

“(5) Nothing in this Bill of Lading shall be construed as in any way restricting, excluding or waiving the right of any relevant party or person to limit his liability under any available legislation and/or law.”

#### **Insurance/ITOPF**

39. Owners warrant that the vessel is now, and will, throughout the duration of the charter:

- (a) be owned or demise chartered by a member of the International Tanker Owners Pollution Federation Limited;
- (b) be properly entered in U.K. or GARD P & I Club, being a member of the International Group of P & I Clubs;
- (c) have in place insurance cover for oil pollution for the maximum on offer through the International Group of P & I Clubs but always a minimum of United States Dollars 1,000,000,000 (one thousand million);
- (d) have in full force and effect Hull and Machinery insurance placed through reputable brokers on Institute Time Clauses or equivalent for the market value of the vessel plus twenty (20) percent as from time to time

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may be amended with Charterers' approval, which shall not be unreasonably withheld. Insurance amount always to comply with loan covenants.

Owners will provide, within a reasonable time following a request from Charterers to do so, documented evidence of compliance with the warranties given in this Clause 39.

#### **Export Restrictions**

40. The master shall not be required or bound to sign Bills of Lading for the carriage of cargo to any place to which export of such cargo is prohibited under the laws, rules or regulations of the country in which the cargo was produced and/or shipped.

Charterers shall procure that all Bills of Lading issued under this charter shall contain the following clause:

“If any laws rules or regulations applied by the government of the country in which the cargo was produced and/or shipped, or any relevant agency thereof, impose a prohibition on export of the cargo to the place of discharge designated in or ordered under this Bill of Lading, carriers shall be entitled to require cargo owners forthwith to nominate an alternative discharge place for the discharge of the cargo, or such part of it as may be affected, which



alternative place shall not be subject to the prohibition, and carriers shall be entitled to accept orders from cargo owners to proceed to and discharge at such alternative place. If cargo owners fail to nominate an alternative place within 72 hours after they or their agents have received from carriers notice of such prohibition, carriers shall be at liberty to discharge the cargo or such part of it as may be affected by the prohibition at any safe place on which they or the master may in their or his absolute discretion decide and which is not subject to the prohibition, and such discharge shall constitute due performance of the contract contained in this Bill of Lading so far as the cargo so discharged is concerned".

The foregoing provision shall apply mutatis mutandis to this charter, the references to a Bill of Lading being deemed to be references to this charter.

### **Business Principles**

41. (Deleted)

### **Drugs and Alcohol**

42. (Deleted)

### **Oil Major Acceptability**

43. (See Clause 57)

### **Pollution and Emergency Response**

44. Owners are to advise Charterers of organisational details and names of Owners personnel together with their relevant telephone/facsimile/e-mail/telex numbers, including the names and contact details of Qualified Individuals for OPA 90 response, who may be contacted on a 24 hour basis in the event of oil spills or emergencies.

### **ISPS Code/US MTSA 2002**

45. (See Clause 98).

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### **Law and Litigation**

46. (a) This charter shall be construed and the relations between the parties determined in accordance with the laws of the State of New York, U.S.A.

(b) All disputes arising out of this charter shall be referred to Arbitration in New York in accordance with the Rules of the Society of Marine Arbitrators, Inc. New York (SMA).

(i) Any Award of the arbitrator(s) shall be final and binding and not subject to appeal.

(ii) For the purposes of this Clause 46(b) any requests or notices in writing shall be sent by fax, e-mail or telex and shall be deemed received on the day of transmission.

(c) It shall be a condition precedent to the right of any party to a stay of any legal proceedings in which maritime property has been, or may be, arrested in connection with a dispute under this charter, that that party furnishes to the other party security to which that other party would have been entitled in such legal proceedings in the absence of a stay.

### **Confidentiality**

47. (Deleted)

### **Construction**

48. The side headings have been included in this charter for convenience of reference and shall in no way affect the construction hereof.

Additional Clauses: Special clauses to Shelltime 4 CP form, 49 through 112 shall be fully incorporated into the terms of this Charter Party.

Appendix A: Questionnaire 88 for the vessel, as attached, shall be incorporated herein.

Appendix B: List of Approved Ship Brokers, as attached, shall be incorporated herein.

For the Owners  
CHRIS TANKER CORPORATION

For the Charterers  
DHT CHRIS VLCC CORP.

By: /s/ Ole Jacob Diesen  
Ole Jacob Diesen  
Chief Executive Officer

By: /s/ Myles R. Itkin  
Myles R. Itkin

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**TIME CHARTER  
SPECIAL CLAUSES  
MT OVERSEAS CHRIS**

**IF THERE IS ANY CONFLICT BETWEEN THE FOLLOWING CLAUSES AND THE PRINTED CLAUSES OF THE CHARTER PARTY FORM AS ADJUSTED, THE FOLLOWING CLAUSES SHALL PREVAIL.**

**49) Bill of Lading Indemnification**

The standard form of letter of indemnity to be given in the case of delivery of cargo (a) without production of the original Bill of Lading, or (b) at a port other than stated in the Bill of Lading, or (c) both of the foregoing, in each case without bank guarantee, in revised form as recommended by the International Group of P&I Clubs in 2001, shall be used in all cases, provided that the reference to English law and jurisdiction shall be revised to read New York law and the jurisdiction of any court of competent jurisdiction sitting in New York County.

**50) Certificates/Regulations Compliance**

The Owners warrant that during the term of this charter party the vessel fully complies with the following:

- A. all governmental laws, regulations, protocols and directives promulgated by the authoritative body or any of its legally constituted agencies charged with the application of the same laws/regulations/protocols and directives applicable to the countries and ports within the trading limits defined in the charter party.
- B. that it has secured and maintains aboard the vessel all Certificates of Financial Responsibility issued and required by the competent authorities of the countries within the trading limits defined in the charter party.
- C. (Deleted)
- D. that the vessel shall have on board for inspection by the appropriate port authorities all certificates, records, compliance letters and other documents required.
- E. The vessel shall be approved by the international transport workers federation and carry a valid ITF 'Blue Certificate' on board at all times. Any losses, expenses or damages arising as a result of failure to comply with ITF regulations, as interpreted by local union, shall be for Owners account.
- F. COFR — Owners to provide the vessel, at their cost, with a valid Certification of Financial Responsibility which is acceptable to U.S. authorities at Owners' cost. Compliance with state laws during the currency of this charter to be Owners' responsibility and cost. COFR to be in place prior to the vessels arrival at first U.S. or Canadian port.

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Owners will pay for the initial cost of issuing and maintaining the certificate. Any additional premiums or surcharges payable by Owners in relation to the vessel calling at U.S. ports to be for Charterers account.

- G. Owners shall have a program covering oil pollution avoidance, including compliance with latest international maritime organization and port state regulations and SOLAS and MARPOL conventions and the adoption of vessel response plans and qualified individuals for OPA response.

**51) IMO Clause**

Owners warrant that during the term of this charter party and any extension thereof the vessel will be in full compliance with: the requirements of the United States Port and Tanker Safety Act of 1978 and applicable regulations promulgated thereunder (hereinafter called "U.S. Regulations") the International Convention for the Prevention of Pollution from Ships (MARPOL 1973) and the 1978 Protocol thereto as applicable: and the International Convention for Safety of Lives at Sea (SOLAS 1974) and the 1978 Protocol thereto as applicable (the foregoing conventions and protocols hereinafter called "IMO Regulations"). Owners warrant that it will carry onboard certifications evidencing compliance with U.S. Regulations, compliance with IMO Regulations and any other records or documentation as may be required by the U.S. government authorities the vessel is currently ISM certified and will remain so during the duration of this charter (see ISM Clause).

**52) Pollution Financial Responsibility**

Owners warrant that at the date of the charter that Owners complies with all financial capability, responsibility, security or like laws, regulations and/or other requirements of whatsoever kind with respect to oil or other pollution damage applicable to the vessel entering, leaving, remaining at or passing through any ports or places or waters to perform this charter.

Owners further warrant that it shall continue to comply with these requirements throughout the period of the charter at the levels and in amounts in effect at the date of this charter.

Owners, at its sole risk and expense, shall make all arrangements by bond, insurance or otherwise and obtain all certificates or other documentary evidence and take all such other action, as may be necessary, to satisfy such laws, regulations and/or other requirements.

**53) OPA**

It is mutually understood that Oil Pollution Act of 1990 (OPA) surcharges for trading to the United States ports/territories shall be for Charterer's account.

**54) Contingency Plans Clause**

Owners warrant at the date of the charter that Owners complies with and satisfies existing U.S. federal, state and local rules, regulations and requirements for contingency plans applicable to the vessel entering, leaving, remaining at or passing through any ports or places or waters in performance of the charter, including having under contract

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the services of a catastrophic spill contractor (e.g., Marine Spill Response Corporation (MSRC) or National Response Corporation (NRC)).

Owners further warrant that it shall continue to comply with these requirements throughout the period of the charter at the levels in effect at the date of this charter.

The Owners shall be responsible for obtaining and maintaining all necessary and future approvals and satisfying existing and future federal, state, and local rules, regulations or requirements for contingency plans. Costs incurred shall be for Owners' account.

Qualified individual:            Mr. Steven McCall  
   212 578 1892 office  
   646 327 7206 mobile

## 55) Documentation

Owners undertake that throughout the term of this charter, the vessel shall have on board all such valid documentation as may, from time to time, be required to enable the vessel to enter and carry out all required operations at loading or discharging ports or places and leave, without hindrance, all ports or places to which the vessel may be directed under the terms of this charter.

In addition, the vessel shall be off-hire and Owners shall be held responsible for any losses, costs or damages for any period during which she is not fully and freely available to Charterer as a result of action taken against her by any government, government organization, competent authority, competent person or competent organization, owing to her flag, failure to have on board valid documentation as aforesaid or any dispute relating to Owners' wages or crew employment policy or to the condition of the vessel or her equipment. All cumulative off hire under this Clause may be added to the end of the charter period in the sole option of the Charterer.

Any time lost during which the vessel awaiting USCG TVEL inspection, or in the case of calls at non-U.S. ports where any similar certificate is required to be issued by a state authority at these ports prior to loading or discharging cargo, and until such time as she has secured TVEL certificate or any similar certificate, vessel will be considered off-hire.

## 56) ISM Clause

The requirements of the International Safety Management (ISM) Code are hereby incorporated in the terms of this charter party. Owners/operator warrant that a Safety Management System (SMS) in accordance with the ISM Code is in operation both on shore and on board the vessel. Owners/operator further warrant that they (or the company as defined by the ISM Code) have a valid Document of Compliance (DOC), and the vessel has a valid Safety Management Certificate (SMC). Owners/operator shall supply Charterer with a copy of the DOC and the SMC. Owners shall, when required by Charterer, provide a copy of the documents both ashore and on board the vessel evidencing the SMS and its application and when further required by Charterer, Owners/operator shall provide a report on safety audits carried out internally or by the vessel's flag administration.

Non compliance with the requirements of the ISM code resulting in loss or suspension of the ISM certificate shall be deemed a breach of condition and Charterer shall have the

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right to cancel the charter. Owners shall be responsible for any delays, costs, damages incurred for non compliance with the above conditions.

## 57) Vetting

During the period of this charter, Charterers require Owners to endeavor to arrange for at least four of the following oil company inspections/approvals at their time and expense: BP, Shell, Exxon/Mobil, Chevron Corp., Vela, PDVSA, Statoil and Dreyfus. Charterers may request Owners to obtain other vetting approvals as/when required, and Owners shall do so.

The above is always subject to the vessel's trading pattern, ports accessibility, the oil company's interest in the vessel and the availability of inspectors at the time, all of which Owners will keep a record of and keep Charterers advised.

Charterers shall keep Owners fully informed of the vessels forward schedule in order to facilitate vetting inspections.

If the vessel, during the period of this charter, fails to obtain a minimum of four approvals because of Owners fault/negligence, or fails a physical inspection by any company listed above, or loses a vetting approval required to maintain the vessels' trading pattern, then, Owners shall have a period of forty five (45) days from the date Owners are notified of such non-acceptance to have the vessel obtain such minimum number of approvals or reinstate such approval, subject always to the vessel's trading pattern, ports accessibility, the oil company's interest in the vessel and the availability of inspectors at the time, all of which Owners will keep a record of and keep Charterers advised.

If the Owners do not obtain the minimum number of vetting approvals or the necessary vetting approval is not reinstated as provided for in the preceding paragraphs, and the lack of vettings affect the vessel's trading pattern, then the Charterer shall have the right (i) to terminate this charter party without penalty to either party, or, (ii) to place the Vessel off-hire for any loss of time (whether by way of interruption in the Vessel's service, including time necessary for re-positioning to an alternate trading pattern or otherwise)(a) resulting from the vessel being placed off hire by a pool in which it is entered due to such lack of vetting, or (b) otherwise due to such lack of vetting.

In the event the preceding paragraph is invoked, and the Charterer does not terminate the Charter, it shall use commercially reasonable efforts to employ the Vessel in an alternate trading pattern to maximize its earning capacity on commercially reasonable terms provided that the terms of the pool it is entered into or the time charter it is operating under permit the Charterer to do so. For each day the Vessel is operating under a subcharter on such alternate trading pattern, and not otherwise off hire, if the Basic Hire rate otherwise applicable pursuant to this Charter exceeds the time charter rate or equivalent rate obtained by the Charterer on its sub-charters in the alternate trading pattern, then the Basic Hire payable hereunder shall be reduced by an amount equal to the difference between (a) the Basic Hire rate and (b) the time charter rate or equivalent rate obtained by the Charterer on its sub-charters in the alternate trading pattern until the later of (i) the date the Vessel has re-obtained the minimum number of vetting approvals or the necessary vetting approval has been reinstated, and (ii) the last day of the applicable sub-charter.

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**58) Adherence to Voyage Instructions**

- A. Owners shall be responsible to and will indemnify Charterer for any time, costs, delays or loss suffered by Charterer due to underlift, overlift or other failure to comply fully with Charterer's lawful instructions as long as such failure was solely due to Owners'/vessel's proven negligence.
- B. If a conflict arises between terminal orders and Charterers' instructions, master is to stop cargo operations and to contact Charterer at once. Terminal orders shall never supersede Charterer's instructions and any conflict shall be resolved prior to resumption of cargo operations.

Vessel is not to resume cargo operations until Charterers has directed vessel to do so.

**59) Traffic Separation and Routing**

Owners shall instruct the master to observe recommendations as to traffic separation and routing as issued from time to time by authorities (national or local) and comply with federal, state or local regulations of the United States. Voluntary and mandatory traffic separation schemes shall be adhered to while the vessel is in the United States or international waters.

**60) ETA Notice**

Master shall give both Charterer and load/discharge port(s)/place(s) agents notices of estimated time of arrival (ETA) to load/discharge port(s)/place(s) or any other port/place where Charterers order vessel to proceed on a daily basis or as required by Charterers voyage orders.

Any delay incurred to the vessel at any load or discharge port(s) resulting from master's failure to comply with the above requirements, shall be deducted from the monthly hire. The foregoing is without prejudice to Charterer's right to recover for any damages incurred as a result of such breach by Owners of the obligations herein defined. Notices of ETA to be sent to Charterer as instructed. This Clause only applies where the Charterer cannot claim demurrage or any other claim and incur a loss due to the master's failure to follow Charterers instructions.

**61) Watchmen**

Compulsory shore gangway watchmen shall be servants of the Charterer and the cost for such watchmen shall be borne by Charterer throughout the currency of this charter party.

**62) Bunkers**

On every occasion where the bunkers are taken, the ship will participate in either the DNV VQFT, Lloyds FOBAS or ABS scheme (line samples). As between Owners and Charterers fuel shall be deemed delivered to the ship upon arrival at the ship's manifold, which shall be the point of custody transfer. Three samples will be taken at the ship's manifold, using an approved in line drip sampler. One sample shall be provided to the surveyor and analysed, a second shall be given to the suppliers, and third shall be retained on board for independent joint testing, in the event of disputes about the quality of the bunkers supplied.

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In the event of dispute about the quality of the fuel the third sample left on board shall be jointly analysed at a mutually acceptable independent laboratory, and the results shall be binding on the parties

The quantity of fuel shall be finally determined using the density determined in the sample analysed. Owners undertake to provide Charterers with a copy of each off specification analysis report, to enable Charterers to notify suppliers promptly in the event of a quality or quantity dispute.

The supplier and Charterers shall at all times be entitled to witness the extraction and division of the sample at the ship's manifold and shall be entitled to employ a bunker surveyor.

Charterers shall not cause or permit any lien or other rights to be created against the ship, her crew, Owners, etc., by any fuel suppliers, or otherwise bind the ship, her Owners in crew in any way whatsoever, arising out of the supply of fuels.

Should analysis confirm that bunkers are off specification, (as per specification detailed in Clause 29), Charterers will be notified regarding Owners intentions. Should Owners decide to use the bunkers supplied then Charterers are not entitled to present Owners with a speed or consumption claim for any period during which vessel is using bunkers that do not reasonably meet the specified requirements. Charterers reserve the right to discuss analysis results with Owners to ensure an equitable resolution of any problems. Owners shall not be obliged to use fuel that is injurious to the engine/auxiliaries and associated equipment.

Owners warrant that the vessel shall comply with the emission control and other requirements of Regulation 14 and 18 of MARPOL Annex VI and any other laws or regulations relating to bunker content and bunkering procedures applicable in any areas to which the vessel is ordered.

Charterers warrant that they will supply bunkers:

- A. of sufficient quantity and quality to enable the vessel to meet the emission control and other requirements of Regulation 14 and 18 of MARPOL Annex VI and any other laws or regulations relating to bunker content and bunkering procedures applicable in any areas to which the vessel is ordered, and
- B. in accordance with the specifications in ISO 8217 as in force at the time of supply and any other specifications contained elsewhere in this charterparty.

Charterers further warrant that all bunker suppliers and bunkers supplied hereunder shall with respect to all areas in which the vessel may trade comply with the current and future requirements of MARPOL Annex VI and MEPC96(47) in respect of sampling and the provision of a bunker delivery notes and, where bunkers are supplied in a state where MARPOL Annex VI is in force, that suppliers shall be registered in accordance therewith.

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**63) Heating**

(Deleted)

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**64) Pumping Clause**

Owners warrant that the vessel is fitted with and will use the main cargo pumps and the stripping pumps as per Charterers instructions.

Owners further guarantees that vessel will discharge the full cargo in twenty four (24) hours, stripping excluded or maintain an average pressure of 100 PSI at the vessel's manifold during discharge, provided shore facilities permit. It is agreed that time lost as a result of vessel being unable to discharge the cargo in accordance with the guarantee stated herein will be deducted from monthly hire.

In the event of the vessel failing to maintain average discharge pressure of 100 PSI or to discharge the cargo within 24 hours, Charterers are entitled to deduct all time over and above 24 hours taken to discharge cargo from hire.

Discharge terminal shall have the right to gauge line pressure. Should the vessel fail to comply with the guarantee herein stipulated should terminal request, Charterer shall have the right to order the vessel to be withdrawn from the berth and all time and expenses incurred to leave the berth and return later to complete discharge will be for Owners' account with the proven lost time and/or expenses being deductible from the monthly hire. In any event, Owners shall provide Charterer with a detailed hourly pumping record showing the pressure maintained at the vessel's manifold throughout the discharge. Such record shall be duly counter signed by a terminal representative and/or independent surveyor, if possible.

If the vessel discharges at more than one port or discharges a partial cargo, then time to be prorated relative to the vessel's full cargo capacity for the nominated cargo(es).

Should the discharge terminal(s) restrict in any way the vessel's performance indicated in this charter party, the master shall immediately issue a letter of protest to the terminal indicating the nature of the restriction and any details he may consider relevant. The vessel to obtain terminals signature on the letter of protest.

**65) STS Clause**

Charterers shall have the right to require the vessel to perform lighterage operations and or ship to ship transfer operations at anchor or underway at a safe anchorage or place and these ship to ship transfer operations shall be conducted in accordance with the provisions of the latest ICS/OCIMF transfer guide (petroleum) always to master's acceptance which not to be unreasonably withheld.

It is understood and agreed that the crew of the vessel will be required to assist in handling the fenders and cargo hoses as well as mooring and unmooring of the vessel as designated by the mooring master at the STS transfer site at no additional cost to the Charterer.

All extra equipment required for such transfer operations shall be provided by Charterer at its expense.

Extra cost of insurance 'if any' to be for Charterers account.

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**66) Pressure Gauges**

Vessel to be equipped with pressure gauges at each discharge manifold which will be maintained in a proper working condition and each gauge shall have a valid test certificate.

**67) Bilge Liquids**

Vessel shall have efficient and safe means of transferring engine room/pump room bilge to designated holding tanks onboard for disposal in accordance with international regulations.

**68) Previous Cargoes**

(Deleted)

**69) Condition of Cargo Spaces on Delivery and Redelivery**

Vessel will be redelivered with tanks free of liquid slops.

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**70) Tanks, Lines, Pumps Suitability**

Owners warrant that vessel will arrive at each load port with all cargo tanks, pumps and lines suitable to load the intended cargo as per Charterer's representative and/or independent surveyor's satisfaction, subject to Charterers voyage orders and vessels time to comply. All damages, time lost and costs incurred due to noncompliance will be for Owners' account and deducted from monthly hire.

**71) Inert Gas System**

Owners warrant that vessel has a good working inert gas system and that the officers and crew are experienced in the operation of the system. Owners further warrant that the vessel will arrive at the load port with cargo tanks inerted and that tanks will remain inerted throughout the loading, voyage and discharge operations. Any delay, cost and expense due to improper operation of the inert gas system shall be for Owners' account and shall be deducted from monthly hire.

The master may be required by terminal personnel or independent surveyor(s) before and/or after discharge to breach the inert gas system for the purpose of gauging, sampling, temperature determination and/or determining the quantity of cargo remaining on board (ROB). The master shall comply with these requests consistent with the safe operation of the vessel. Vessel to remain on hire for such periods.

**72) Crude Oil Washing (COW)**

Owners warrant that the vessel is capable of crude oil washing (COW) of all cargo tanks.

If requested by Charterer, Owners agrees to conduct crude oil washing of cargo tanks at discharge port(s) simultaneously with the discharge of the cargo to shore. Under no circumstance shall the vessel utilize more than eight (8) hours to effect COW or prorata on the basis of the number of tanks washed to the total number of tanks unless authorized by Charterer.

The vessel will comply with the requirements of the Pumping Clause during simultaneous discharge to shore and the COW operation. If the vessel fails to comply, all additional time to discharge the cargo will be deducted from the monthly hire.

Owners agrees to comply with applicable port and terminal regulations and, if necessary, to submit any advance information or technical data that may be required by local authorities relative to the COW operations.

**73) Fittings, Equipment and Dimensions**

- A. Owners warrant that all piping, valves, spools, reducers and other fittings comprising that portion of the vessel's manifold system outboard of the last fixed rigid support to the vessel's deck and used in the transfer of cargo, bunkers or ballast, are made of steel or nodular iron; and the fixed rigid support for the manifold system is designed to prevent both lateral and vertical movement of the manifold. Owners further warrant that no more than one reducer or spool piece (each ANSI standard) will be used between the vessel's manifold valve and the terminal hose or loading arm connection.
  - B. Owners are responsible for providing safety equipment to persons aboard the vessel when the cargo is high sulfur or otherwise dangerous to the health of the crew.
  - C. Owners warrant that the vessel is capable of discharging more than one grade simultaneously.
  - D. Owners warrant that throughout the charter vessel will have on board the calibration tables for its tanks calculated by the builder or by a reputable independent international surveyor.
  - E. Charterers, subject to Owners' approval (which shall not be unreasonably withheld) and class approval, shall be at liberty to fit any additional pumps and/or other vessel gear beyond what is on board at the commencement of the charter, and to make the necessary connections with hydraulic, steam or water pipes, such work to be done at Charterers time and their expense, and such pumps and/or gear so fitted to be considered their property, and Charterers shall be at liberty to remove it at their time and expense and time during or at the expiry of this charter, with the vessel to be left in her original condition.
  - F. Vessel is fitted with 95 percent and 98 percent high level alarms. Any delays due to breakdown of these high level alarms will be considered off hire and will be deducted from the charter hire.
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**74) Cargo Transference**

Owners shall notify Charterer of any transfer of cargo within the vessel that takes place after loading and before discharge for purposes of trimming, stress or any other similar purposes.

**75) Prohibited Detergent Washing**

Owners warrant that vessel will not perform cargo tanks washing utilizing detergents with organic chloride contents throughout the duration of the charter period. Owners to be held responsible for all damages and consequences including but not limited to all cargo claims if Owners/master fails to adhere to this Clause.

**76) Cargo Retention**

- A. In the event that liquid cargo remains on board upon completion of discharge Charterers shall have the right to deduct from hire an amount equal to the fob port of loading cost of such cargo plus its pro rata cost of freight and insurance unless such cargo is unumpable or unreachable by the vessel's fixed pumps.
  - B. Nothing in this Clause deprives Owners of any defenses they have to counterclaims for cargo shortloading or damage but it is agreed that such counterclaims will not be time barred if asserted in any proceedings commenced by Owners for hire deducted under this Clause provided that the deduction was proper.
  - C. Any action or lack of action in accordance with this provision shall be without prejudice to any rights or obligations of the parties.
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D. All slops throughout the charter term shall belong to Charterer.

**77) Loss of Carrying Capacity**

In the event cargo is shut out by the fault of the master, officers, crew or mechanical deficiency of the vessel, then Charterer shall be entitled to claim compensation for the transportation cost of the cargo shut out on a round voyage basis by reference to the rate of hire or the current market level (whichever is greater). Any additional port costs and/or bunker consumed due to the loss of carrying capacity shall for Owners account.

**78) Speed and Fuel Warranties**

The Owners warrant that the vessel is capable of maintaining and shall maintain, consistent with safety throughout the period of this charter party on all sea passages, from seabuoy to seabuoy, unless otherwise ordered by Charterer, an average speed under weather conditions up to and including Beaufort Force 5 of about 14.75 knots laden on a daily consumption of about 105 metric tons IFO 380 CST plus 0 metric tons MDO at sea and about 15.75 knots ballast on a daily consumption of about 100 metric tons IFO 380 CST 0 metric tons MDO at sea for all purposes excluding tank cleaning, cargo heating and IGS plus about 50 mts IFO for loading and about 200 mts IFO for discharging, based on single port loading and discharging excluding Laguna and Boscan crude and similar cargoes.

The above speed and consumption rates shall be adjusted in accordance with, and always be subject to any changes made to the Tankers International pool key, provided the vessel continues to trade in the Tankers International Pool.

**79) Slow Steaming/Speed Up**

Weather and safe navigation permitting, Charterer shall have the right to order the vessel to proceed at any speed greater than/less than normal full speed.

**80) Adjustment of Hire**

The speed and fuel consumption guaranteed by the Owners in Part 1 will be reviewed by the Charterer 30 days after every six (6) months. If at the end of the period, if it is found that the vessel has failed to maintain, as an average during the period, the speed and/or fuel consumption warranted, the Charterer shall be retroactively compensated in respect of such failings, as per Clause 24.

No bonus shall be payable to Owners under any circumstances.

The Charterer shall provide Owners with an opportunity to review any claim submitted by Charterer under this Clause, and the Owners shall complete such review and provide Charterer with the results thereof within thirty (30) days from the date such claim was received by Owners. In the absence of such response, Charterer may deduct from hire any amount to which it is entitled under this Clause.

In the event of Charterer having a claim in respect of vessel's performance during the final year of the charter period and any extension thereof, the amount of such claim shall be withheld from hire in accordance with Charterer's estimate made two months before the end of the charter period and any necessary adjustment after the end of the charter shall be made by the Owners to the Charterer.

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**81) Additional Offhire**

- A. The vessel shall be offhire whenever there is loss of time if:
  - 1) due to the boycott of the vessel due to the terms or conditions of employment of Owners' servants; or employment, trades, or cargoes of vessels other than under this charter.
  - 2) due to restraint or interference in the vessel's operation by any governmental authority in connection with the ownership, registration, or obligations of Owners or the vessel, or stowaways, or in connection with smuggling or other prohibited activities.
  - 3) due to cargo contamination or damage caused by unseaworthiness of the vessel or negligence of Owners' servants.

- B. In addition, if during offhire the vessel loses its turn to berth, it shall remain offhire until it regains the same berthing position. If the vessel goes offhire while in berth, extra expenses thereby incurred by Charterers in connection with the vessel remaining at the berth shall be for Owners' account and Charterers shall also have the option to order the vessel out of berth, so as to avoid delay to other vessels waiting to use the berth, with the cost of unberthing and reberthing for this purpose to be for Owners' account. The vessel shall remain offhire during time lost in between berths.
- C. In the event of detention of vessel by any governmental authority, or by any legal action against vessel or Owners, or by any strike or boycott by the vessel's officers or crew, whereby vessel is rendered unavailable for Charterers' service for a period of thirty (30) days or more, Charterers may, by written notice given before vessel is free and ready to resume service, elect to terminate this charter, without prejudice to any other rights Charterers may have under this charter or to any claim it may have for damages.

**82) Off Hire Survey**

A joint off hire bunker survey shall be conducted by Charterers and Owners representatives at the place of redelivery. The time and cost for the offhire bunker survey at redelivery shall be split equally between Owner and Charterer.

**83) Access**

The Charterer shall have the right and privilege of having their representatives visit the vessel while in port or at sea. Charterer's representatives shall have access to the entire vessel (excluding accommodation spaces) and the master, officers and crew of the vessel shall cooperate with and render any reasonable assistance that Charterer's representatives may require.

Charterer shall be entitled, from time to time during the period of this charter, to cause their representative(s) to take samples of the cargo and to inspect the vessel in order to ascertain whether Owners is reasonably complying in all respects with their obligations under this charter party.

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In the case of inspection of the vessel, Charterer shall give Owners appropriate notice of their intention to inspect the vessel and any such inspection may include, but shall not be limited to: examination of the vessel's hull, machinery, boilers, auxiliaries and equipment, examination of the vessel's deck and engine, rough and official log books, certificates, investigation of the vessel's operating procedures both in port and at sea, examination of the qualifications and conduct of the vessel's master, officers and crew. Any inspections carried out by Charterer under this sub-Clause shall be without prejudice to any other rights of inspection or investigation allowed to Charterer in accordance with the provisions of this charter.

In the event of Owners' failing, at any time during the period of this charter, to comply with their obligations under this Clause, Charterer shall be entitled to give Owners notice in writing, whether or not an inspection under the terms of this Clause has taken place, requiring Owners to take immediate steps to remedy their default.

In the event the Owners fails forthwith, or within such period as may be agreed to remedy such default to Charterer's satisfaction, Charterer shall be entitled at their absolute discretion, to place the vessel off-hire, until such default shall have been satisfactorily remedied. Any exercise of, or failure to exercise, their discretion under the terms hereof by Charterer shall be without prejudice to any other remedy available to Charterer.

**84) Change of Flag, Management, Ownership**

Owners rights and obligations under this charter are not transferable and except as provided in this Clause Owners undertake not to change the vessel's management nor flag nor to sell the vessel or stock in the ownership company without Charterer's consent which consent shall not be unreasonably withheld.

In the event that the Owners desire to hire a manager other than Tanker Management Ltd., Owners shall provide written notice (the "New Manager Notice") to the Charterer at least 10 business days prior to the proposed date of hire, which notice shall seek the Charterer's consent to the new manager. The Charterer's shall have the right, within 5 business days of receipt of the New Manager Notice, to object to the new manager in writing. Such objection must be based on reasonable grounds, and must be accompanied by a list of two comparable managers (other than any affiliates of Charterer) to which the Charterer would have no objection, and which Owners may then hire without any further requirement for consent from Charterer.

If written notice of objection together with the accompanying list of acceptable managers is not provided by the Charterer within 10 business days of receiving the New Manager Notice, the Charterer shall be deemed to consent to the new manager.

Owners shall have the right to transfer the vessel and Charterer agrees that stock in the Owners may also be transferred (either of which, for purposes of this Clause, a "Transfer"), subject to the Charterer's right of first offer as described in this Clause:

Prior to and in order to effect a Transfer, the Owners shall first give written notice (a "Sale Notice") to the Charterer stating (i) the Owners (or its parent's) intention to make a Transfer, (ii) the name of a broker who Owners have selected to be a member of the three member panel described below (the "Panel") that will determine the fair market price of the vessel (on the basis that it is sold subject to this charter) and (iii) the material terms other than price upon which the Owners (or its parent) intends to make the Transfer.

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The Charterer shall select a member of the Panel within 5 business days after receipt of the Sale Notice by delivery of written notice to Owners. If Charterer does not make such selection within such 5 business day period, then the Panel shall consist solely of the broker selected by Owners. If Charterer makes such selection, then the two members selected by Owners and Charterer shall select together a third member of the Panel within 10 business days after delivery of Charterer's written notice to Owners. If the members selected by Owners and Charterer do not select a third member of the Panel within such 10 business day period, then the third member of the Panel shall be selected by the President of the Society of Marine Arbitrators, Inc. New York. No broker is eligible to be selected as a member of the Panel unless it is listed in Appendix B of approved ship brokers to this charter.



After all the members of the Panel have been selected in accordance with the preceding paragraph, the Panel shall determine the fair market price of the vessel, taking into account that any sale would be made subject to this charter. The market price determined by the Panel (the "Price") shall be the price determined by the sole member of the Panel if there is only one member and shall be the average of the two closest prices determined by members of the Panel if there are three members. The sole member, or, the member of the Panel selected by the other two members shall notify in writing the Owners and Charterer of the Price (the "Price Notice"). Owners and Charterer shall each pay one-half of the fees and expenses of the members of the Panel in performing their services under this Clause 84. Such Price shall be considered the price of the vessel, if Owners elect to proceed with the sale of the vessel after receiving the Price Notice. Owners shall not be obligated to proceed with the sale of the vessel if it, in its sole discretion, deems the Price to be inadequate. If the parent of Owners seeks to sell the stock of the Owners, then the Panel, in addition to determining the Price of the vessel as aforesaid, shall determine the fair market price of the assets of the Owners (other than the vessel) and the fair market value of the liabilities of the Owners in accordance with the foregoing methodology. The sum of the Price of the vessel in the Price Notice and the price of the other assets of the Owners determined as aforesaid reduced by the value of the liabilities of Owners determined as aforesaid shall be considered the price for the stock (the "Stock Price") and the Stock Price shall be set forth in the Price Notice.

In the event that the Owners elect to proceed with the sale of the vessel upon its review of the Price Notice, Charterer shall have an irrevocable and non-transferable option to effect Transfer to it of the vessel or stock in the Owners at the Price or at the Stock Price, as the case may be, set forth in the Price Notice and on materially the same terms as set forth in the Sale Notice. Such option may be exercisable during the period (the "Purchase Option Period") commencing on receipt of the Price Notice and ending (a) if Tanker Management Ltd. Is the manager at the time of the Price Notice, 30 days after Charterer's receipt of the Price Notice or (b) if Tanker Management Ltd. is not the manager at the time of the Price Notice, 30 days after the later of (i) the date (the "Inspection Date"), set forth in a notice from Owners to Charterer that the vessel and the records of the vessel may be inspected by Charterer, which notice shall be given after the Sale Notice and at least 5 business days prior to the Inspection Date and (ii) Charterer's receipt of the Price Notice. In order to exercise its option, the Charterer shall, within the Purchase Option Period, send an irrevocable written acceptance notice to the Owners (the "Purchase Notice"). The Charterer shall then be obligated to consummate the purchase of the vessel or stock at the Price or at the Stock Price, as the case may be, set forth in the Price Notice and on materially the same terms as set forth in the Sale Notice within thirty (30) days after the Purchase Notice. If Charterer does not exercise its option

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within the Purchase Option Period or, if such option is exercised, Charterer fails to consummate the purchase of the vessel or stock within the time period set forth above, then, in addition to any other remedies available, the Owners may during the period set forth in the next sentence (the "Sale Option Period") sign a legally binding agreement for the Transfer of the vessel or stock to a third party at a price not less than the Price or the Stock Price, as the case may be, set forth in the Price Notice, minus up to 2.5% of the Price of the vessel, and on materially the same terms as set forth in the Sale Notice. The Sale Option Period shall commence on the earlier of (i) the date Charterer notifies Owners that Charterer will not exercise its option and (ii) the expiration of the Purchase Option Period (such earlier date referred to as the "Start Date") and end on the later of 90 days after (i) the Start Date and (ii) the date after the Start Date when the vessel and the records of the vessel are first made available at a port for inspection at the request of potential third party purchasers of the vessel or stock. If an agreement for the Transfer of the vessel or stock is not signed during the Sale Option Period or the Transfer of the vessel or stock is not completed under such agreement, then Charterer's right of first offer as described in this Clause 84 shall begin again and a new Price determined in accordance with the provisions of this Clause 84. Any Transfer of the vessel or stock to a third party shall be subject to (x) Charterer's prior approval, which shall not be unreasonably withheld, and (y) Charterer's right to purchase at par any loan obtained by the third party purchaser of the vessel to finance such purchase if such purchaser defaults under the credit agreement for such loan or this charter provided the third party can obtain such right from its lenders on, in the sole good faith opinion of the Owners, commercially reasonable terms. This charter, including all options to extend it, shall continue in full force and effect notwithstanding any Transfer of the vessel or stock in the ownership company of the vessel.

If the Owners fail to comply with the terms of this Clause, Charterer may, in its absolute discretion, terminate this charter, whereupon Owners shall reimburse Charterer for any hire paid in advance and not earned, the cost of bunker fuel on board the vessel and for any amount for which the Owners are liable to Charterer under the terms of this charter. Charterer's rights of termination shall, whether or not it is exercised, be without prejudice to any other rights available to Charterer.

The managers shall be responsible for the day to day technical operations of the vessel however Owners always to be held responsible for the overall management of the vessel.

If Charterer is not satisfied with the performance of the manager, Charterer may request a meeting within 7 business days with Owners and manager to discuss the deficiencies in the management which deficiencies shall be presented in writing by Charterer. If after thirty days, the management deficiencies are evidently still unresolved in Charterer's determination (which deficiencies and determination will be delivered to Owners and manager in writing), then the management company may be changed provided that the new management company shall be selected by the Owners subject to the consent of the Charterer, such consent not to be unreasonably withheld.

## 85) **Ownership**

Owners will not effect any mortgage, encumbrance or other lien on the vessel, other than liens that are not material in amount and that arise in the ordinary course of business or by operation of law, without the prior written consent of the Charterer, such consent not to be unreasonably withheld. In the case of the initial financing by Royal Bank of Scotland for the purchase of the vessel (the "Initial Financing"), the Charterer hereby consents. In the case of any refinancing of the vessel, Owners shall negotiate in good faith and use

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their best efforts to have the refinancing mortgagee agree on, in the sole good faith opinion of the Owners, commercially reasonable terms that are no less favorable to the Charterer than the terms contained in the Initial Financing in terms of the mortgagee's rights to enforce its mortgage in the event and so long as the Charterer continues to pay the charter hire under this charter. If the Owners, after negotiating in good faith and using their best efforts, are unable to obtain such provisions from the refinancing mortgagee on, in the sole good faith opinion of the Owners, commercially reasonable terms, Charterer or its affiliates may seek such provisions on behalf of Owners and Owners shall consider in good faith all refinancing proposals obtained by Charterer or its affiliates which have, in the sole good faith opinion of Owners, commercially reasonable terms. In addition, Owners shall use their best efforts to have the refinancing lenders agree on, in the sole good faith opinion of the Owners, commercially reasonable

terms, that Charterer or its affiliates may purchase at par the loan made by such lenders and related mortgage and other security interests if Owners breach any provision of this charter, including this Clause 85, or if Owners or any of their affiliates default under the loan agreement for such loan.

**86) Requirements of Special Trades**

- A. Charterer may blend cargo on board. If original Bills of Lading are issued for one or more of the parcels which are blended, upon return of all such Original Bills of Lading and at Charterers' request, Owners will issue new Bills of Lading for the blended cargo. New Bills of Lading can only be issued for the blend as a whole. Owners are hereby indemnified against all claims for contamination or quality deterioration or off specification whatsoever due to cargo blending on board.
- B. Extra insurance on freight and/or cargo, if any, due to vessel's age shall be for Owners' account and Charterer shall have the right to deduct such extra insurance cost from hire due Owners. Charterer will provide supporting invoice for extra insurance cost deducted from charter hire.
- C. Whenever requested by Charterer, Owners shall arrange for war risk underwriters to advise Charterer via Owners about actual net 'additional premium' then in effect. If requested by Charterer, Owners shall arrange in advance for war risk underwriters to furnish such information to Charterer via Owners 48 hours before vessel enters 'additional premium' zone, weekend and local holidays are excluded, at Charterers expense.
- D. Any 'additional premiums' due from Charterer shall be documented by underwriters and Charterer shall pay only the net premium charged to Owners -- i.e. gross premium less rebate, if any.
- E. Charterer shall not be responsible for any time lost due to officers and/or crew refusing to proceed to an actual war zone, or for any time lost as a result of the vessel remaining in an "additional premium" zone due to action by vessel's officers and/or crew and/or breakdown and/or accident to vessel or her equipment not caused by fault of the Charterer, or as a result of an occurrence of a war risk.
- F. Pollution insurance. Owners warrant that they will have in place the maximum cover for pollution offered by members of the International Group of P&I Clubs (currently USD 1 billion) and that this cover from underwriters approved by

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Charterer (such approval not to be unreasonably withheld) will remain in place throughout the period of this charter. Owners shall provide Charterers within five business days after the fixture is concluded, written evidence from the vessel's P&I club or insurance broker of such pollution cover.

Any additional premiums or surcharges payable by Owners in relation to the vessel calling to United States of America ports to be for Charterers account.

- G. (Deleted)
- H. Owners warrant that vessel is fully capable of carrying 'Orimulsion' and Owners/operators are fully aware of the requirements for carrying this type of cargo. Normally, crude oil washing nor inert gas system never to be utilized while Orimulsion is onboard.
- I. It is understood that the vessel shall not be required to force ice but to follow ice breakers from time to time always subject to master's approval.
- J. (Deleted)
- K. Grades and comingling. Charterer shall be at liberty to ship three grades of cargo. Grades and quantities of petroleum products shall be defined by Charterer prior to each voyage. Segregated grades shall be kept within vessels natural segregations. At the option of the Charterer, loading of three or more grades of cargo in such a manner as to voluntarily mix the cargo to obtain a new grade shall be carried out by the Owners pursuant to Charterers requirements. Any such mixture or admixture shall be at Charterers risk and expense and shall be considered to be one grade under the present agreement. Any new bills of lading that are issued will only be for the blended cargo as a whole.
- L. Vessel to have a working vapour recovery system onboard.
- M. Owners warrant that it has a policy on drug and alcohol abuse ("Policy") applicable to the vessel which meets or exceeds the standards of the OCIMF guidelines for the control of drugs and alcohol onboard ship. Under the Policy, alcohol impairment shall be defined as a blood alcohol content of 40 mg/100 ml or greater; the appropriate seafarers to be tested shall be all the vessel's officers and the drug/alcohol testing and screening shall include unannounced testing in addition to routine medical examinations. An objective of the Policy should be that the frequency of the unannounced testing be adequate to act as an effective abuse deterrent, and that the officers be tested at least once a year though a combined program of unannounced testing and routine medical examinations. Owners further warrant that the Policy will remain in effect during the term of this charter providing that the terms are in conformity with the laws of the vessel's flag state and that the Owners shall exercise due diligence to ensure that the Policy is complied with. It is understood that an actual impairment, shall not in and of itself mean Owners has failed to exercise due diligence. Persons who test positive, refuse to test, or are unfit for duty (impaired because of drug or alcohol abuse) shall be removed from the vessel and shall not be reassigned to service on the vessel.
- N. (Deleted)

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- O. (Deleted)

P. Vessel shall be capable of full hot fresh water wash, as well as hot sea water wash followed by fresh water rinse, with all fresh water to be procured by Charterers over and above what vessel is capable of producing with all time and expense for the cost of the water as well as extra bunkers, and time and expense for all related operations to be for Charterers account. Owners will make best efforts to produce fresh water for Charterer's purposes, however without guaranty.

Q. Worldwide trading always within American Institute Trade Warranties limits and any subsequent amendments thereof as permitted by U.S. and/or Marshall Island authorities.

Charter may order the vessel to Alaska, outside of American IWL, provided Owners' consent thereto and that Charterers pay for any insurance premium required by the vessel's underwriters. Charterers to give adequate prior notice to Owners and Charterer shall provide and pay for response plan and OSRO coverage for the vessel while in Alaskan waters. All costs for any breach of BIWL as well as all costs for trading to Alaska, and to comply with Charterer's orders to be for Charterer's account including any insurance premium required by the vessel's underwriters.

Costs of complying with USWC trading, with port, local and OPA 90 rules and regulations to be for Charterers account in addition to filing spill response plans.

R. Where the vessel is required to change over to and from low sulphur fuel, the fuel consumption and any delays due to flushing the fuel system is to be for Charterers account.

S. (Deleted)

**87) Agency**

Owners can appoint their own agents or have the right to use and pay Charterer's agents for Owners' matters.

**88) Hull And Machinery Value**

(Deleted)

**89) War Risk Premium**

Owners to be responsible only for the basic annual contributions payable to obtain war risk cover. Charterer shall be responsible for the full amount of any sums payable by way of additional premiums to maintain that full cover as a result of the vessel proceeding any areas designated as additional war risk premium areas.

**90) Histories**

Owners shall provide a work history to Charterer prior to any change of the master, chief engineer and chief officer serving onboard vessel. The history which shall show the

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extent of tanker experience in rank. Similar histories shall be furnished for any new master, chief engineer and chief officers prior to assignment to the vessel. After reviewing same, Charterers have the right to reasonably reject any of the above in which case Owners will nominate a substitute which shall be subject to Charterers approval as well.

**91) Personnel**

Conversational English language proficiency is required for the master and officers in charge of cargo or bunker oil handling.

**92) Reduction or Increase in Deadweight**

(Deleted)

**93) Confidentiality**

(Deleted)

**94) General Average**

A. In addition to any other rights Charterer may have, and if requested by Charterer, Owners will release one or more cargoes to Charterer for transshipment from a port of refuge by and at the expense of Charterer in exchange for a nonseparation of interest agreement, general average bond, and a general average undertaking from cargo underwriters in the customary forms. Charterer's transshipment expenses, up to the general average expenses saved, are to be treated like the general average expenses saved, as if those expenses had actually been incurred and paid for by Charterer. If a subcharter is involved and freight is at risk, subcharterer shall be credited for the vessel's daily manning, bunkers, insurance costs as well as port expenses saved for any part of the voyage not required to be made by reason of transshipment. Bills of lading for such transshipped cargoes are deemed to be accomplished on completion of transfer to the transshipping vessel, and port of refuge where transfer is made shall be treated as a discharge port.

B. Any amounts allowable in general average for wages, provisions and stores shall be credited to Charterer insofar as such amounts are in respect of a period when the vessel is on hire.

**95) (Deleted)**

**96) Hydrogen Sulphide (H2S) Clause:**

Owners shall comply with the requirements in ISGOTT (as amended from time to time) concerning Hydrogen Sulphide and ensuring that the Hydrogen Sulphide level is always below the threshold limit value (TLV).

If on arrival at the loading terminal, the loading authorities, inspectors or other authorised and qualified personnel declare that the Hydrogen Sulphide levels exceed the TLV and request the vessel to reduce the said level to within the TLV, provided that the duration of the voyage between the last discharge port and such loading terminal permits such

reduction, then the delay shall be considered off hire and any additional expenses incurred by Charterer to be for Owners account.

**97) Yugoslavia Clause**

(Deleted)

**98) BIMCO ISPS Clause for Time Charter Parties 2005**

**(A) (i)** The Owners shall comply with the requirements of the International Code for the Security of Ships and of Port Facilities and the relevant amendments to Chapter XI of SOLAS (ISPS Code) relating to the vessel and “the company” (as defined by the ISPS Code). If trading to or from the United States or passing through United States waters, the Owners shall also comply with the requirements of the U.S. Maritime Transportation Security Act 2002 (MTSA) relating to the vessel and the “owner” (as defined by the MTSA).

**(ii)** Upon request the Owners shall provide the Charterers with a copy of the relevant International Ship Security Certificate (or the interim international ship security certificate) and the full style contact details of the Company Security Officer (CSO).

**(iii)** Loss, damages, expense or delay (excluding consequential loss, damages, expense or delay) caused by failure on the part of the Owners or “the company”/“owner” to comply with the requirements of the ISPS Code/MTSA or this Clause shall be for the Owners’ account, except as otherwise provided in this charter party.

**(B) (i)** The Charterers shall provide the Owners and the master with their full style contact details and, upon request, any other information the Owners require to comply with the ISPS Code/MTSA. Where sub-letting is permitted under the terms of this charter party, the Charterers shall ensure that the contact details of all sub-charterers are likewise provided to the Owners and the master. Furthermore, the Charterers shall ensure that all sub-charter parties they enter into during the period of this charter party contain the following provision:

“The Charterers shall provide the Owners with their full style contact details and, where sub-letting is permitted under the terms of the charter party, shall ensure that the contact details of all sub-charterers are likewise provided to the Owners”.

**(ii)** Loss, damages, expense or delay (excluding consequential loss, damages, expense or delay) caused by failure on the part of the Charterers to comply with this Clause shall be for the Charterers’ account, except as otherwise provided in this charter party.

**(C)** Notwithstanding anything else contained in this charter party all delay, costs or expenses whatsoever arising out of or related to security regulations or measures required by the port facility or any relevant authority in accordance with the ISPS Code/MTSA including, but not limited to, security guards, launch services, vessel escorts, security fees or taxes and inspections, shall be for the Charterers’ account, unless such costs or expenses result solely from the

negligence of the Owners, master or crew. All measures required by the Owners to comply with the ship security plan shall be for the Owners’ account.

**(D)** If either party makes any payment which is for the other party’s account according to this Clause, the other party shall indemnify the paying party.

**99) Period / Charter Hire**

Owner and Charterer agree that the initial charter period shall be the period commencing on October 17, 2005 and ending on October 16, 2011 (the “Initial Expiration Date”). Until the Initial Expiration Date, the Charterer shall pay to the Owner, charter hire (“Basic Hire”) monthly in advance by the due date set forth in Clause 9. Each payment of Basic Hire (“Basic Hire Amount”) shall equal the basic hire rate set forth in the initial charter rate table below that corresponds to the time period for which payment is being made multiplied by the actual number of days in the month for which the Basic Hire Amount is being calculated.

**INITIAL CHARTER RATE TABLE**

CHARTER YEAR	COMMENCING (0001 GMT)	ENDING (2400 GMT)	BASIC HIRE RATE
1	October 17, 2005	October 16, 2006	USD 37,200 per day
2	October 17, 2006	October 16, 2007	USD 37,400 per day
3	October 17, 2007	October 16, 2008	USD 37,500 per day
4	October 17, 2008	October 16, 2009	USD 37,600 per day
5	October 17, 2009	October 16, 2010	USD 37,800 per day
6	October 17, 2011	October 16, 2011	USD 38,100 per day

The Charterer may, at its option, extend the charter on one or more occasions (provided that the charter is still in effect at the time of extension) by giving written notice (the "Extension Notice") to the Owner at least 90 days prior to the expiration date of the charter then in effect. The Extension Notice shall specify the new expiration date of this charter, which shall be the first, second or third anniversary of the existing expiration date; provided, however, that in no event shall the expiration date be subsequent to October 16, 2019. The Extension Notice shall also specify the Basic Hire Amount for the selected extension period, which shall be calculated in the same manner as the Basic Hire Amount for the initial charter period, and shall, at the option of the Charterer, be equal to either:

- A. the one-, two- or three-year time charter rate for VLCCs, which rate corresponds to the selected extension period, established by the Association of Shipbrokers Agents and Agents Tanker Broker Panel (the "Broker Panel"), plus five percent, or
- B. the basic hire rate for the corresponding time period(s) set forth in the option period rate table below.

Upon receipt of the Extension Notice by the Owner, the charter shall be extended to the new expiration date on the same terms and conditions (other than as expressly set forth

herein). If, at the time of the exercise of any extension period, the Broker Panel is no longer quoting one-, two- or three-year time charter rates, then a mutually acceptable replacement Broker Panel shall be selected by the Owner and Charterer. The following broker panels shall be deemed mutually acceptable by the Owner and Charterer:

London Tanker Broker Panel

**OPTION PERIOD RATE TABLE**

OPTION YEAR	COMMENCING (0001 GMT)	ENDING (2400 GMT)	BASIC HIRE RATE
1	October 17, 2011	October 16, 2012	USD 38,500 per day
2	October 17, 2012	October 16, 2013	USD 38,800 per day
3	October 17, 2013	October 16, 2014	USD 39,200 per day
4	October 17, 2014	October 16, 2015	USD 39,400 per day
5	October 17, 2015	October 16, 2016	USD 39,600 per day
6	October 17, 2016	October 16, 2017	USD 39,800 per day
7	October 17, 2017	October 16, 2018	USD 40,000 per day
8	October 17, 2018	October 16, 2019	USD 40,300 per day

**ADDITIONAL HIRE**

Charterer agrees that Additional Hire Payment Amount (as defined in the Charter Framework Agreement, dated October 6, 2005, by and among the Owners, the Charterer and the other parties thereto), if any, shall be calculated and paid in accordance with such Charter Framework Agreement.

**100) AMS Clause**

U.S. Customs Clearance – if cargo is to be discharged in a U.S. port or territory subject to control by the U.S. Customs and Border Protection (CBP), Charterers warrant that all necessary details required by CBP for clearance of the cargo, inclusive of but not limited to, shipper consignee and notify party full name, address and phone number or telex number, will be included on each bill of lading or alternatively supplied to Owners in writing a minimum of 24 hours prior to the vessel's arrival at the first designated U.S. port of discharge. For voyages less than 24 hours in duration this information must be included on the bill of lading or advised to Owners prior to the vessel departure from the loading place or port. Any delays, fines or penalties incurred due to Charterers' failure to comply with the above will be for Charterers' account.

Effective March 4, 2004, all imported cargoes into the U.S. must be electronically reported via the Bureau of U.S. Customs and Border Protection AMS system. This requires the Owner to have a Type 3 International Carriers Bond as well as a Standard Carriers Alpha Code (SCAC). It is the responsibility of the Owner to ensure that his reporting requirement occurs 24 hours prior to the vessel's arrival at the first U.S. port. Should the international voyage be less than 24 hours in duration, the Owner shall electronically file the manifest via the automated manifest system at the time of the loading in the foreign port. Owners and/or vessel master or their designated agent will

provide a copy of the electronically filed manifest to the Charterers or their designated agent at the time of filing with CBP.

Owners warrant that it is aware of the requirements of the U.S. Customs and Border Protection regulation issued on December 5, 2003 under Federal Register Part II Department of Homeland Security 19 CFP Parts 4, 103, et al. and will comply fully with these requirements for entering U.S. ports. Any delays, fines or penalties incurred due to Owners failure to comply with the above will be for Owners account.

The cost of filing to be for Charterers account. Charterers to be responsible for any delay and/or fines related to late filing by their agents.

**101) House Flag/Charterers Markings**

At any time during the period of this charter, Charterers shall have the privilege of flying their house flag, to paint the funnel and bow crest in their house colors and to paint their markings on ships sides and put/change the name of the vessel. Upon vessels redelivery, Owners shall be obliged to rename the vessel and remove Charterers markings on ships sides and repaint ships name and funnel. The cost of such paintings and/or repaintings and/or name change to be for Charterers account unless otherwise agreed with Owners. Upon Charterers request, crew to perform the work and payment to be settled directly between Charterers and master.

In the event of a change in the technical management of the vessel, Charterers shall have the option to change the markings on the vessel and/or the name of the vessel at Owners time and expense.

**102) Green Award Clause**

Rebates in port dues, etc. obtained via the green award certificate to be refunded to Charterers, provided that Charterers have paid for the green award audit fees in full, or prorated for the period covered under this charter party.

**103) Remeasure Clause**

Charterers have the option to re-measure the vessel for the purpose of satisfying certain port/terminal regulations. All cost and time to be for Charterers' account. The vessel is to be redelivered non-measured at Owners' option if Charterers exercised their option to re-measure in the first place.

**104) Exxon Mooring**

(Deleted)

**105) Storage Clause**

Charterers shall have the option of requesting the vessel to remain idle, at a safe place, at anchor/or drifting.

**106) Breach Of Warranty Clause**

(Deleted)

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**107) Tracking System Clause**

It is agreed that Charterers may from the time of fixing until completion of the charter period employ an INMARSAT tracking system on the vessel. Such tracking system works on data provided from the vessel's onboard INMARSAT C system and can be installed simply, either remotely, or on some older systems with minimal set up input from the vessel. All registration/communication costs relating to this tracking system will be for Charterers' account. Charterers will advise when the system is operative and confirm termination on completion of charter.

**108) Q88.Com Clause**

Owners to provide, free of charge, a copy of the OCIMF VPQ in the required electronic form so that the vessel can be included in Charterers' subscription to the website "q88.com". Owners are furthermore required to update the system with vessel approval status, certification and any other information as required on a regular basis.

**109) Changes/Improvements Necessary for the Operation of the Vessel or Imposed by Legislation, Class or Oil Company Vetting Requirements**

- A. In the event any improvement, structural change or the installation of new equipment is imposed by compulsory legislation and/or Class rules and/or oil company vetting requirements, Charterers shall have the right to require that the Owners effect such improvement, changes or installations. The Charterers shall fully reimburse the Owners for the total cost of all such improvements, structural changes or installations up to USD 50,000 in any calendar year. To the extent that the total cost of all such improvements, structural changes or installations exceed USD 50,000 in any calendar year, the Charterers shall reimburse the Owners in an amount equal to 50 percent of the product of (i) the cost of such improvements, structural changes or installations over USD 50,000 and (ii) a fraction, the numerator of which shall be the number of whole months remaining in the charter period at the time of completion of such improvement, structural change or installation (the "Remaining Charter Period") and the denominator of which shall be the number of whole months remaining in the depreciation period of the vessel (calculated as 25 years from the year the vessel was built) at the time of completion of such improvement, structural change or installation (such product, the "Reimbursement Payment") and the balance of the cost of such improvement, structural change or installation over USD 50,000 shall be paid by the Owners. In the event the charter period is extended for any reason, included but not limited to any extension under Clause 99, the Charterers shall pay additional reimbursement to the Owners in an amount equal to the difference between the reimbursement calculated under the preceding sentence (plus any additional reimbursement calculated for any other extension period if applicable) and the amount that would have been due from the Charterers had the Remaining Charter Period used to calculate the Reimbursement Payment including the number of whole months in the extension period as the numerator of the relevant fraction.
- B. In the event any improvement, structural change or the installation of new equipment, not falling under (A) above, is deemed necessary by the Charterers for the continued operation of the vessel, Charterers shall have the right at their own cost to effect such improvement, structural changes or installation, with the Owners' consent which shall not unreasonably be withheld.

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- C. The Owners shall be notified in writing in advance by the Charterers about any changes and/or improvements as afore mentioned.
- D. Any change, improvement or installation made pursuant to this Clause shall be the property of Owners.

**110) Third Party Clause**

Except as may be otherwise agreed in writing by the parties with any third party, a person who is not party to this agreement/charter may not enforce, or otherwise have the benefit of, any provision of this agreement/charter under the contract.

**111) Optional Termination**

In the event the vessel is not delivered under this charter by [IPO closing], 2005 both the Owners and the Charterers shall have the right to terminate this charter and neither the Owners nor the Charterers shall be entitled to damages or to any other compensation or reimbursement of expenses.

**112) Damages Clause**

In subchartering to its customers, Charterer shall endeavor to avoid or limit any liability to such customers for consequential damages. Owners shall not be liable for any consequential damages or losses unless the Charterer's sub-charter provides for such consequential damages or losses to such customers.

**APPENDIX A****QUESTIONNAIRE 88 FOR OVERSEAS CHRIS****INTERTANKO'S STANDARD TANKER VOYAGE CHARTERING QUESTIONNAIRE 1988 (Version 2)**

*(Metric system to be applied, HVPQ reference specified where applicable)*

		<u>HVPQ Ref</u>
<b>GENERAL INFORMATION</b>		
Date Updated:	Jul 20, 2005	
Vessel's name:	Overseas Chris	1.2
IMO number:	9217981	1.3
Vessel's previous name(s):	Not Applicable	1.4-1.7
Flag:	Marshall Island	1.8
Port of Registry:	Majuro	1.9
Call sign:	V7DA6	1.11
Inmarsat phone number:	Sat B Tel 353845921	1.12
Fax number:	Sat B 353845922	1.13
Email address:	master.ovchris@ships.osg.com	1.16
Type of vessel:	Oil Tanker	1.17
Type of hull:	Double Hull	1.19
<b>OWNERSHIP &amp; OPERATION</b>		
Registered owner - Full Style:	1321 Tanker Corp c/o OSG Ship Management (UK) Ltd +44 191 285 0621 osguk@osg.com	1.20
Technical operator - Full Style:	OSG Ship Management (UK) Ltd. Horsley House, Regent Centre, Gosforth, Newcastle-upon-Tyne, NE3 3HW, United Kingdom +44 191 285 0621 osguk@osg.com	1.22
Commercial operator - Full Style:	Tankers International LLC c/o Tankers (UK) Agencies Ltd, 3rd Floor, Moreau House, 116 Brompton Road, London SW3 1JJ, United Kingdom +44 207 8704700 operations@tankers.uk.com	1.25
Disponent owner / Bareboat charterer - Full Style:		
Number of vessels in disponent owner's fleet:		
<b>BUILDER</b>		
Where Built :	Hyundai Heavy Industries	1.26
Date Delivered:	Dec 10, 2001	1.31
<b>CLASSIFICATION</b>		
Vessel's classification society:	Lloyds Register	1.34
Class notation:	LR + 100A1, Double Hull Oil Tanker, ESP,*IWS,LI,Ship Right (SDA, FDA, CM), With Descriptive Notes "Pt.HT. SBT/PL, (LR), COW (LR), +LMC, UMS, IGS	1.35
If Classification society changed, name of previous society?	N/A	1.36
If Classification society changed, date of change?	None	1.37
Last dry-dock:	Not Applicable	1.38
Last special survey:	Dec 10, 2001	1.41
Latest CAP Rating (if applicable)	0	1.44
Last annual survey:	Nov 16, 2004	1.45
Does the vessel have a statement of compliance issued		

under  
the provisions of the Condition Assessment Scheme  
(CAS)?

## DIMENSIONS

LOA (Length Over All):	334.59 Metres	1.49
Extreme breadth:	58.05 Metres	1.51
KTM (Keel to Masthead):	62.703 Metres	1.54
BCM (Bow to Center Manifold):	168.359 Metres	1.57.1
Lightship parallel body length:	125.4 Metres	1.57.3
Normal ballast parallel body length:	144.74 Metres	1.57.6
Parallel body length at Summer DWT:	160.68 Metres	1.57.9

## TONNAGES

Net Tonnage:	109555 Tonnes	1.59
Gross Tonnage:	157883 Tonnes	1.60
Suez Net Tonnage:	Tonnes	1.61
Panama Net Tonnage:	Tonnes	1.62

## LOADLINE INFORMATION

	Freeboard	Draft	Deadweight	Displacement	
Summer:	8872 Metres	22.174 Metres	299999 Tonnes	343704 Tonnes	1.63
Winter:	8796 Metres	22.25 Metres	301286 Tonnes	344991 Tonnes	1.64
Tropical:	7850 Metres	23.196 Metres	317323 Tonnes	361028 Tonnes	1.65
Lightship:	27666 Metres	3.38 Metres	0 Tonnes	43705 Tonnes	1.66
Normal Ballast Condition:	20796 Metres	10.25 Metres	104677.3 Tonnes	148382.3 Tonnes	1.67

TPC on summer draft:	169.53 Tonnes	1.70
Does vessel have Multiple SDWT?	Yes	1.72
If yes what is the maximum assigned Deadweight?	309284.7 Tonnes	1.73
Air draft (sea level to top of mast/highest point) in normal SBT condition?	52.453 Metres	1.74

## RECENT OPERATIONAL HISTORY

Has vessel been involved in any collision, grounding or pollution incident the past 12 months, full description:	Pollution: No Grounding: No Collision: No	1.77-1.79
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## CERTIFICATION

Owners warrant following certificates to be valid throughout the Charter Party period:

SOLAS Safety Equipment:	Dec 09, 2006	2.2
SOLAS Safety Radio:	Dec 09, 2006	2.3
SOLAS Safety Construction:	Dec 09, 2006	2.4
Load line:	Dec 09, 2006	2.5
IOPPC:	Dec 09, 2006	2.6
Safety Management (ISM):	May 19, 2007	2.8
USCG COC:	Jul 07, 2004	2.11
CLC:		2.13
US COFR:		2.15
Certificate of Fitness (Gas/Chemicals):	Gas: Chem:	2.16 & 2.17

Certificate of Class:

ISPS ISSC:

## DOCUMENTATION

Does the vessel have the following documents on board?

International Safety Guide for Oil Tankers & Terminals (ISGOTT):	Yes	2.28
OCIMF/ICS Ship to Ship Transfer Guide (Petroleum):	Yes	2.31
Is the vessel entered with ITOPF?		

## CREW MANAGEMENT

Nationality of Master		
Nationality of Officers:	Spanish, British, Croatian	3.1
Nationality of Crew:	Croatian	3.2
If Officers/Crew employed by a Manning Agency - Full Style:	Officers: Crew:	3.1 & 3.2
What is the common working language onboard?	English	3.1
Do key officers understand English?		
In case of Flag Of Convenience (FOC), is the ITF Special Agreement on board?		

## STRUCTURAL CONDITION

Are cargo tanks coated?	Yes	7.1
If Yes, specify type of coating:	Biscon HB 200	7.1.1
If cargo tanks are coated, specify to what extent:	As Above	7.1.3



Are slop tanks coated?

If slop tanks are coated, specify to what extent:

## CARGO & BALLAST SYSTEMS

If double hull, is vessel fitted with centreline bulkhead in all cargo tanks?	No	8.2
Groups / Tank Capacities	1: Cu. Metres - , 2: Cu. Metres - 3: Cu. Metres - 4: Cu. Metres - 5: Cu. Metres - 6: Cu. Metres - 7: Cu. Metres - 8: Cu. Metres - 9: Cu. Metres -	8.3
Total cubic capacity 98% ex slop tank:	336246 Cu. Metres	8.4 & 8.6
Slop tank(s) capacity 98%:	7026.4 Cu. Metres	8.5 & 8.7
SBT or CBT?	SBT	
If SBT, what percentage of SDWT can vessel maintain with SBT only?	33.36%	8.14.2
If SBT, does vessel meet the requirements of MARPOL Reg 13(2)?	Yes	8.14.3
Number of natural segregations with double valve:	3	8.15

## CARGO PUMPS

Number / Capacity / Type:	3 x 5000 Cu. Metres/Hour (Centrifugal)	8.18-8.25
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## GAUGING AND SAMPLING

Can tank innage/ullage be read from the CCR?	Yes	8.48
Can vessel operate under closed conditions in accordance with ISGOTT 7.6.3?	Yes	8.51
Type of tank gauging system (radar / floating / other)	Radar	8.51.1
Are high level alarms fitted and operational in cargo tanks?	Yes	8.54

## VAPOUR EMISSION CONTROL AND VENTING

Is a vapour return system fitted?	Yes	8.65
State what type of venting system is fitted:	Common, Single Vent Riser	8.67
Max loading rate per midships connection for homogenous cargo?	Cu. Metres/Hour	8.79

## CARGO MANIFOLDS

Does vessel comply with the latest edition of the OCIMF 'Recommendations for Oil Tanker Manifolds and Associated Equipment'?	Yes	8.80
What is the number of cargo connections per side?	3	8.83
What is the size of cargo connections?	Millimetres	8.84
What is the material of the manifold?	Cast Steel	8.86
Distance between cargo manifold centres:	3000 Millimetres	8.93
Distance ships rail to manifold:	4500 Millimetres	8.95
Distance main deck to centre of manifold:	2100 Millimetres	8.97
Height of manifold connections above the waterline at loaded (Summer Deadweight) condition?	10.423 Metres	8.101

Height of manifold connections above the waterline in normal ballast?	22.886 Metres	8.102
Is vessel fitted with a stern manifold?	No	8.104
Number / size reducers:	6 x 660/500 Millimetres 6 x 660/400 Millimetres 6 x 660/300 Millimetres 3 x 400/250 Millimetres	8.106-8.110

## CARGO HEATING

Type of cargo heating system?		8.120
Material of heating system?		8.128
Max load temp:		
Max temp maintain:		

## IGS & COW

Is an Inert Gas System (IGS) fitted?	Yes	9.1
Is IGS supplied by flue gas, inert gas (IG) generator and/or nitrogen?	Flue Gas	9.3
Is a Crude Oil Washing (COW) installation fitted?	Yes	9.17

## MOORING ARRANGEMENTS

Number / length / diameter of wires:	Forecastle: 4 / 300 / 42 Fwd main deck: 6 / 300 / 42 Aft main deck: 4 / 300 / 42 Poop: 6 / 300 / 42	10.2-5
Breaking strength of wires:	Forecastle: 114 Fwd main deck: 114 Aft main deck: 114 Poop: 114	10.2-5
Number / length / diameter of ropes:	None	10.11-18

Breaking strength of ropes:	None	10.11-18
Number and brake holding power of winches:	Forecastle: 2 / 91.2 Fwd main deck: 3 / 91.2 Aft main deck: 2 / 91.2 Poop: 3 / 91.2	10.22-10.25

How many closed chocks and/or fairleads of enclosed type are fitted on:

Focsle:

Main deck fwd:

Main deck aft:

Poop:

#### SINGLE POINT MOORING (SPM) EQUIPMENT

Fairlead size:	650 mm x 450 mm	10.48
Does vessel comply with the latest edition of OCIMF 'Recommendations for Equipment Employed in the Mooring of Vessels at Single Point Moorings (SPM)'?	Yes	10.60
Is vessel fitted with chain stopper(s)?	Yes	10.61
Number:	2	10.61.1

Type:	Tongue	10.61.2
SWL:	200 Tonnes	10.61.3
Max diameter chain size:	76 Millimetres	10.62

#### LIFTING EQUIPMENT

Derrick(s) - Number / SWL:	0 / Tonnes	10.75
Crane(s) - Number / SWL:	2 / 20 Tonnes	10.76

#### ENGINE ROOM

What type of fuel is used for main propulsion?	HFO	12.5
What type of fuel is used in the generating plant?	HFO	12.14

#### MISCELLANEOUS

P & I Club name:		
Last three cargoes (Last / 2 <sup>nd</sup> Last / 3 <sup>rd</sup> Last):	Contact owner for details.	
Last three charterers (Last / 2 <sup>nd</sup> Last / 3 <sup>rd</sup> Last):	Contact owner for details.	
Last three voyages (Last / 2 <sup>nd</sup> Last / 3 <sup>rd</sup> Last):	Contact owner for details.	
Date of last SIRE Inspection:		
Date of last CDI Inspection:		
Current Oil Major Company Acceptances (TBOOK):		
Date and place of last Port State Control:	/	
Any outstanding deficiencies as reported by any Port State Control?		
If yes, provide details:		

#### FOR USA CALLS ONLY

Qualified individual (QI) - Full Style:

Oil Spill Response Organization (OSRO) -Full Style:

Has owner, manager, or operator signed the Sea Carrier Initiative agreement with US customs concerning drug smuggling?

Revised: July 2004 (INTERTANKO.com / Q88.com)

#### APPENDIX B

#### APPROVED SHIP BROKERS

P.F. Bassoe A/S (Norway)  
 Platou (Norway)  
 Fearnleys (Norway)  
 H. Clarkson (U.K.)  
 E.A. Gibson (U.K.)  
 Simpson Spence & Young Ltd.  
 Jacq. Pierot Jr. & Sons, Inc. (USA)  
 Compass Maritime Services LLC  
 Galbraith's Limited

**Code word for this Charter Party**  
**“SHELLTIME 4”**

Issued December 1984 amended December 2003

**Time Charter Party**  
**New York**  
**October 6, 2005**

IT IS THIS DAY AGREED between REGAL UNITY TANKER CORPORATION of MAJURO, MARSHALL ISLANDS (hereinafter referred to as “Owners”), being owners of the good motor vessel called “REGAL UNITY” (hereinafter referred to as “the vessel”) described as per Clause 1 hereof and DHT REGAL UNITY VLCC CORP. of MAJURO, MARSHALL ISLANDS (hereinafter referred to as “Charterers”):

**Description and Condition of Vessel**

1. At the date of delivery of the vessel under this charter and throughout the charter period:
    - (a) she shall be classed by a Classification Society which is a member of the International Association of Classification Societies;
    - (b) she shall be in every way fit to carry no heat crude petroleum and/or its dirty products; such as no heat Fuel Oil and Orimulsion in accordance with vessel’s class certificates, coating manufacturers resistance list and in accordance with the vessels stability trim and stress requirements.
    - (c) she shall be tight, staunch, strong, in good order and condition, and in every way fit for the service, with her machinery, boilers, hull and other equipment (including but not limited to hull stress calculator, radar, computers and computer systems) in a good and efficient state;
    - (d) her tanks, valves and pipelines shall be oil-tight;
    - (e) she shall be in every way fitted for burning IFO and MDO (if applicable), in accordance with the grades specified in Clause 29 hereof;
    - (f) she shall comply with the regulations in force so as to enable her to pass through the Suez Canal by day and night without delay;
    - (g) she shall have on board all certificates, documents and equipment required from time to time by any applicable law to enable her to perform the charter service without delay;
    - (h) she shall comply with the description in the Questionnaire 88, appended hereto provided however that if there is any conflict between the provisions of this questionnaire and any other provision, including this Clause 1, of this charter such other provisions shall govern;
    - (i) her flag, registry, and classification society shall not be changed;
    - (j) Owners will operate:
      - (i) a safety management system certified to comply with the International Safety Management Code (“ISM Code”) for the Safe Operation of Ships and for Pollution Prevention;
      - (ii) a documented safe working procedures system (including procedures for the identification and mitigation of risks);
      - (iii) a documented environmental management system;
      - (iv) documented accident/incident reporting system compliant with flag state requirements;
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- (k) Owners shall maintain Health Safety Environmental (“HSE”) records sufficient to demonstrate compliance with the requirements of their HSE system and of this charter. Charterers reserve the right to confirm compliance with HSE requirements by audit of Owners.

**Shipboard Personnel and their Duties**

2. (a) At the date of delivery of the vessel under this charter and throughout the charter period:
  - (i) she shall have a full and efficient complement of master, officers and crew for a vessel of her tonnage, who shall in any event be not less than the number required by the laws of the flag state and who shall be trained to operate the vessel and her equipment competently and safely;
  - (ii) all shipboard personnel shall hold valid certificates of competence in accordance with the requirements of the law of the flag state;
  - (iii) all shipboard personnel shall be trained in accordance with the relevant provisions of the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1995 or any additions, modifications or subsequent versions thereof;
  - (iv) (See Clause 91).
  - (v) the terms of employment of the vessel’s staff and crew will always remain acceptable to The International Transport Worker’s Federation and the vessel will at all times carry a Blue Card; (See Clause 50e).

- (vi) the nationality of the vessel's officers will not change without Charterers' prior agreement.
- (b) Owners guarantee that throughout the charter service the master shall with the vessel's officers and crew, unless otherwise ordered by Charterers;
  - (i) prosecute all voyages with the utmost despatch;
  - (ii) render all customary assistance; and
  - (iii) load and discharge cargo as rapidly as possible when required by Charterers or their agents to do so, by night or by day, but always in accordance with the laws of the place of loading or discharging (as the case may be) and in each case in accordance with any applicable laws of the flag state.

### **Duty to Maintain**

- 3. (a) Throughout the charter service Owners shall, whenever the passage of time, wear and tear or any event (whether or not coming within Clause 27 hereof) requires steps to be taken to maintain or restore the conditions stipulated in Clauses 1 and 2(a), exercise due diligence so to maintain or restore the vessel.
- (b) If at any time whilst the vessel is on hire under this charter the vessel fails to comply with the requirements of Clauses 1, 2(a) or 10 then hire shall be reduced to the extent necessary to indemnify Charterers for such failure. If and to the extent that such failure affects the time taken by the vessel to perform any services under this charter, hire shall be reduced by an amount equal to the value, calculated at the rate of hire, of the time so lost.

Any reduction of hire under this sub-Clause (b) shall be without prejudice to any other remedy available to Charterers, but where such reduction of hire is in respect of time lost, such time shall be excluded from any calculation under Clause 24.

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- (c) If Owners are in breach of their obligations under Clause 3(a), Charterers may so notify Owners in writing and if, after the expiry of 30 days following the receipt by Owners of any such notice, Owners have failed to demonstrate to Charterers' reasonable satisfaction the exercise of due diligence as required in Clause 3(a), the vessel shall be off-hire, and no further hire payments shall be due, until Owners have so demonstrated that they are exercising such due diligence.
  - (d) Owners shall advise Charterers immediately, in writing, should the vessel fail an inspection by, but not limited to, a governmental and/or port state authority, and/or terminal and/or major charterer of similar tonnage. Owners shall simultaneously advise Charterers of their proposed course of action to remedy the defects which have caused the failure of such inspection (see clause 57).
  - (e) If, in Charterers reasonably held view:
    - (i) failure of an inspection, or,
    - (ii) any finding of an inspection,

referred to in Clause 3(d), prevents normal commercial operations then Charterers have the option to place the vessel off-hire from the date and time that the vessel fails such inspection, or becomes commercially inoperable, until the date and time that the vessel passes a re-inspection by the same organisation, or becomes commercially operable, which shall be in a position no less favourable to Charterers than at which she went off-hire.

- (f) Furthermore, at any time while the vessel is off-hire under this Clause 3 (with the exception of Clause 3(e)(ii)), Charterers have the option to terminate this charter by giving notice in writing with effect from the date on which such notice of termination is received by Owners or from any Later date stated in such notice. This sub-Clause (f) is without prejudice to any rights of Charterers or obligations of Owners under this charter or otherwise (including without limitation Charterers' rights under Clause 21 hereof).

### **Period, Trading Limits and Safe Places**

- 4. (a) Owners agree to let and Charterers agree to hire the vessel for a period of (See clause 93). The last firm period shall having a tolerance of plus or minus 30 days in Charterers' option commencing from the time and date of delivery of the vessel under the Memorandum of Agreement (the "MOA") dated , 2005, for the purpose of carrying all lawful merchandise (subject always to Clause 28) including in particular:

No heat crude petroleum and its dirty products including no heat fuel Oil and Orimulsion in any part of the world, as Charterers shall direct, subject to the limits of the current British Institute Warranties and any subsequent amendments thereof excluding countries under U.N. and/or U.S. sanctions/embargoes. The vessel may trade to war zones, with Owners consent which not to be unreasonably withheld, in which case, Charterers to pay for the additional premium. Notwithstanding the foregoing, but subject to Clause 35, Charterers may order the vessel to ice-bound waters or to any part of the world outside such limits provided that Owner's consent thereto (such consent not to be unreasonably withheld) and that Charterers pay for any insurance premium required by the vessel's underwriters as a consequence of such order.

- (b) Any time during which the vessel is off-hire under this charter may be added to the last firm charter period in Charterers' option up to the total amount of time spent off-hire. In such cases the rate of hire will be that prevailing at the time the vessel would, but for the provisions of this Clause, have been redelivered.
  - (c) Charterers shall use due diligence to ensure that the vessel is only employed between and at safe places (which expression when used in this charter shall include ports, berths, wharves, docks, anchorages, submarine lines, alongside vessels or lighters, and other locations including locations at sea) where she can safely lie always afloat. Notwithstanding anything contained in this or any other clause of this charter, Charterers do not warrant the safety of any place to which they order the vessel and shall be under no
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liability in respect thereof except for loss or damage caused by their failure to exercise due diligence as aforesaid. Subject as above, the vessel shall be loaded and discharged at any places as Charterers may direct, provided that Charterers shall exercise due diligence to ensure that any ship-to-ship transfer operations shall conform to standards not less than those set out in the latest published edition of the ICS/OCIMF Ship-to-Ship Transfer Guide.

- (d) The vessel shall be delivered by Owners at a safe port or at sea in Charterer's option and redelivered to Owners at one safe port or at sea, worldwide at Charterer's option.
- (e) The vessel will deliver with last cargo of crude and/or its dirty products and will redeliver with last cargo of crude and/or its dirty products
- (f) Charterers are required to give Owners 30 days prior approximate notice of redelivery and 5/3/2/1 day(s) definite notice of redelivery and place.

#### **Laydays/Canceling**

- 5. The delivery of the vessel under this charter shall be deemed to have occurred and this Charter shall be effective as of the date of the delivery of the vessel from the Sellers to the Buyers (Owners) under the terms of the MOA between Regency Tankers Corporation and Regal Unity Tanker Corporation dated September 20, 2005.

The vessel may be on a voyage or time charter at the time of delivery. Charterers accept this Charter subject to such charters (which become sub-charters to this time charter) upon delivery. Furthermore, notwithstanding anything to the contrary contained in this charter, including but not limited to Clause 1 hereof, the Charterers accept the vessel in the condition it is in at the time of delivery, including the vetting status, and agrees that at such time the vessel satisfies the standard set forth in Clause 1.

#### **Owners to Provide**

- 6. Owners undertake to provide and to pay for all provisions, wages (including but not limited to all overtime payments), and shipping and discharging fees and all other expenses of the master, officers and crew; also, except as provided in Clauses 4 and 34 hereof, for all insurance on the vessel, for all Deck, cabin and engine-room stores, and for water (limited to crew only); for all drydocking, overhaul, maintenance and repairs to the vessel. Owners' obligations under this Clause 6 extend to all liabilities for customs or import duties arising at any time during the performance of this charter in relation to the personal effects of the master, officers and crew, and in relation to the stores, provisions and other matters aforesaid which Owners are to provide and pay for and Owners shall refund to Charterers any sums Charterers or their agents may have paid or been compelled to pay in respect of any such liability. Any amounts allowable in general average for wages and provisions and stores shall be credited to Charterers insofar as such amounts are in respect of a Period when the vessel is on-hire.

#### **Charterers to Provide**

- 7. (a) Charterers shall provide and pay for all fuel (except for fuel used for domestic services), towage and pilotage and shall pay agency fees, port charges, commissions, expenses of loading and unloading cargoes, canal dues, and tax/dues on cargo/freight and all charges other than those payable by Owners in accordance with Clause 6 hereof, provided that all charges for the said items shall be for Owners' account when such items are consumed, employed or incurred for Owners' purposes or while the vessel is off-hire (unless such items reasonably relate to any service given or distance made good and taken into account under Clause 21 or 22); and provided further that any fuel used in connection with a general average sacrifice or expenditure shall be paid for by Owners. OPA charges to be paid by Charterers, COFR to be arranged and paid for by Owners.
- (b) In respect of bunkers consumed for Owners' purposes these will be charged on each occasion by Charterers on a "first-in-first-out" basis valued on the prices actually paid by Charterers.

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- (c) If the trading limits of this charter include ports in the United States of America and/or its protectorates then Charterers shall reimburse Owners for port specific charges relating to additional premiums charged by providers of oil pollution cover, when incurred by the vessel calling at ports in the United States of America and/or its protectorates in accordance with Charterers orders. The liability to reimburse Owners shall not apply where the OPA charges has arisen through the actions of the Owner.

#### **Rate of Hire**

- 8. (See Clause 99).

#### **Payment of Hire**

- 9. Subject to Clause 3(c) and 3(e), payment of hire shall be made in immediately available funds to:

Wachovia Bank, NA New York  
ABA # 031-201-467  
Account: The Royal Bank of Scotland International Limited  
Account Number: 2000193009149 (CHIPS:155424)  
SWIFT: PNBUS3NNYC  
For further credit to: Double Hull Tankers, Inc.  
Account Number: 1028 – 50440694

in United States Dollars per calendar month in advance, less:

- (i) any hire paid which Charterers reasonably estimate to relate to off-hire periods, and,

- (ii) any amounts disbursed on Owners' behalf, any advances and commission therein, and charges which are for Owners' account pursuant to any provision hereof, and;
- (iii) any amounts due or reasonably estimated to become due to Charterers under Clause 3(c) or 24 hereof,

any such adjustments to be made at the due date, which shall be the 27<sup>th</sup> day of the preceding month for which payment is being made, for the next monthly payment after the facts have been ascertained. Charterers shall not be responsible for any delay or error by Owners' bank in crediting Owners' account provided that Charterers have made proper and timely payment.

In default of such proper and timely payment:

- (a) Owners shall notify Charterers of such default and Charterers shall within seven days of receipt of such notice pay to Owners the amount due, including interest, failing which Owners may withdraw the vessel from the service of Charterers without prejudice to any other rights Owners may have under this charter or otherwise; and;
- (b) Interest on any amount due but not paid on the due date shall accrue from the day after that date up to and including the day when payment is made, at a rate per annum which shall be 1% above the U.S. Prime Rate as published in the Wall Street Journal as effective for each day the amount is outstanding, or, if no such interest rate is published for a given day, the interest rate published for the next preceding day for which such a rate was so published, computed on an actual/365 basis.

### **Space Available to Charterers**

- 10. The whole reach, burthen and decks on the vessel and any passenger accommodation (including Owners' suite) shall be at Charterers' disposal, reserving only proper and sufficient space for the vessel's master, officers, crew, tackle, apparel, furniture, provisions and stores.

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### **Segregated Ballast**

- 11. In connection with the Council of the European Union Regulation on the Implementation of IMO Resolution A747(18) Owners will ensure that the following entry is made on the International Tonnage Certificate (1969) under the section headed "Remarks".

"The segregated ballast tanks comply with the Regulation 13 of Annex 1 of the International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 relating thereto".

### **Instructions and Logs**

- 12. Charterers shall from time to time give the master all requisite instructions and sailing directions, and the master shall keep a full and correct log of the voyage or voyages, which Charterers or their agents may inspect as required. The master shall when required furnish Charterers or their agents with a true copy of such log and with properly completed loading and discharging port sheets and voyage reports for each voyage and other returns as Charterers may require. Charterers shall be entitled to take copies at Owners' expense of any such documents which are not provided by the master. Owner's crew to be trained to operate and to utilize Charter Operations System (CHOPS) as directed by Charterer.

### **Bills of Lading**

- 13. (a) The master (although appointed by Owners) shall be under the orders and direction of Charterers as regards employment of the vessel, agency and other arrangements, and shall sign Bills of Lading as Charterers or their agents may direct (subject always to Clauses 35(a) and 40) without prejudice to this charter. Charterers hereby indemnify Owners against all consequences or liabilities that may arise;
  - (i) from signing Bills of Lading in accordance with the directions of Charterers or their agents, to the extent that the terms of such Bills of Lading fail to conform to the requirements of this charter, or (except as provided in Clause 13(b)) from the master otherwise complying with Charterers' or their agents' orders;
  - (ii) from any irregularities in papers supplied by Charterers or their agents.
- (b) Notwithstanding the foregoing, Owners shall not be obliged to comply with any orders from Charterers to discharge all or part of the cargo:
  - (i) at any place other than shown on the Bill of Lading and/or
  - (ii) without presentation of an original Bill of Lading

unless they receive from Charterers both written confirmation of such orders and an indemnity in a form acceptable to Owners (See Clause 49).

### **Conduct of Vessel's Personnel**

- 14. If Charterers complain of the conduct of the master or any of the officers or crew, Owners shall immediately investigate the complaint. If the complaint proves to be well founded, Owners shall, without delay, make a change in the appointments and Owners shall in any event communicate the result of their investigations to Charterers as soon as possible.

### **Bunkers at Delivery and Redelivery**

- 15. There shall be no physical payment for bunkers on board at the time of delivery. Owners shall on redelivery (whether it occurs at the end of the charter or on the earlier termination of this charter) accept and pay for all

bunkers remaining on board, at the price actually paid, on a "first-in-first-out" basis. Such prices are to be supported by paid invoices.

Vessel to be delivered to and redelivered from the charter with, at least, a quantity of bunkers on board sufficient to reach the nearest main bunkering port.

Notwithstanding anything contained in this charter all bunkers on board the vessel shall, throughout the duration of this charter, remain the property of Charterers and can only be purchased on the terms specified in the charter at the end of the charter period or, if earlier, at the termination of the charter.

### **Stevedores, Pilots, Tugs**

16. Stevedores, when required, shall be employed and paid by Charterers, but this shall not relieve Owners from responsibility at all times for proper stowage, which must be controlled by the master who shall keep a strict account of all cargo loaded and discharged. Owners hereby indemnify Charterers, their servants and agents against all losses, claims, responsibilities and liabilities arising in any way whatsoever from the employment of pilots, tugboats or stevedores, who although employed by Charterers shall be deemed to be the servants of and in the service of Owners and under their instructions (even if such pilots, tugboat personnel or stevedores are in fact the servants of Charterers their agents or any affiliated company); provided, however, that:
- (a) the foregoing indemnity shall not exceed the amount to which Owners would have been entitled to limit their liability if they had themselves employed such pilots, tugboats or stevedores, and;
  - (b) Charterers shall be liable for any damage to the vessel caused by or arising out of the use of stevedores, fair wear and tear excepted, to the extent that Owners are unable by the exercise of due diligence to obtain redress therefor from stevedores.

### **Super-Numeraries**

17. Charterers may send representatives in the vessel's available accommodation upon any voyage made under this charter, Owners finding provisions and all requisites as supplied to officers, except alcohol. Charterers paying at the rate of United States Dollars 20 (twenty) per day for each representative while on board the vessel.

### **Sub-letting/Assignment/Novation**

18. Charterers may sub-let the vessel, but shall always remain responsible to Owners for due fulfilment of this charter.

### **Final Voyage**

19. If when a payment of hire is due hereunder Charterers reasonably expect to redeliver the vessel before the next payment of hire would fall due, the hire to be paid shall be assessed on Charterers' reasonable estimate of the time necessary to complete Charterers' programme up to redelivery, and from which estimate Charterers may deduct amounts due or reasonably expected to become due for:
- (a) disbursements on Owners' behalf or charges for Owners' account pursuant to any provision hereof, and;
  - (b) bunkers on board at redelivery pursuant to Clause 15.

Promptly after redelivery any overpayment shall be refunded by Owners or any underpayment made good by Charterers.

If at the time this charter would otherwise terminate in accordance with Clause 4 the vessel is on a ballast voyage to a port of redelivery or is upon a laden voyage, Charterers shall continue to have the use of the vessel

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at the same rate and conditions as stand herein for as long as necessary to complete such ballast voyage, or to complete such laden voyage and return to a port of redelivery as provided by this charter, as the case may be.

### **Loss of Vessel**

20. Should the vessel be lost, this charter shall terminate and hire shall cease at noon (GMT) on the day of her loss; should the vessel be a constructive total loss, this charter shall terminate and hire shall cease at noon (GMT) on the day on which the vessel's underwriters agree that the vessel is a constructive total loss; should the vessel be missing, this charter shall terminate and hire shall cease at noon (GMT) on the day on which she was last heard of. Any hire paid in advance and not earned shall be returned to Charterers and Owners shall reimburse Charterers for the value of the estimated quantity of bunkers on board at the time of termination, at the price paid by Charterers at the last bunkering port.

### **Off-hire**

21. (a) On each and every occasion that there is loss of time (whether by way of interruption in the vessel's service or, from reduction in the vessel's performance, or in any other manner):
- (i) due to deficiency of personnel or stores; repairs; gas-freeing for repairs; time in and waiting to enter dry dock for repairs; breakdown (whether partial or total) of machinery, boilers or other parts of the vessel or her equipment (including without limitation tank coatings); overhaul, maintenance or survey; collision, stranding, accident or damage to the vessel; or any other similar cause preventing the efficient working of the vessel; and such loss continues for more than three consecutive hours (if resulting from interruption in the vessel's service) or cumulates to more than three hours (if resulting from partial loss of service); or;
  - (ii) due to industrial action, refusal to sail, breach of orders or neglect of duty on the part of the master, officers or crew; or;

- (iii) for the purpose of obtaining medical advice or treatment for or landing any sick or injured person (other than a Charterers' representative carried under Clause 17 hereof) or for the purpose of landing the body of any person (other than a Charterers' representative), and such loss continues for more than three consecutive hours; or;
  - (iv) due to any delay in quarantine arising from the master, officers or crew having had communication with the shore at any infected area without the written consent or instructions of Charterers or their agents, or to any detention by customs or other authorities caused by smuggling or other infraction of local law on the part of the master, officers, or crew; or;
  - (v) due to detention of the vessel by authorities at home or abroad attributable to legal action against or breach of regulations by the vessel, the vessel's owners, or Owners (unless brought about by the act or neglect of Charterers); then; without prejudice to Charterers' rights under Clause 3 or to any other rights of Charterers hereunder, or otherwise, the vessel shall be off-hire from the commencement of such loss of time until she is again ready and in an efficient state to resume her service from a position not less favourable to Charterers than that at which such loss of time commenced; provided, however, that any service given or distance made good by the vessel whilst off-hire shall be taken into account in assessing the amount to be deducted from hire.
  - (vi) Charterers shall keep owners/master advised of vessels schedule to allow Owners the opportunity to make use of any idle time for the purpose of maintenance during the charter. Such idle time not to count as off-hire.
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- (b) If the vessel fails to proceed at any guaranteed speed pursuant to Clause 24, and such failure arises wholly or partly from any of the causes set out in Clause 21(a) above, then the period for which the vessel shall be off-hire under this Clause 21 shall be the difference between:
  - (i) the time the vessel would have required to perform the relevant service at such guaranteed speed, and;
  - (ii) the time actually taken to perform such service (including any loss of time arising from interruption in the performance of such service).

For the avoidance of doubt, all time included under (ii) above shall be excluded from any computation under Clause 24.

- (c) Further and without prejudice to the foregoing, in the event of the vessel deviating (which expression includes without limitation putting back, or putting into any port other than that to which she is bound under the instructions of Charterers) for any cause or purpose mentioned in Clause 21(a), the vessel shall be off-hire from the commencement of such deviation until the time when she is again ready and in an efficient state to resume her service from a position not less favourable to Charterers than that at which the deviation commenced, provided, however, that any service given or distance made good by the vessel whilst so off-hire shall be taken into account in assessing the amount to be deducted from hire. If the vessel, for any cause or purpose mentioned in Clause 21(a), puts into any port other than the port to which she is bound on the instructions of Charterers, the port charges, pilotage and other expenses at such port shall be borne by Owners. Should the vessel be driven into any port or anchorage by stress of weather hire shall continue to be due and payable during any time lost thereby.
- (d) If the vessel's flag state becomes engaged in hostilities, and Charterers in consequence of such hostilities find it commercially impracticable to employ the vessel and have given Owners written notice thereof then from the date of receipt by Owners of such notice until the termination of such commercial impracticability the vessel shall be off-hire and Owners shall have the right to employ the vessel on their own account.
- (e) Time during which the vessel is off-hire under this charter shall count as part of the charter period except where Charterers declare their option to add off-hire periods under Clause 4(b).
- (f) All references to "time" in this charter party shall be references to GMT except where otherwise stated.
- (g) During any time that the vessel is off-hire under this charter, Basic Hire shall not accrue. Any additional hire that may be due for periods that the Vessel is off-hire shall be determined in accordance with the terms of the Charter Framework Agreement.

### **Periodical Drydocking**

- 22. (a) Owners have the right and obligation to drydock the vessel at regular intervals not exceeding 5 years. On each occasion Owners shall propose to Charterers a date on which they wish to drydock the vessel, not less than 90 days before such date and Charterers shall offer a port for such periodical drydocking and shall take all reasonable steps to make the vessel available as near to such date as practicable.

Owners shall put the vessel in drydock at their expense as soon as practicable after Charterers place the vessel at Owners' disposal clear of cargo other than tank washings and residues. Owners shall be responsible for and pay for the disposal into reception facilities of such tank washings and residues and shall have the right to retain any monies received therefor, without prejudice to any claim for loss of cargo under any Bill of Lading or this charter.

- (b) If a periodical drydocking is carried out in the port offered by Charterers (which must have suitable accommodation for the purpose and reception facilities for tank washings and residues), the vessel shall

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be off-hire from the time she arrives at such port until drydocking is completed and she is in every way ready to resume Charterers' service and is at the position at which she went off-hire or a position no less favourable to Charterers, whichever she first attains. However:

- (i) provided that Owners exercise due diligence in gas-freeing, any time lost in gas-freeing to the standard required for entry into drydock for cleaning and painting the hull shall not count as off-hire, whether lost on passage to the drydocking port or after arrival there (notwithstanding Clause 21), and;



- (ii) any additional time lost in further gas-freeing to meet the standard required for hot work or entry to cargo tanks shall count as off-hire, whether lost on passage to the drydocking port or after arrival there.

Any time which, but for sub-Clause (i) above, would be off-hire, shall not be included in any calculation under Clause 24.

The expenses of gas-freeing, including without limitation the cost of bunkers, shall be for Owners account.

- (c) If Owners require the vessel, instead of proceeding to the offered port, to carry out periodical drydocking at a special port selected by them, the vessel shall be off-hire from the time when she is released to proceed to the special port until she next presents for loading in accordance with Charterers' instructions, provided, however, that Charterers shall credit Owners with the time which would have been taken on passage at the service speed had the vessel not proceeded to drydock. All fuel consumed shall be paid for by Owners but Charterers shall credit Owners with the value of the fuel which would have been used on such notional passage calculated at the guaranteed daily consumption for the service speed, and shall further credit Owners with any benefit they may gain in purchasing bunkers at the special port.
- (d) Charterers shall, insofar as cleaning for periodical drydocking may have reduced the amount of tank-cleaning necessary to meet Charterers' requirements, credit Owners with the value of any bunkers which Charterers calculate to have been saved thereby, whether the vessel drydocks at an offered or a special port.

### Ship Inspection

23. (See Clause 83).

### Detailed Description and Performance

24. Owners guarantee that the speed and consumption of the vessel shall be as follows: (see Clause 78).

The bunker consumptions are for all purposes except cargo heating, purging and tank cleaning and shall be pro-rated between the speeds shown.

Charterer may order the vessel to proceed at any speed above/below the guaranteed speed, weather and safe navigation permitting.

If the vessel is ordered to proceed at any speed other than the highest speed and the average speed actually attained by the vessel during the currency of such order exceeds such ordered speed plus 0.5 knots (the "maximum recognised speed"), then for the purpose of calculating a decrease of hire under this Clause 24 the maximum recognised speed shall be used in place of the average speed actually attained.

For the purposes of this charter the "guaranteed speed" at any time shall be the then-current ordered speed or the service speed, as the case may be.

The average speeds and bunker consumptions shall for the purposes of this Clause 24 be calculated by reference to the observed distance from pilot station to pilot station on all sea passages during each period stipulated in Clause 24(c), but excluding any time during which the vessel is (or but for Clause 22(b)(i) would be) off-hire and also excluding "Adverse Weather Periods", being:

- (i) any periods during which reduction of speed is necessary for safety in congested waters or in poor visibility;
  - (ii) any days, noon to noon, when winds exceed force 5 on the Beaufort Scale for more than 12 hours.
- (b) If during any half year (i.e., 6 calendar months) period from the date on which the vessel enters service and continuing for each succeeding 6 calendar month period thereafter, the vessel falls below the performance guaranteed in Clause 24(a), then if such shortfall results:
    - (i) from a reduction in the average speed of the vessel, compared to the speed guaranteed in Clause 24(a), then an amount equal to the value at the hire rate of the time so lost be included in the performance calculation;
    - (ii) from an increase in the total bunkers consumed, compared to the total bunkers which would have been consumed had the vessel performed as guaranteed in Clause 24(a), an amount equivalent to the value of the additional bunkers consumed or based on the average price paid by Charterers for the vessel's bunkers in such period, shall be included in the performance calculation.

The results of the performance calculation for laden and ballast mileage respectively shall be adjusted to take into account the mileage steamed in each such condition during Adverse Weather Periods, by dividing such deduction by the number of miles over which the performance has been calculated and multiplying by the same number of miles plus the miles steamed during the Adverse Weather Periods, in order to establish the total performance calculation for such period.

Reduction of hire under the foregoing sub-Clause (b) shall be without prejudice to any other remedy available to Charterers.

- (c) Calculations under this Clause 24 shall be made every 6 months terminating on each successive anniversary of the date on which the vessel enters service, and for the period between the last such anniversary and the date of termination of this charter if less than a year. Claims in respect of reduction of hire arising under this Clause during the final year or part year of the charter period shall in the first instance be settled in accordance with Charterers' estimate made two months before the end of the charter period. Any necessary adjustment after this charter terminates shall be made by payment by Owners to Charterers.
- (d) Owners and Charterers agree that this Clause 24 is assessed on the basis that Owners are not entitled to additional hire for performance in excess of the speeds and consumptions given in this Clause 24.

It is understood between Owner and Charterers that any speed over performance and/or fuel under consumption are to be credited to any under performance/over consumption during the (6) months review period, but no over performance and/or under consumption bonus shall be paid to owners.

## **Salvage**

25. Subject to the provisions of Clause 21 hereof, all loss of time and all expenses (excluding any damage to or loss of the vessel or tortious liabilities to third parties) incurred in saving or attempting to save life or in successful or unsuccessful attempts at salvage shall be borne equally by Owners and Charterers provided that Charterers shall not be liable to contribute towards any salvage payable by Owners arising in any way out of services rendered under this Clause 25.
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All salvage and all proceeds from derelicts shall be divided equally between Owners and Charterers after deducting the master's, officers' and crew's share.

## **Lien**

26. Owners shall have a lien upon all cargoes and all freights, sub-freights and demurrage for any amounts due under this charter; and Charterers shall have a lien on the vessel for all monies paid in advance and not earned, and for all claims for damages arising from any breach by Owners of this charter.

## **Exceptions**

27. (a) The vessel, her master and Owners shall not, unless otherwise in this charter expressly provided, be liable for any loss or damage or delay or failure arising or resulting from any act, neglect or default of the master, pilots, mariners or other servants of Owners in the navigation or management of the vessel; fire, unless caused by the actual fault or privity of Owners; collision or stranding; dangers and accidents of the sea; explosion, bursting of boilers, breakage of shafts or any latent defect in hull, equipment or machinery; provided, however, that Clauses 1, 2, 3, and 24 hereof shall be unaffected by the foregoing. Further, neither the vessel, her master or Owners, nor Charterers shall, unless otherwise in this charter expressly provided, be liable for any loss or damage or delay or failure in performance hereunder arising or resulting from act of God, act of war, seizure under legal process, quarantine restrictions, strikes, lock-outs, riots, restraints of labour, civil commotions or arrest or restraint of princes, rulers or people.
- (b) The vessel shall have liberty to sail with or without pilots, to tow or go to the assistance of vessels in distress and to deviate for the purpose of saving life or property.
- (c) Clause 27(a) shall not apply to, or affect any liability of Owners or the vessel or any other relevant person in respect of:
- (i) loss or damage caused to any berth, jetty, dock, dolphin, buoy, mooring line, pipe or crane or other works or equipment whatsoever at or near any place to which the vessel may proceed under this charter, whether or not such works or equipment belong to Charterers, or;
- (ii) any claim (whether brought by Charterers or any other person) arising out of any loss of or damage to or in connection with cargo. Any such claim shall be subject to the Hague-Visby Rules or the Hague Rules or the Hamburg Rules, as the case may be, which ought pursuant to Clause 38 hereof to have been incorporated in the relevant Bill of Lading (whether or not such Rules were so incorporated) or, if no such Bill of Lading is issued, to the Hague-Visby Rules unless the Hamburg Rules compulsorily apply in which case to the Hamburg Rules.
- (d) In particular and without limitation, the foregoing subsections (a) and (b) of this Clause shall not apply to or in any way affect any provision in this charter relating to off-hire or to reduction of hire.

## **Injurious Cargoes**

28. No acids, explosives or cargoes injurious to the vessel shall be shipped and without prejudice to the foregoing any damage to the vessel caused by the shipment of any such cargo, and the time taken to repair such damage, shall be for Charterers' account. No voyage shall be undertaken, nor any goods or cargoes loaded, that would expose the vessel to capture or seizure by rulers or governments.

## **Grade of Bunkers**

29. Charterers shall supply the vessel with IFO 380 CST RMG 35 as per ISO 8217:1996 (E) requirements for Marine residual fuels and MDO (if applicable) DMB distillate diesel as per ISO 8217:1996 (E) requirements for Marine distillate fuels. Specifications are subject to any revisions of the ISO standards over the term of this charter (See Clause 62).
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## **Disbursements**

30. Should the master require advances for ordinary disbursements at any port, Charterers or their agents shall make such advances to him, in consideration of which Owners shall pay a commission of two and a half per cent, and all such advances and commission shall be deducted from hire.

## **Laying-up**

31. Charterers shall have the option, after consultation with Owners, of requiring Owners to lay up the vessel at a safe place nominated by Charterers, in which case the hire provided for under this charter shall be adjusted to reflect any net increases in expenditure reasonably incurred or any net saving which should reasonably be made by Owners as a result of such lay up. Charterers may exercise the said option any number of times during the charter period.

## **Requisition**

32. Should the vessel be requisitioned by any government, de facto or de jure, during the period of this charter, the vessel shall be off-hire during the period of such requisition, and any hire paid by such governments in respect of such requisition period shall be for Owners' account. Any such requisition period shall not count as part of the charter period and the cumulative requisition time may, at the sole discretion of the Charterer, be added to the end of the firm charter period at a rate in effect at the time the off hire was incurred.

### **Outbreak of War**

33. If war or hostilities break out between any two or more of the following countries: U.S.A., the countries or republics having been part of the former U.S.S.R. (except that declaration of war or hostilities solely between any two or more of the countries or republics having been part of the former USSR shall be exempted), P.R.C., U.K., Netherlands, then both Owners and Charterers shall have the right to cancel this charter provided that the hostilities directly interfere with the vessels trading under Clause 4.

### **Additional War Expenses**

34. If the vessel is ordered to trade in areas where there is war (de facto or de jure) or threat of war, Charterers shall reimburse Owners for any additional insurance premia, crew bonuses and other expenses which are reasonably incurred by Owners as a consequence of such orders, provided that Charterers are given notice of such expenses as soon as practicable and in any event before such expenses are incurred, and provided further that Owners obtain from their insurers a waiver of any subrogated rights against Charterers in respect of any claims by Owners under their war risk insurance arising out of compliance with such orders.

Any payments by Charterers under this Clause will only be made against proven documentation. Any discount or rebate refunded to Owners, for whatever reason, in respect of additional war risk premium shall be passed on to Charterers.

### **War Risks**

35. (a) The master shall not be required or bound to sign Bills of Lading for any place which in his or Owners' reasonable opinion is dangerous or impossible for the vessel to enter or reach owing to any blockade, war, hostilities, warlike operations, civil war, civil commotions or revolutions.
- (b) If in the reasonable opinion of the master or Owners it becomes, for any of the reasons set out in Clause 35(a) or by the operation of international law, dangerous, impossible or prohibited for the vessel to reach or enter, or to load or discharge cargo at, any place to which the vessel has been ordered pursuant to this charter (a "place of peril"), then Charterers or their agents shall be immediately notified in writing or by radio messages, and Charterers shall thereupon have the right to order the cargo, or such part of it as may be affected, to be loaded or discharged, as the case may be, at any other place within the trading

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limits of this charter (provided such other place is not itself a place of peril). If any place of discharge is or becomes a place of peril, and no orders have been received from Charterers or their agents within 48 hours after dispatch of such messages, then Owners shall be at liberty to discharge the cargo or such part of it as may be affected at any place which they or the master may in their or his discretion select within the trading limits of this charter and such discharge shall be deemed to be due fulfilment of Owners' obligations under this charter so far as cargo so discharged is concerned.

- (c) The vessel shall have liberty to comply with any directions or recommendations as to departure, arrival, routes, ports of call, stoppages, destinations, zones, waters, delivery or in any other wise whatsoever given by the government of the state under whose flag the vessel sails or any other government or local authority or by any person or body acting or purporting to act as or with the authority of any such government or local authority including any de facto government or local authority or by any person or body acting or purporting to act as or with the authority of any such government or local authority or by any committee or person having under the terms of the war risks insurance on the vessel the right to give any such directions or recommendations. If by reason of or in compliance with any such directions or recommendations anything is done or is not done, such shall not be deemed a deviation. If by reason of or in compliance with any such direction or recommendation the vessel does not proceed to any place of discharge to which she has been ordered pursuant to this charter, the vessel may proceed to any place which the master or Owners in his or their discretion select and there discharge the cargo or such part of it as may be affected. Such discharge shall be deemed to be due fulfilment of Owners' obligations under this charter so far as cargo so discharged is concerned.

Charterers shall procure that all Bills of Lading issued under this charter shall contain the Chamber of Shipping War Risks Clause 1952.

### **Both to Blame Collision Clause**

36. If the liability for any collision in which the vessel is involved while performing this charter fails to be determined in accordance with the laws of the United States of America, the following provision shall apply:

"If the ship comes into collision with another ship as a result of the negligence of the other ship and any act, neglect or default of the master, mariner, pilot or the servants of the carrier in the navigation or in the management of the ship, the owners of the cargo carried hereunder will indemnify the carrier against all loss, or liability to the other or non-carrying ship or her owners in so far as such loss or liability represents loss of, or damage to, or any claim whatsoever of the owners of the said cargo, paid or payable by the other or non-carrying ship or her owners to the owners of the said cargo and set off, recouped or recovered by the other or non-carrying ship or her owners as part of their claim against the carrying ship or carrier."

"The foregoing provisions shall also apply where the owners, operators or those in charge of any ship or ships or objects other than, or in addition to, the colliding ships or objects are at fault in respect of a collision or contact."

Charterers shall procure that all Bills of Lading issued under this charter shall contain a provision in the foregoing terms to be applicable where the liability for any collision in which the vessel is involved fails to be determined in accordance with the laws of the United States of America.

### **New Jason Clause**

37. General average contributions shall be payable according to York/Antwerp Rules, 2000 as amended from time to time, and shall be adjusted in New York in accordance with New York law and practice.

In the event of accident, danger, damage or disaster before or after the commencement of the voyage, resulting from any cause whatsoever, whether due to negligence or not, for which, or for the consequence of which, the carrier is not responsible by statute, contract or otherwise, the cargo, shippers, consignees or owners of the cargo shall contribute with the carrier in general average to the payment of any sacrifices, losses or expenses of

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a general average nature that may be made or incurred and shall pay salvage and special charges incurred in respect of the cargo.

If a salving ship is owned or operated by the carrier, salvage shall be paid for as fully as if the said salving ship or ships belonged to strangers. Such deposit as the carrier or his agents may deem sufficient to cover the estimated contribution of the cargo and any salvage and special charges thereon shall, if required, be made by the cargo, shippers, consignees or owners of the cargo to the carrier before delivery.

Charterers shall procure that all Bills of Lading issued under this charter shall contain a provision in the foregoing terms, to be applicable where adjustment of general average is made in accordance with the laws and practice of the United States of America.

#### **Clause Paramount**

38. Charterers shall procure that all Bills of Lading issued pursuant to this charter shall contain the following:

“(1) Subject to sub-Clause (2) or (3) hereof, this Bill of Lading shall be governed by, and have effect subject to, the rules contained in the International Convention for the Unification of Certain Rules relating to Bills of Lading signed at Brussels on 25th August 1924 (hereafter the “Hague Rules”) as amended by the Protocol signed at Brussels on 23rd February 1968 (hereafter the “Hague-Visby Rules”). Nothing contained herein shall be deemed to be either a surrender by the carrier of any of his rights or immunities or any increase of any of his responsibilities or liabilities under the Hague-Visby Rules.”

“(2) If there is governing legislation which applies the Hague Rules compulsorily to this Bill of Lading, to the exclusion of the Hague-Visby Rules, then this Bill of Lading shall have effect subject to the Hague Rules. Nothing therein contained shall be deemed to be either a surrender by the carrier of any of his rights or immunities or an increase of any of his responsibilities or liabilities under the Hague Rules.”

“(3) If there is governing legislation which applies the United Nations Convention on the Carriage of Goods by Sea 1978 (hereafter the “Hamburg Rules”) compulsorily to this Bill of Lading, to the exclusion of the Hague-Visby Rules, then this Bill of Lading shall have effect subject to the Hamburg Rules. Nothing therein contained shall be deemed to be either a surrender by the carrier of any of his rights or immunities or an increase of any of his responsibilities or liabilities under the Hamburg Rules.”

“(4) If any term of this Bill of Lading is repugnant to the Hague-Visby Rules, or Hague Rules, or Hamburg Rules, as applicable, such term shall be void to that extent but no further.”

“(5) Nothing in this Bill of Lading shall be construed as in any way restricting, excluding or waiving the right of any relevant party or person to limit his liability under any available legislation and/or law.”

#### **Insurance/ITOPF**

39. Owners warrant that the vessel is now, and will, throughout the duration of the charter:

- (a) be owned or demise chartered by a member of the International Tanker Owners Pollution Federation Limited;
- (b) be properly entered in U.K. or GARD P & I Club, being a member of the International Group of P & I Clubs;
- (c) have in place insurance cover for oil pollution for the maximum on offer through the International Group of P & I Clubs but always a minimum of United States Dollars 1,000,000,000 (one thousand million);
- (d) have in full force and effect Hull and Machinery insurance placed through reputable brokers on Institute Time Clauses or equivalent for the market value of the vessel plus twenty (20) percent as from time to time

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may be amended with Charterers' approval, which shall not be unreasonably withheld. Insurance amount always to comply with loan covenants.

Owners will provide, within a reasonable time following a request from Charterers to do so, documented evidence of compliance with the warranties given in this Clause 39.

#### **Export Restrictions**

40. The master shall not be required or bound to sign Bills of Lading for the carriage of cargo to any place to which export of such cargo is prohibited under the laws, rules or regulations of the country in which the cargo was produced and/or shipped.

Charterers shall procure that all Bills of Lading issued under this charter shall contain the following clause:

“If any laws rules or regulations applied by the government of the country in which the cargo was produced and/or shipped, or any relevant agency thereof, impose a prohibition on export of the cargo to the place of discharge designated in or ordered under this Bill of Lading, carriers shall be entitled to require cargo owners forthwith to nominate an alternative discharge place for the discharge of the cargo, or such part of it as may be affected, which

alternative place shall not be subject to the prohibition, and carriers shall be entitled to accept orders from cargo owners to proceed to and discharge at such alternative place. If cargo owners fail to nominate an alternative place within 72 hours after they or their agents have received from carriers notice of such prohibition, carriers shall be at liberty to discharge the cargo or such part of it as may be affected by the prohibition at any safe place on which they or the master may in their or his absolute discretion decide and which is not subject to the prohibition, and such discharge shall constitute due performance of the contract contained in this Bill of Lading so far as the cargo so discharged is concerned”.

The foregoing provision shall apply mutatis mutandis to this charter, the references to a Bill of Lading being deemed to be references to this charter.

### **Business Principles**

41. (Deleted)

### **Drugs and Alcohol**

42. (Deleted)

### **Oil Major Acceptability**

43. (See Clause 57)

### **Pollution and Emergency Response**

44. Owners are to advise Charterers of organisational details and names of Owners personnel together with their relevant telephone/facsimile/e-mail/telex numbers, including the names and contact details of Qualified Individuals for OPA 90 response, who may be contacted on a 24 hour basis in the event of oil spills or emergencies.

### **ISPS Code/US MTSA 2002**

45. (See Clause 98).

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### **Law and Litigation**

46. (a) This charter shall be construed and the relations between the parties determined in accordance with the laws of the State of New York, U.S.A.

(b) All disputes arising out of this charter shall be referred to Arbitration in New York in accordance with the Rules of the Society of Marine Arbitrators, Inc. New York (SMA).

(i) Any Award of the arbitrator(s) shall be final and binding and not subject to appeal.

(ii) For the purposes of this Clause 46(b) any requests or notices in writing shall be sent by fax, e-mail or telex and shall be deemed received on the day of transmission.

(c) It shall be a condition precedent to the right of any party to a stay of any legal proceedings in which maritime property has been, or may be, arrested in connection with a dispute under this charter, that that party furnishes to the other party security to which that other party would have been entitled in such legal proceedings in the absence of a stay.

### **Confidentiality**

47. (Deleted)

### **Construction**

48. The side headings have been included in this charter for convenience of reference and shall in no way affect the construction hereof.

Additional Clauses: Special clauses to Shelltime 4 CP form, 49 through 112 shall be fully incorporated into the terms of this Charter Party.

Appendix A: Questionnaire 88 for the vessel, as attached, shall be incorporated herein.

Appendix B: List of Approved Ship Brokers, as attached, shall be incorporated herein.

For the Owners  
REGAL UNITY TANKER CORPORATION

For the Charterers  
DHT REGAL UNITY VLCC CORP.

By: /s/ Ole Jacob Diesen  
Ole Jacob Diesen  
Chief Executive Officer

By: /s/ Myles R. Itkin  
Myles R. Itkin

**IF THERE IS ANY CONFLICT BETWEEN THE FOLLOWING CLAUSES AND THE PRINTED CLAUSES OF THE CHARTER PARTY FORM AS ADJUSTED, THE FOLLOWING CLAUSES SHALL PREVAIL.**

**49) Bill of Lading Indemnification**

The standard form of letter of indemnity to be given in the case of delivery of cargo (a) without production of the original Bill of Lading, or (b) at a port other than stated in the Bill of Lading, or (c) both of the foregoing, in each case without bank guarantee, in revised form as recommended by the International Group of P&I Clubs in 2001, shall be used in all cases, provided that the reference to English law and jurisdiction shall be revised to read New York law and the jurisdiction of any court of competent jurisdiction sitting in New York County.

**50) Certificates/Regulations Compliance**

The Owners warrant that during the term of this charter party the vessel fully complies with the following:

- A. all governmental laws, regulations, protocols and directives promulgated by the authoritative body or any of its legally constituted agencies charged with the application of the same laws/regulations/protocols and directives applicable to the countries and ports within the trading limits defined in the charter party.
- B. that it has secured and maintains aboard the vessel all Certificates of Financial Responsibility issued and required by the competent authorities of the countries within the trading limits defined in the charter party.
- C. (Deleted)
- D. that the vessel shall have on board for inspection by the appropriate port authorities all certificates, records, compliance letters and other documents required.
- E. The vessel shall be approved by the international transport workers federation and carry a valid ITF 'Blue Certificate' on board at all times. Any losses, expenses or damages arising as a result of failure to comply with ITF regulations, as interpreted by local union, shall be for Owners account.
- F. COFR — Owners to provide the vessel, at their cost, with a valid Certification of Financial Responsibility which is acceptable to U.S. authorities at Owners' cost. Compliance with state laws during the currency of this charter to be Owners' responsibility and cost. COFR to be in place prior to the vessels arrival at first U.S. or Canadian port.

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Owners will pay for the initial cost of issuing and maintaining the certificate. Any additional premiums or surcharges payable by Owners in relation to the vessel calling at U.S. ports to be for Charterers account.

- G. Owners shall have a program covering oil pollution avoidance, including compliance with latest international maritime organization and port state regulations and SOLAS and MARPOL conventions and the adoption of vessel response plans and qualified individuals for OPA response.

**51) IMO Clause**

Owners warrant that during the term of this charter party and any extension thereof the vessel will be in full compliance with: the requirements of the United States Port and Tanker Safety Act of 1978 and applicable regulations promulgated thereunder (hereinafter called "U.S. Regulations") the International Convention for the Prevention of Pollution from Ships (MARPOL 1973) and the 1978 Protocol thereto as applicable: and the International Convention for Safety of Lives at Sea (SOLAS 1974) and the 1978 Protocol thereto as applicable (the foregoing conventions and protocols hereinafter called "IMO Regulations"). Owners warrant that it will carry onboard certifications evidencing compliance with U.S. Regulations, compliance with IMO Regulations and any other records or documentation as may be required by the U.S. government authorities the vessel is currently ISM certified and will remain so during the duration of this charter (see ISM Clause).

**52) Pollution Financial Responsibility**

Owners warrant that at the date of the charter that Owners complies with all financial capability, responsibility, security or like laws, regulations and/or other requirements of whatsoever kind with respect to oil or other pollution damage applicable to the vessel entering, leaving, remaining at or passing through any ports or places or waters to perform this charter.

Owners further warrant that it shall continue to comply with these requirements throughout the period of the charter at the levels and in amounts in effect at the date of this charter.

Owners, at its sole risk and expense, shall make all arrangements by bond, insurance or otherwise and obtain all certificates or other documentary evidence and take all such other action, as may be necessary, to satisfy such laws, regulations and/or other requirements.

**53) OPA**

It is mutually understood that Oil Pollution Act of 1990 (OPA) surcharges for trading to the United States ports/territories shall be for Charterer's account.

**54) Contingency Plans Clause**

Owners warrant at the date of the charter that Owners complies with and satisfies existing U.S. federal, state and local rules, regulations and requirements for contingency plans applicable to the vessel entering, leaving, remaining at or passing through any ports or places or waters in performance of the charter, including having under contract

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the services of a catastrophic spill contractor (e.g., Marine Spill Response Corporation (MSRC) or National Response Corporation (NRC)).

Owners further warrant that it shall continue to comply with these requirements throughout the period of the charter at the levels in effect at the date of this charter.

The Owners shall be responsible for obtaining and maintaining all necessary and future approvals and satisfying existing and future federal, state, and local rules, regulations or requirements for contingency plans. Costs incurred shall be for Owners' account.

Qualified individual:            Mr. Steven McCall  
   212 578 1892 office  
   646 327 7206 mobile

**55) Documentation**

Owners undertake that throughout the term of this charter, the vessel shall have on board all such valid documentation as may, from time to time, be required to enable the vessel to enter and carry out all required operations at loading or discharging ports or places and leave, without hindrance, all ports or places to which the vessel may be directed under the terms of this charter.

In addition, the vessel shall be off-hire and Owners shall be held responsible for any losses, costs or damages for any period during which she is not fully and freely available to Charterer as a result of action taken against her by any government, government organization, competent authority, competent person or competent organization, owing to her flag, failure to have on board valid documentation as aforesaid or any dispute relating to Owners' wages or crew employment policy or to the condition of the vessel or her equipment. All cumulative off hire under this Clause may be added to the end of the charter period in the sole option of the Charterer.

Any time lost during which the vessel awaiting USCG TVEL inspection, or in the case of calls at non-U.S. ports where any similar certificate is required to be issued by a state authority at these ports prior to loading or discharging cargo, and until such time as she has secured TVEL certificate or any similar certificate, vessel will be considered off-hire.

**56) ISM Clause**

The requirements of the International Safety Management (ISM) Code are hereby incorporated in the terms of this charter party. Owners/operator warrant that a Safety Management System (SMS) in accordance with the ISM Code is in operation both on shore and on board the vessel. Owners/operator further warrant that they (or the company as defined by the ISM Code) have a valid Document of Compliance (DOC), and the vessel has a valid Safety Management Certificate (SMC). Owners/operator shall supply Charterer with a copy of the DOC and the SMC. Owners shall, when required by Charterer, provide a copy of the documents both ashore and on board the vessel evidencing the SMS and its application and when further required by Charterer, Owners/operator shall provide a report on safety audits carried out internally or by the vessel's flag administration.

Non compliance with the requirements of the ISM code resulting in loss or suspension of the ISM certificate shall be deemed a breach of condition and Charterer shall have the

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right to cancel the charter. Owners shall be responsible for any delays, costs, damages incurred for non compliance with the above conditions.

**57) Vetting**

During the period of this charter, Charterers require Owners to endeavor to arrange for at least four of the following oil company inspections/approvals at their time and expense: BP, Shell, Exxon/Mobil, Chevron Corp., Vela, PDVSA, Statoil and Dreyfus. Charterers may request Owners to obtain other vetting approvals as/when required, and Owners shall do so.

The above is always subject to the vessel's trading pattern, ports accessibility, the oil company's interest in the vessel and the availability of inspectors at the time, all of which Owners will keep a record of and keep Charterers advised.

Charterers shall keep Owners fully informed of the vessels forward schedule in order to facilitate vetting inspections.

If the vessel, during the period of this charter, fails to obtain a minimum of four approvals because of Owners fault/negligence, or fails a physical inspection by any company listed above, or loses a vetting approval required to maintain the vessels' trading pattern, then, Owners shall have a period of forty five (45) days from the date Owners are notified of such non-acceptance to have the vessel obtain such minimum number of approvals or reinstate such approval, subject always to the vessel's trading pattern, ports accessibility, the oil company's interest in the vessel and the availability of inspectors at the time, all of which Owners will keep a record of and keep Charterers advised.

If the Owners do not obtain the minimum number of vetting approvals or the necessary vetting approval is not reinstated as provided for in the preceding paragraphs, and the lack of vettings affect the vessel's trading pattern, then the Charterer shall have the right (i) to terminate this charter party without penalty to either party, or, (ii) to place the Vessel off-hire for any loss of time (whether by way of interruption in the Vessel's service, including time necessary for re-positioning to an alternate trading pattern or otherwise)(a) resulting from the vessel being placed off hire by a pool in which it is entered due to such lack of vetting, or (b) otherwise due to such lack of vetting.

In the event the preceding paragraph is invoked, and the Charterer does not terminate the Charter, it shall use commercially reasonable efforts to employ the Vessel in an alternate trading pattern to maximize its earning capacity on commercially reasonable terms provided that the terms of the pool it is entered into or the time charter it is operating under permit the Charterer to do so. For each day the Vessel is operating under a subcharter on such alternate trading pattern, and not otherwise off hire, if the Basic Hire rate otherwise applicable pursuant to this Charter exceeds the time charter rate or equivalent rate obtained by the Charterer on its sub-charters in the alternate trading pattern, then the Basic Hire payable hereunder shall be reduced by an amount equal to the difference between (a) the Basic Hire rate and (b) the time charter rate or equivalent rate obtained by the Charterer on its sub-charters in the alternate trading pattern until the later of (i) the date the Vessel has re-obtained the minimum number of vetting approvals or the necessary vetting approval has been reinstated, and (ii) the last day of the applicable sub-charter.

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**58) Adherence to Voyage Instructions**

- A. Owners shall be responsible to and will indemnify Charterer for any time, costs, delays or loss suffered by Charterer due to underlift, overlift or other failure to comply fully with Charterer's lawful instructions as long as such failure was solely due to Owners'/vessel's proven negligence.
- B. If a conflict arises between terminal orders and Charterers' instructions, master is to stop cargo operations and to contact Charterer at once. Terminal orders shall never supersede Charterer's instructions and any conflict shall be resolved prior to resumption of cargo operations.

Vessel is not to resume cargo operations until Charterers has directed vessel to do so.

**59) Traffic Separation and Routing**

Owners shall instruct the master to observe recommendations as to traffic separation and routing as issued from time to time by authorities (national or local) and comply with federal, state or local regulations of the United States. Voluntary and mandatory traffic separation schemes shall be adhered to while the vessel is in the United States or international waters.

**60) ETA Notice**

Master shall give both Charterer and load/discharge port(s)/place(s) agents notices of estimated time of arrival (ETA) to load/discharge port(s)/place(s) or any other port/place where Charterers order vessel to proceed on a daily basis or as required by Charterers voyage orders.

Any delay incurred to the vessel at any load or discharge port(s) resulting from master's failure to comply with the above requirements, shall be deducted from the monthly hire. The foregoing is without prejudice to Charterer's right to recover for any damages incurred as a result of such breach by Owners of the obligations herein defined. Notices of ETA to be sent to Charterer as instructed. This Clause only applies where the Charterer cannot claim demurrage or any other claim and incur a loss due to the master's failure to follow Charterers instructions.

**61) Watchmen**

Compulsory shore gangway watchmen shall be servants of the Charterer and the cost for such watchmen shall be borne by Charterer throughout the currency of this charter party.

**62) Bunkers**

On every occasion where the bunkers are taken, the ship will participate in either the DNV VQFT, Lloyds FOBAS or ABS scheme (line samples). As between Owners and Charterers fuel shall be deemed delivered to the ship upon arrival at the ship's manifold, which shall be the point of custody transfer. Three samples will be taken at the ship's manifold, using an approved in line drip sampler. One sample shall be provided to the surveyor and analysed, a second shall be given to the suppliers, and third shall be

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retained on board for independent joint testing, in the event of disputes about the quality of the bunkers supplied.

In the event of dispute about the quality of the fuel the third sample left on board shall be jointly analysed at a mutually acceptable independent laboratory, and the results shall be binding on the parties

The quantity of fuel shall be finally determined using the density determined in the sample analysed. Owners undertake to provide Charterers with a copy of each off specification analysis report, to enable Charterers to notify suppliers promptly in the event of a quality or quantity dispute.

The supplier and Charterers shall at all times be entitled to witness the extraction and division of the sample at the ship's manifold and shall be entitled to employ a bunker surveyor.

Charterers shall not cause or permit any lien or other rights to be created against the ship, her crew, Owners, etc., by any fuel suppliers, or otherwise bind the ship, her Owners in crew in any way whatsoever, arising out of the supply of fuels.

Should analysis confirm that bunkers are off specification, (as per specification detailed in Clause 29), Charterers will be notified regarding Owners intentions. Should Owners decide to use the bunkers supplied then Charterers are not entitled to present Owners with a speed or consumption claim for any period during which vessel is using bunkers that do not reasonably meet the specified requirements. Charterers reserve the right to discuss analysis results with Owners to ensure an equitable resolution of any problems. Owners shall not be obliged to use fuel that is injurious to the engine/auxiliaries and associated equipment.

Owners warrant that the vessel shall comply with the emission control and other requirements of Regulation 14 and 18 of MARPOL Annex VI and any other laws or regulations relating to bunker content and bunkering procedures applicable in any areas to which the vessel is ordered.



Charterers warrant that they will supply bunkers:

- A. of sufficient quantity and quality to enable the vessel to meet the emission control and other requirements of Regulation 14 and 18 of MARPOL Annex VI and any other laws or regulations relating to bunker content and bunkering procedures applicable in any areas to which the vessel is ordered, and
- B. in accordance with the specifications in ISO 8217 as in force at the time of supply and any other specifications contained elsewhere in this charterparty.

Charterers further warrant that all bunker suppliers and bunkers supplied hereunder shall with respect to all areas in which the vessel may trade comply with the current and future requirements of MARPOL Annex VI and MEPC96(47) in respect of sampling and the provision of a bunker delivery notes and, where bunkers are supplied in a state where MARPOL Annex VI is in force, that suppliers shall be registered in accordance therewith.

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**63) Heating**

(Deleted)

**64) Pumping Clause**

Owners warrant that the vessel is fitted with and will use the main cargo pumps and the stripping pumps as per Charterers instructions.

Owners further guarantees that vessel will discharge the full cargo in twenty four (24) hours, stripping excluded or maintain an average pressure of 100 PSI at the vessel's manifold during discharge, provided shore facilities permit. It is agreed that time lost as a result of vessel being unable to discharge the cargo in accordance with the guarantee stated herein will be deducted from monthly hire.

In the event of the vessel failing to maintain average discharge pressure of 100 PSI or to discharge the cargo within 24 hours, Charterers are entitled to deduct all time over and above 24 hours taken to discharge cargo from hire.

Discharge terminal shall have the right to gauge line pressure. Should the vessel fail to comply with the guarantee herein stipulated should terminal request, Charterer shall have the right to order the vessel to be withdrawn from the berth and all time and expenses incurred to leave the berth and return later to complete discharge will be for Owners' account with the proven lost time and/or expenses being deductible from the monthly hire. In any event, Owners shall provide Charterer with a detailed hourly pumping record showing the pressure maintained at the vessel's manifold throughout the discharge. Such record shall be duly counter signed by a terminal representative and/or independent surveyor, if possible.

If the vessel discharges at more than one port or discharges a partial cargo, then time to be prorated relative to the vessel's full cargo capacity for the nominated cargo(es).

Should the discharge terminal(s) restrict in any way the vessel's performance indicated in this charter party, the master shall immediately issue a letter of protest to the terminal indicating the nature of the restriction and any details he may consider relevant. The vessel to obtain terminals signature on the letter of protest.

**65) STS Clause**

Charterers shall have the right to require the vessel to perform lighterage operations and or ship to ship transfer operations at anchor or underway at a safe anchorage or place and these ship to ship transfer operations shall be conducted in accordance with the provisions of the latest ICS/OCIMF transfer guide (petroleum) always to master's acceptance which not to be unreasonably withheld.

It is understood and agreed that the crew of the vessel will be required to assist in handling the fenders and cargo hoses as well as mooring and unmooring of the vessel as designated by the mooring master at the STS transfer site at no additional cost to the Charterer.

All extra equipment required for such transfer operations shall be provided by Charterer at its expense.

Extra cost of insurance 'if any' to be for Charterers account.

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**66) Pressure Gauges**

Vessel to be equipped with pressure gauges at each discharge manifold which will be maintained in a proper working condition and each gauge shall have a valid test certificate.

**67) Bilge Liquids**

Vessel shall have efficient and safe means of transferring engine room/pump room bilge to designated holding tanks onboard for disposal in accordance with international regulations.

**68) Previous Cargoes**

(Deleted)

**69) Condition of Cargo Spaces on Delivery and Redelivery**

Vessel will be redelivered with tanks free of liquid slops.

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**70) Tanks, Lines, Pumps Suitability**

Owners warrant that vessel will arrive at each load port with all cargo tanks, pumps and lines suitable to load the intended cargo as per Charterer's representative and/or independent surveyor's satisfaction, subject to Charterers voyage orders and vessels time to comply. All damages, time lost and costs incurred due to noncompliance will be for Owners' account and deducted from monthly hire.

**71) Inert Gas System**

(Deleted)

**72) Crude Oil Washing (COW)**

Owners warrant that the vessel is capable of crude oil washing (COW) of all cargo tanks.

If requested by Charterer, Owners agrees to conduct crude oil washing of cargo tanks at discharge port(s) simultaneously with the discharge of the cargo to shore. Under no circumstance shall the vessel utilize more than eight (8) hours to effect COW or prorata on the basis of the number of tanks washed to the total number of tanks unless authorized by Charterer.

The vessel will comply with the requirements of the Pumping Clause during simultaneous discharge to shore and the COW operation. If the vessel fails to comply, all additional time to discharge the cargo will be deducted from the monthly hire.

Owners agrees to comply with applicable port and terminal regulations and, if necessary, to submit any advance information or technical data that may be required by local authorities relative to the COW operations.

**73) Fittings, Equipment and Dimensions**

- A. Owners warrant that all piping, valves, spools, reducers and other fittings comprising that portion of the vessel's manifold system outboard of the last fixed rigid support to the vessel's deck and used in the transfer of cargo, bunkers or ballast, are made of steel or nodular iron; and the fixed rigid support for the manifold system is designed to prevent both lateral and vertical movement of the manifold. Owners further warrant that no more than one reducer or spool piece (each ANSI standard) will be used between the vessel's manifold valve and the terminal hose or loading arm connection.
  - B. Owners are responsible for providing safety equipment to persons aboard the vessel when the cargo is high sulfur or otherwise dangerous to the health of the crew.
  - C. Owners warrant that the vessel is capable of discharging more than one grade simultaneously.
  - D. Owners warrant that throughout the charter vessel will have on board the calibration tables for its tanks calculated by the builder or by a reputable independent international surveyor.
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- E. Charterers, subject to Owners' approval (which shall not be unreasonably withheld) and class approval, shall be at liberty to fit any additional pumps and/or other vessel gear beyond what is on board at the commencement of the charter, and to make the necessary connections with hydraulic, steam or water pipes, such work to be done at Charterers time and their expense, and such pumps and/or gear so fitted to be considered their property, and Charterers shall be at liberty to remove it at their time and expense and time during or at the expiry of this charter, with the vessel to be left in her original condition.
- F. Vessel is fitted with 95 percent and 98 percent high level alarms. Any delays due to breakdown of these high level alarms will be considered off hire and will be deducted from the charter hire.

**74) Cargo Transference**

Owners shall notify Charterer of any transfer of cargo within the vessel that takes place after loading and before discharge for purposes of trimming, stress or any other similar purposes.

**75) Prohibited Detergent Washing**

Owners warrant that vessel will not perform cargo tanks washing utilizing detergents with organic chloride contents throughout the duration of the charter period. Owners to be held responsible for all damages and consequences including but not limited to all cargo claims if Owners/master fails to adhere to this Clause.

**76) Cargo Retention**

- A. In the event that liquid cargo remains on board upon completion of discharge Charterers shall have the right to deduct from hire an amount equal to the fob port of loading cost of such cargo plus its pro rata cost of freight and insurance unless such cargo is unpumpable or unreachable by the vessel's fixed pumps.

- B. Nothing in this Clause deprives Owners of any defenses they have to counterclaims for cargo shortloading or damage but it is agreed that such counterclaims will not be time barred if asserted in any proceedings commenced by Owners for hire deducted under this Clause provided that the deduction was proper.
- C. Any action or lack of action in accordance with this provision shall be without prejudice to any rights or obligations of the parties.
- D. All slops throughout the charter term shall belong to Charterer.

**77) Loss of Carrying Capacity**

In the event cargo is shut out by the fault of the master, officers, crew or mechanical deficiency of the vessel, then Charterer shall be entitled to claim compensation for the transportation cost of the cargo shut out on a round voyage basis by reference to the rate of hire or the current market level (whichever is greater). Any additional port costs and/or bunker consumed due to the loss of carrying capacity shall for Owners account.

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**78) Speed and Fuel Warranties**

The Owners warrant that the vessel is capable of maintaining and shall maintain, consistent with safety throughout the period of this charter party on all sea passages, from seabuoy to seabuoy, unless otherwise ordered by Charterer, an average speed under weather conditions up to and including Beaufort Force 5 of about 14.75 knots laden on a daily consumption of about 105 metric tons IFO 380 CST plus 0 metric tons MDO at sea and about 15.75 knots ballast on a daily consumption of about 100 metric tons IFO 380 CST 0 metric tons MDO at sea for all purposes excluding tank cleaning, cargo heating and IGS plus about 50 mts IFO for loading and about 200 mts IFO for discharging, based on single port loading and discharging excluding Laguna and Boscan crude and similar cargoes.

The above speed and consumption rates shall be adjusted in accordance with, and always be subject to any changes made to the Tankers International pool key, provided the vessel continues to trade in the Tankers International pool.

**79) Slow Steaming/Speed Up**

Weather and safe navigation permitting, Charterer shall have the right to order the vessel to proceed at any speed greater than/less than normal full speed.

**80) Adjustment of Hire**

The speed and fuel consumption guaranteed by the Owners in Part 1 will be reviewed by the Charterer 30 days after every six (6) months. If at the end of the period, if it is found that the vessel has failed to maintain, as an average during the period, the speed and/or fuel consumption warranted, the Charterer shall be retroactively compensated in respect of such failings, as per Clause 24.

No bonus shall be payable to Owners under any circumstances.

The Charterer shall provide Owners with an opportunity to review any claim submitted by Charterer under this Clause, and the Owners shall complete such review and provide Charterer with the results thereof within thirty (30) days from the date such claim was received by Owners. In the absence of such response, Charterer may deduct from hire any amount to which it is entitled under this Clause.

In the event of Charterer having a claim in respect of vessel's performance during the final year of the charter period and any extension thereof, the amount of such claim shall be withheld from hire in accordance with Charterer's estimate made two months before the end of the charter period and any necessary adjustment after the end of the charter shall be made by the Owners to the Charterer.

**81) Additional Offhire**

A. The vessel shall be offhire whenever there is loss of time if:

- 1) due to the boycott of the vessel due to the terms or conditions of employment of Owners' servants; or employment, trades, or cargoes of vessels other than under this charter.
- 2) due to restraint or interference in the vessel's operation by any governmental authority in connection with the ownership, registration, or obligations of Owners or the vessel, or stowaways, or in connection with smuggling or other prohibited activities.
- 3) due to cargo contamination or damage caused by unseaworthiness of the vessel or negligence of Owners' servants.

B. In addition, if during offhire the vessel loses its turn to berth, it shall remain offhire until it regains the same berthing position. If the vessel goes offhire while in berth, extra expenses thereby incurred by Charterers in connection with the vessel remaining at the berth shall be for Owners' account and Charterers shall also have the option to order the vessel out of berth, so as to avoid delay to other vessels waiting to use the berth, with the cost of unberthing and reberthing for this purpose to be for Owners' account. The vessel shall remain offhire during time lost in between berths.

C. In the event of detention of vessel by any governmental authority, or by any legal action against vessel or Owners, or by any strike or boycott by the vessel's officers or crew, whereby vessel is rendered unavailable for Charterers' service for a period of thirty (30) days or more, Charterers may, by written notice given before vessel is free and ready to resume service, elect to terminate this charter, without prejudice to any other rights Charterers may have under this charter or to any claim it may have for damages.

**82) Off Hire Survey**

A joint off hire bunker survey shall be conducted by Charterers and Owners representatives at the place of redelivery. The time and cost for the offhire bunker survey at redelivery shall be split equally between Owner and Charterer.

**83) Access**

The Charterer shall have the right and privilege of having their representatives visit the vessel while in port or at sea. Charterer's representatives shall have access to the entire vessel (excluding accommodation spaces) and the master, officers and crew of the vessel shall cooperate with and render any reasonable assistance that Charterer's representatives may require.

Charterer shall be entitled, from time to time during the period of this charter, to cause their representative(s) to take samples of the cargo and to inspect the vessel in order to ascertain whether Owners is reasonably complying in all respects with their obligations under this charter party.

In the case of inspection of the vessel, Charterer shall give Owners appropriate notice of their intention to inspect the vessel and any such inspection may include, but shall not be limited to: examination of the vessel's hull, machinery, boilers, auxiliaries and equipment, examination of the vessel's deck and engine, rough and official log books, certificates, investigation of the vessel's operating procedures both in port and at sea, examination of the qualifications and conduct of the vessel's master, officers and crew. Any inspections carried out by Charterer under this sub-Clause shall be without prejudice to any other rights of inspection or investigation allowed to Charterer in accordance with the provisions of this charter.

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In the event of Owners' failing, at any time during the period of this charter, to comply with their obligations under this Clause, Charterer shall be entitled to give Owners notice in writing, whether or not an inspection under the terms of this Clause has taken place, requiring Owners to take immediate steps to remedy their default.

In the event the Owners fails forthwith, or within such period as may be agreed to remedy such default to Charterer's satisfaction, Charterer shall be entitled at their absolute discretion, to place the vessel off-hire, until such default shall have been satisfactorily remedied. Any exercise of, or failure to exercise, their discretion under the terms hereof by Charterer shall be without prejudice to any other remedy available to Charterer.

**84) Change of Flag, Management, Ownership**

Owners rights and obligations under this charter are not transferable and except as provided in this Clause Owners undertake not to change the vessel's management nor flag nor to sell the vessel or stock in the ownership company without Charterer's consent which consent shall not be unreasonably withheld.

In the event that the Owners desire to hire a manager other than Tanker Management Ltd., Owners shall provide written notice (the "New Manager Notice") to the Charterer at least 10 business days prior to the proposed date of hire, which notice shall seek the Charterer's consent to the new manager. The Charterer shall have the right, within 5 business days of receipt of the New Manager Notice, to object to the new manager in writing. Such objection must be based on reasonable grounds, and must be accompanied by a list of two comparable managers (other than any affiliates of Charterer) to which the Charterer would have no objection, and which Owners may then hire without any further requirement for consent from Charterer.

If written notice of objection together with the accompanying list of acceptable managers is not provided by the Charterer within 10 business days of receiving the New Manager Notice, the Charterer shall be deemed to consent to the new manager.

Owners shall have the right to transfer the vessel and Charterer agrees that stock in the Owners may also be transferred (either of which, for purposes of this Clause, a "Transfer"), subject to the Charterer's right of first offer as described in this Clause:

Prior to and in order to effect a Transfer, the Owners shall first give written notice (a "Sale Notice") to the Charterer stating (i) the Owners (or its parent's) intention to make a Transfer, (ii) the name of a broker who Owners have selected to be a member of the three member panel described below (the "Panel") that will determine the fair market price of the vessel (on the basis that it is sold subject to this charter) and (iii) the material terms other than price upon which the Owners (or its parent) intends to make the Transfer.

The Charterer shall select a member of the Panel within 5 business days after receipt of the Sale Notice by delivery of written notice to Owners. If Charterer does not make such selection within such 5 business day period, then the Panel shall consist solely of the broker selected by Owners. If Charterer makes such selection, then the two members selected by Owners and Charterer shall select together a third member of the Panel within 10 business days after delivery of Charterer's written notice to Owners. If the members selected by Owners and Charterer do not select a third member of the Panel within such 10 business day period, then the third member of the Panel shall be selected

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by the President of the Society of Marine Arbitrators, Inc. New York. No broker is eligible to be selected as a member of the Panel unless it is listed in Appendix B of approved ship brokers to this charter.

After all the members of the Panel have been selected in accordance with the preceding paragraph, the Panel shall determine the fair market price of the vessel, taking into account that any sale would be made subject to this charter. The market price determined by the Panel (the "Price") shall be the price determined by the sole member of the Panel if there is only one member and shall be the average of the two closest prices determined by members of the Panel if there are three members. The sole member, or, the member of the Panel selected by the other two members shall notify in writing the Owners and Charterer of the Price (the "Price Notice"). Owners and Charterer shall each pay one-half of the fees and expenses of the members of the Panel in performing their services under this Clause 84. Such Price shall be considered the price of the vessel, if Owners elect to proceed with the sale of the vessel after receiving the Price Notice. Owners shall not be obligated to proceed with the sale of the vessel if it, in its sole discretion, deems the Price to be inadequate. If the parent of Owners seeks to sell the stock of the Owners, then the Panel, in addition to determining the Price of the vessel as aforesaid, shall determine the fair market price of the assets of the Owners (other than the vessel) and the fair

market value of the liabilities of the Owners in accordance with the foregoing methodology. The sum of the Price of the vessel in the Price Notice and the price of the other assets of the Owners determined as aforesaid reduced by the value of the liabilities of Owners determined as aforesaid shall be considered the price for the stock (the "Stock Price") and the Stock Price shall be set forth in the Price Notice.

In the event that the Owners elect to proceed with the sale of the vessel upon its review of the Price Notice, Charterer shall have an irrevocable and non-transferable option to effect Transfer to it of the vessel or stock in the Owners at the Price or at the Stock Price, as the case may be, set forth in the Price Notice and on materially the same terms as set forth in the Sale Notice. Such option may be exercisable during the period (the "Purchase Option Period") commencing on receipt of the Price Notice and ending (a) if Tanker Management Ltd. Is the manager at the time of the Price Notice, 30 days after Charterer's receipt of the Price Notice or (b) if Tanker Management Ltd. is not the manager at the time of the Price Notice, 30 days after the later of (i) the date (the "Inspection Date"), set forth in a notice from Owners to Charterer that the vessel and the records of the vessel may be inspected by Charterer, which notice shall be given after the Sale Notice and at least 5 business days prior to the Inspection Date and (ii) Charterer's receipt of the Price Notice. In order to exercise its option, the Charterer shall, within the Purchase Option Period, send an irrevocable written acceptance notice to the Owners (the "Purchase Notice"). The Charterer shall then be obligated to consummate the purchase of the vessel or stock at the Price or at the Stock Price, as the case may be, set forth in the Price Notice and on materially the same terms as set forth in the Sale Notice within thirty (30) days after the Purchase Notice. If Charterer does not exercise its option within the Purchase Option Period or, if such option is exercised, Charterer fails to consummate the purchase of the vessel or stock within the time period set forth above, then, in addition to any other remedies available, the Owners may during the period set forth in the next sentence (the "Sale Option Period") sign a legally binding agreement for the Transfer of the vessel or stock to a third party at a price not less than the Price or the Stock Price, as the case may be, set forth in the Price Notice, minus up to 2.5% of the Price of the vessel, and on materially the same terms as set forth in the Sale Notice. The Sale Option Period shall commence on the earlier of (i) the date Charterer notifies Owners that Charterer will not exercise its option and (ii) the expiration of the Purchase

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Option Period (such earlier date referred to as the "Start Date") and end on the later of 90 days after (i) the Start Date and (ii) the date after the Start Date when the vessel and the records of the vessel are first made available at a port for inspection at the request of potential third party purchasers of the vessel or stock. If an agreement for the Transfer of the vessel or stock is not signed during the Sale Option Period or the Transfer of the vessel or stock is not completed under such agreement, then Charterer's right of first offer as described in this Clause 84 shall begin again and a new Price determined in accordance with the provisions of this Clause 84. Any Transfer of the vessel or stock to a third party shall be subject to (x) Charterer's prior approval, which shall not be unreasonably withheld, and (y) Charterer's right to purchase at par any loan obtained by the third party purchaser of the vessel to finance such purchase if such purchaser defaults under the credit agreement for such loan or this charter provided the third party can obtain such right from its lenders on, in the sole good faith opinion of the Owners, commercially reasonable terms. This charter, including all options to extend it, shall continue in full force and effect notwithstanding any Transfer of the vessel or stock in the ownership company of the vessel.

If the Owners fail to comply with the terms of this Clause, Charterer may, in its absolute discretion, terminate this charter, whereupon Owners shall reimburse Charterer for any hire paid in advance and not earned, the cost of bunker fuel on board the vessel and for any amount for which the Owners are liable to Charterer under the terms of this charter. Charterer's rights of termination shall, whether or not it is exercised, be without prejudice to any other rights available to Charterer.

The managers shall be responsible for the day to day technical operations of the vessel however Owners always to be held responsible for the overall management of the vessel.

If Charterer is not satisfied with the performance of the manager, Charterer may request a meeting within 7 business days with Owners and manager to discuss the deficiencies in the management which deficiencies shall be presented in writing by Charterer. If after thirty days, the management deficiencies are evidently still unresolved in Charterer's determination (which deficiencies and determination will be delivered to Owners and manager in writing), then the management company may be changed provided that the new management company shall be selected by the Owners subject to the consent of the Charterer, such consent not to be unreasonably withheld.

## **85) Ownership**

Owners will not effect any mortgage, encumbrance or other lien on the vessel, other than liens that are not material in amount and that arise in the ordinary course of business or by operation of law, without the prior written consent of the Charterer, such consent not to be unreasonably withheld. In the case of the initial financing by Royal Bank of Scotland for the purchase of the vessel (the "Initial Financing"), the Charterer hereby consents. In the case of any refinancing of the vessel, Owners shall negotiate in good faith and use their best efforts to have the refinancing mortgagee agree on, in the sole good faith opinion of the Owners, commercially reasonable terms that are no less favorable to the Charterer than the terms contained in the Initial Financing in terms of the mortgagee's rights to enforce its mortgage in the event and so long as the Charterer continues to pay the charter hire under this charter. If the Owners, after negotiating in good faith and using their best efforts, are unable to obtain such provisions from the refinancing mortgagee on, in the sole good faith opinion of the Owners, commercially reasonable terms, Charterer or its affiliates may seek such provisions on behalf of Owners and Owners shall consider in good faith all refinancing proposals obtained by Charterer or its

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affiliates which have, in the sole good faith opinion of Owners, commercially reasonable terms. In addition, Owners shall use their best efforts to have the refinancing lenders agree on, in the sole good faith opinion of the Owners, commercially reasonable terms, that Charterer or its affiliates may purchase at par the loan made by such lenders and related mortgage and other security interests if Owners breach any provision of this charter, including this Clause 85, or if Owners or any of their affiliates default under the loan agreement for such loan.

## **86) Requirements of Special Trades**

- A. Charterer may blend cargo on board. If original Bills of Lading are issued for one or more of the parcels which are blended, upon return of all such Original Bills of Lading and at Charterers' request, Owners will issue new Bills of Lading for the blended cargo. New Bills of Lading can only be issued for the blend as a whole. Owners are hereby indemnified against all claims for contamination or quality deterioration or off specification whatsoever due to cargo blending on board.

- B. Extra insurance on freight and/or cargo, if any, due to vessel's age shall be for Owners' account and Charterer shall have the right to deduct such extra insurance cost from hire due Owners. Charterer will provide supporting invoice for extra insurance cost deducted from charter hire.
- C. Whenever requested by Charterer, Owners shall arrange for war risk underwriters to advise Charterer via Owners about actual net 'additional premium' then in effect. If requested by Charterer, Owners shall arrange in advance for war risk underwriters to furnish such information to Charterer via Owners 48 hours before vessel enters 'additional premium' zone, weekend and local holidays are excluded, at Charterers expense.
- D. Any 'additional premiums' due from Charterer shall be documented by underwriters and Charterer shall pay only the net premium charged to Owners -- i.e. gross premium less rebate, if any.
- E. Charterer shall not be responsible for any time lost due to officers and/or crew refusing to proceed to an actual war zone, or for any time lost as a result of the vessel remaining in an "additional premium" zone due to action by vessel's officers and/or crew and/or breakdown and/or accident to vessel or her equipment not caused by fault of the Charterer, or as a result of an occurrence of a war risk.
- F. Pollution insurance. Owners warrant that they will have in place the maximum cover for pollution offered by members of the International Group of P&I Clubs (currently USD 1 billion) and that this cover from underwriters approved by Charterer (such approval not to be unreasonably withheld) will remain in place throughout the period of this charter. Owners shall provide Charterers within five business days after the fixture is concluded, written evidence from the vessel's P&I club or insurance broker of such pollution cover.

Any additional premiums or surcharges payable by Owners in relation to the vessel calling to United States of America ports to be for Charterers account.

G. (Deleted)

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- H. Owners warrant that vessel is fully capable of carrying 'Orimulsion' and Owners/operators are fully aware of the requirements for carrying this type of cargo. Normally, crude oil washing nor inert gas system never to be utilized while Orimulsion is onboard.
- I. It is understood that the vessel shall not be required to force ice but to follow ice breakers from time to time always subject to master's approval.
- J. (Deleted)
- K. Grades and comingling. Charterer shall be at liberty to ship three grades of cargo. Grades and quantities of petroleum products shall be defined by Charterer prior to each voyage. Segregated grades shall be kept within vessels natural segregations. At the option of the Charterer, loading of three or more grades of cargo in such a manner as to voluntarily mix the cargo to obtain a new grade shall be carried out by the Owners pursuant to Charterers requirements. Any such mixture or admixture shall be at Charterers risk and expense and shall be considered to be one grade under the present agreement. Any new bills of lading that are issued will only be for the blended cargo as a whole.
- L. Vessel to have a working vapour recovery system onboard.
- M. Owners warrant that it has a policy on drug and alcohol abuse ("Policy") applicable to the vessel which meets or exceeds the standards of the OCIMF guidelines for the control of drugs and alcohol onboard ship. Under the Policy, alcohol impairment shall be defined as a blood alcohol content of 40 mg/100 ml or greater; the appropriate seafarers to be tested shall be all the vessel's officers and the drug/alcohol testing and screening shall include unannounced testing in addition to routine medical examinations. An objective of the Policy should be that the frequency of the unannounced testing be adequate to act as an effective abuse deterrent, and that the officers be tested at least once a year though a combined program of unannounced testing and routine medical examinations. Owners further warrant that the Policy will remain in effect during the term of this charter providing that the terms are in conformity with the laws of the vessel's flag state and that the Owners shall exercise due diligence to ensure that the Policy is complied with. It is understood that an actual impairment, shall not in and of itself mean Owners has failed to exercise due diligence. Persons who test positive, refuse to test, or are unfit for duty (impaired because of drug or alcohol abuse) shall be removed from the vessel and shall not be reassigned to service on the vessel.
- N. (Deleted)
- O. (Deleted)
- P. Vessel shall be capable of full hot fresh water wash, as well as hot sea water wash followed by fresh water rinse, with all fresh water to be procured by Charterers over and above what vessel is capable of producing with all time and expense for the cost of the water as well as extra bunkers, and time and expense for all related operations to be for Charterers account. Owners will make best efforts to produce fresh water for Charterer's purposes, however without guaranty.

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Q. Worldwide trading always within American Institute Trade Warranties limits and any subsequent amendments thereof as permitted by U.S. and/or Marshall Island authorities.

Charter may order the vessel to Alaska, outside of American IWL, provided Owners' consent thereto and that Charterers pay for any insurance premium required by the vessel's underwriters. Charterers to give adequate prior notice to Owners and Charterer shall provide and pay for response plan and OSRO coverage for the vessel while in Alaskan waters. All costs for any breach of BIWL as well as all costs

for trading to Alaska, and to comply with Charterer's orders to be for Charterer's account including any insurance premium required by the vessel's underwriters.

Costs of complying with USWC trading, with port, local and OPA 90 rules and regulations to be for Charterers account in addition to filing spill response plans.

R. Where the vessel is required to change over to and from low sulphur fuel, the fuel consumption and any delays due to flushing the fuel system is to be for Charterers account.

S. (Deleted)

**87) Agency**

Owners can appoint their own agents or have the right to use and pay Charterer's agents for Owners' matters.

**88) Hull And Machinery Value**

(Deleted)

**89) War Risk Premium**

Owners to be responsible only for the basic annual contributions payable to obtain war risk cover. Charterer shall be responsible for the full amount of any sums payable by way of additional premiums to maintain that full cover as a result of the vessel proceeding any areas designated as additional war risk premium areas.

**90) Histories**

Owners shall provide a work history to Charterer prior to any change of the master, chief engineer and chief officer serving onboard vessel. The history which shall show the extent of tanker experience in rank. Similar histories shall be furnished for any new master, chief engineer and chief officers prior to assignment to the vessel. After reviewing same, Charterers have the right to reasonably reject any of the above in which case Owners will nominate a substitute which shall be subject to Charterers approval as well.

**91) Personnel**

Conversational English language proficiency is required for the master and officers in charge of cargo or bunker oil handling.

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**92) Reduction or Increase in Deadweight**

(Deleted)

**93) Confidentiality**

(Deleted)

**94) General Average**

A. In addition to any other rights Charterer may have, and if requested by Charterer, Owners will release one or more cargoes to Charterer for transshipment from a port of refuge by and at the expense of Charterer in exchange for a nonseparation of interest agreement, general average bond, and a general average undertaking from cargo underwriters in the customary forms. Charterer's transshipment expenses, up to the general average expenses saved, are to be treated like the general average expenses saved, as if those expenses had actually been incurred and paid for by Charterer. If a subcharter is involved and freight is at risk, subcharterer shall be credited for the vessel's daily manning, bunkers, insurance costs as well as port expenses saved for any part of the voyage not required to be made by reason of transshipment. Bills of lading for such transshipped cargoes are deemed to be accomplished on completion of transfer to the transshipping vessel, and port of refuge where transfer is made shall be treated as a discharge port.

B. Any amounts allowable in general average for wages, provisions and stores shall be credited to Charterer insofar as such amounts are in respect of a period when the vessel is on hire.

95) (Deleted)

**96) Hydrogen Sulphide (H2S) Clause:**

Owners shall comply with the requirements in ISGOTT (as amended from time to time) concerning Hydrogen Sulphide and ensuring that the Hydrogen Sulphide level is always below the threshold limit value (TLV).

If on arrival at the loading terminal, the loading authorities, inspectors or other authorised and qualified personnel declare that the Hydrogen Sulphide levels exceed the TLV and request the vessel to reduce the said level to within the TLV, provided that the duration of the voyage between the last discharge port and such loading terminal permits such reduction, then the delay shall be considered off hire and any additional expenses incurred by Charterer to be for Owners account.

**97) Yugoslavia Clause**

(Deleted)

98) **BIMCO ISPS Clause for Time Charter Parties 2005**

(A) (i) The Owners shall comply with the requirements of the International Code for the Security of Ships and of Port Facilities and the relevant amendments to Chapter

XI of SOLAS (ISPS Code) relating to the vessel and “the company” (as defined by the ISPS Code). If trading to or from the United States or passing through United States waters, the Owners shall also comply with the requirements of the U.S. Maritime Transportation Security Act 2002 (MTSA) relating to the vessel and the “owner” (as defined by the MTSA).

- (ii) Upon request the Owners shall provide the Charterers with a copy of the relevant International Ship Security Certificate (or the interim international ship security certificate) and the full style contact details of the Company Security Officer (CSO).
- (iii) Loss, damages, expense or delay (excluding consequential loss, damages, expense or delay) caused by failure on the part of the Owners or “the company”/“owner” to comply with the requirements of the ISPS Code/MTSA or this Clause shall be for the Owners’ account, except as otherwise provided in this charter party.

(B) (i) The Charterers shall provide the Owners and the master with their full style contact details and, upon request, any other information the Owners require to comply with the ISPS Code/MTSA. Where sub-letting is permitted under the terms of this charter party, the Charterers shall ensure that the contact details of all sub-charterers are likewise provided to the Owners and the master. Furthermore, the Charterers shall ensure that all sub-charter parties they enter into during the period of this charter party contain the following provision:

“The Charterers shall provide the Owners with their full style contact details and, where sub-letting is permitted under the terms of the charter party, shall ensure that the contact details of all sub-charterers are likewise provided to the Owners”.

- (ii) Loss, damages, expense or delay (excluding consequential loss, damages, expense or delay) caused by failure on the part of the Charterers to comply with this Clause shall be for the Charterers’ account, except as otherwise provided in this charter party.

(C) Notwithstanding anything else contained in this charter party all delay, costs or expenses whatsoever arising out of or related to security regulations or measures required by the port facility or any relevant authority in accordance with the ISPS Code/MTSA including, but not limited to, security guards, launch services, vessel escorts, security fees or taxes and inspections, shall be for the Charterers’ account, unless such costs or expenses result solely from the negligence of the Owners, master or crew. All measures required by the Owners to comply with the ship security plan shall be for the Owners’ account.

(D) If either party makes any payment which is for the other party’s account according to this Clause, the other party shall indemnify the paying party.

99) **Period / Charter Hire**

Owner and Charterer agree that the initial charter period shall be the period commencing on October 17, 2005 and ending on April 16, 2011 (the “Initial Expiration Date”). Until the Initial Expiration Date, the Charterer shall pay to the Owner, charter hire (“Basic Hire”)

monthly in advance by the due date set forth in Clause 9. Each payment of Basic Hire (“Basic Hire Amount”) shall equal the basic hire rate set forth in the initial charter rate table below that corresponds to the time period for which payment is being made multiplied by the actual number of days in the month for which the Basic Hire Amount is being calculated.

**INITIAL CHARTER RATE TABLE**

<u>CHARTER YEAR</u>	<u>COMMENCING (0001 GMT)</u>	<u>ENDING (2400 GMT)</u>	<u>BASIC HIRE RATE</u>
1	October 17, 2005	October 16, 2006	USD 37,200 per day
2	October 17, 2006	October 16, 2007	USD 37,400 per day
3	October 17, 2007	October 16, 2008	USD 37,500 per day
4	October 17, 2008	October 16, 2009	USD 37,600 per day
5	October 17, 2009	October 16, 2010	USD 37,800 per day
To 5 ½	October 17, 2010	April 16, 2011	USD 38,100 per day

The Charterer may, at its option, extend the charter on one or more occasions (provided that the charter is still in effect at the time of extension) by giving written notice (the “Extension Notice”) to the Owner at least 90 days prior to the expiration date of the charter then in effect. The Extension Notice shall specify the new expiration date of this charter, which shall be the first, second or third anniversary of the existing expiration date; provided, however, that in no event shall the expiration date be subsequent to April 16, 2017. The Extension Notice shall also specify the Basic Hire Amount for the selected extension period, which shall be calculated in the same manner as the Basic Hire Amount for the initial charter period, and shall, at the option of the Charterer, be equal to either:

- A. the one-, two- or three-year time charter rate for VLCCs, which rate corresponds to the selected extension period, established by the Association of Shipbrokers Agents and Agents Tanker Broker Panel (the “Broker Panel”), plus five percent, or
- B. the basic hire rate for the corresponding time period(s) set forth in the option period rate table below.



Upon receipt of the Extension Notice by the Owner, the charter shall be extended to the new expiration date on the same terms and conditions (other than as expressly set forth herein). If, at the time of the exercise of any extension period, the Broker Panel is no longer quoting one-, two- or three-year time charter rates, then a mutually acceptable replacement Broker Panel shall be selected by the Owner and Charterer. The following broker panels shall be deemed mutually acceptable by the Owner and Charterer:

London Tanker Broker Panel

#### OPTION PERIOD RATE TABLE

OPTION YEAR	COMMENCING (0001 GMT)	ENDING (2400 GMT)	BASIC HIRE RATE
1	April 17, 2011 October 17, 2011	October 16, 2011 April 16, 2012	USD 38,100 per day USD 38,500 per day
2	April 17, 2012 October 17, 2012	October 16, 2012 April 16, 2013	USD 38,500 per day USD 38,800 per day
3	April 17, 2013 October 17, 2013	October 16, 2013 April 16, 2014	USD 38,800 per day USD 39,200 per day
4	April 17, 2014 October 17, 2014	October 16, 2014 April 16, 2015	USD 39,200 per day USD 39,400 per day
5	April 17, 2015 October 17, 2015	October 16, 2015 April 16, 2016	USD 39,400 per day USD 39,600 per day
6	April 17, 2016 October 17, 2016	October 16, 2016 April 16, 2017	USD 39,600 per day USD 39,800 per day

#### ADDITIONAL HIRE

Charterer agrees that Additional Hire Payment Amount (as defined in the Charter Framework Agreement, dated October 6, 2005, by and among the Owners, the Charterer and the other parties thereto), if any, shall be calculated and paid in accordance with such Charter Framework Agreement.

#### 100) AMS Clause

U.S. Customs Clearance – if cargo is to be discharged in a U.S. port or territory subject to control by the U.S. Customs and Border Protection (CBP), Charterers warrant that all necessary details required by CBP for clearance of the cargo, inclusive of but not limited to, shipper consignee and notify party full name, address and phone number or telex number, will be included on each bill of lading or alternatively supplied to Owners in writing a minimum of 24 hours prior to the vessel's arrival at the first designated U.S. port of discharge. For voyages less than 24 hours in duration this information must be included on the bill of lading or advised to Owners prior to the vessel departure from the loading place or port. Any delays, fines or penalties incurred due to Charterers' failure to comply with the above will be for Charterers' account.

Effective March 4, 2004, all imported cargoes into the U.S. must be electronically reported via the Bureau of U.S. Customs and Border Protection AMS system. This requires the Owner to have a Type 3 International Carriers Bond as well as a Standard Carriers Alpha Code (SCAC). It is the responsibility of the Owner to ensure that his reporting requirement occurs 24 hours prior to the vessel's arrival at the first U.S. port. Should the international voyage be less than 24 hours in duration, the Owner shall

electronically file the manifest via the automated manifest system at the time of the loading in the foreign port. Owners and/or vessel master or their designated agent will provide a copy of the electronically filed manifest to the Charterers or their designated agent at the time of filing with CBP.

Owners warrant that it is aware of the requirements of the U.S. Customs and Border Protection regulation issued on December 5, 2003 under Federal Register Part II Department of Homeland Security 19 CFP Parts 4, 103, et al. and will comply fully with these requirements for entering U.S. ports. Any delays, fines or penalties incurred due to Owners failure to comply with the above will be for Owners account.

The cost of filing to be for Charterers account. Charterers to be responsible for any delay and/or fines related to late filing by their agents.

#### 101) House Flag/Charterers Markings

At any time during the period of this charter, Charterers shall have the privilege of flying their house flag, to paint the funnel and bow crest in their house colors and to paint their markings on ships sides and put/change the name of the vessel. Upon vessels redelivery, Owners shall be obliged to rename the vessel and remove Charterers markings on ships sides and repaint ships name and funnel. The cost of such paintings and/or repaintings and/or name change to be for Charterers account unless otherwise agreed with Owners. Upon Charterers request, crew to perform the work and payment to be settled directly between Charterers and master.

In the event of a change in the technical management of the vessel, Charterers shall have the option to change the markings on the vessel and/or the name of the vessel at Owners time and expense.

#### 102) Green Award Clause

Rebates in port dues, etc. obtained via the green award certificate to be refunded to Charterers, provided that Charterers have paid for the green award audit fees in full, or prorated for the period covered under this charter party.

#### 103) Remeasure Clause

Charterers have the option to re-measure the vessel for the purpose of satisfying certain port/terminal regulations. All cost and time to be for Charterers' account. The vessel is to be redelivered non-measured at Owners' option if Charterers exercised their option to re-measure in the first place.

**104) Exxon Mooring**

(Deleted)

**105) Storage Clause**

Charterers shall have the option of requesting the vessel to remain idle, at a safe place, at anchor/or drifting.

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**106) Breach Of Warranty Clause**

(Deleted)

**107) Tracking System Clause**

It is agreed that Charterers may from the time of fixing until completion of the charter period employ an INMARSAT tracking system on the vessel. Such tracking system works on data provided from the vessel's onboard INMARSAT C system and can be installed simply, either remotely, or on some older systems with minimal set up input from the vessel. All registration/communication costs relating to this tracking system will be for Charterers' account. Charterers will advise when the system is operative and confirm termination on completion of charter.

**108) Q88.Com Clause**

Owners to provide, free of charge, a copy of the OCIMF VPQ in the required electronic form so that the vessel can be included in Charterers' subscription to the website "q88.com". Owners are furthermore required to update the system with vessel approval status, certification and any other information as required on a regular basis.

**109) Changes/Improvements Necessary for the Operation of the Vessel or Imposed by Legislation, Class or Oil Company Vetting Requirements**

- A. In the event any improvement, structural change or the installation of new equipment is imposed by compulsory legislation and/or Class rules and/or oil company vetting requirements, Charterers shall have the right to require that the Owners effect such improvement, changes or installations. The Charterers shall fully reimburse the Owners for the total cost of all such improvements, structural changes or installations up to USD 50,000 in any calendar year. To the extent that the total cost of all such improvements, structural changes or installations exceed USD 50,000 in any calendar year, the Charterers shall reimburse the Owners in an amount equal to 50 percent of the product of (i) the cost of such improvements, structural changes or installations over USD 50,000 and (ii) a fraction, the numerator of which shall be the number of whole months remaining in the charter period at the time of completion of such improvement, structural change or installation (the "Remaining Charter Period") and the denominator of which shall be the number of whole months remaining in the depreciation period of the vessel (calculated as 25 years from the year the vessel was built) at the time of completion of such improvement, structural change or installation (such product, the "Reimbursement Payment") and the balance of the cost of such improvement, structural change or installation over USD 50,000 shall be paid by the Owners. In the event the charter period is extended for any reason, included but not limited to any extension under Clause 99, the Charterers shall pay additional reimbursement to the Owners in an amount equal to the difference between the reimbursement calculated under the preceding sentence (plus any additional reimbursement calculated for any other extension period if applicable) and the amount that would have been due from the Charterers had the Remaining Charter Period used to calculate the Reimbursement Payment including the number of whole months in the extension period as the numerator of the relevant fraction.

- B. In the event any improvement, structural change or the installation of new equipment, not falling under (A) above, is deemed necessary by the Charterers for the continued operation of the vessel, Charterers shall have the right at their own cost to effect such improvement, structural changes or installation, with the Owners' consent which shall not unreasonably be withheld.

- C. The Owners shall be notified in writing in advance by the Charterers about any changes and/or improvements as afore mentioned.

- D. Any change, improvement or installation made pursuant to this Clause shall be the property of Owners.

**110) Third Party Clause**

Except as may be otherwise agreed in writing by the parties with any third party, a person who is not party to this agreement/charter may not enforce, or otherwise have the benefit of, any provision of this agreement/charter under the contract.

**111) Optional Termination**

In the event the vessel is not delivered under this charter by [IPO closing], 2005 both the Owners and the Charterers shall have the right to terminate this charter and neither the Owners nor the Charterers shall be entitled to damages or to any other compensation or reimbursement of expenses.

**112) Damages Clause**

In subchartering to its customers, Charterer shall endeavor to avoid or limit any liability to such customers for consequential damages. Owners shall not be liable for any consequential damages or losses unless the Charterer's sub-charter provides for such consequential damages or losses to such

**APPENDIX A****QUESTIONNAIRE 88 FOR M/T REGAL UNITY****INTERTANKO'S STANDARD TANKER VOYAGE CHARTERING QUESTIONNAIRE 1988 (Version 2)***(Metric system to be applied, HVPQ reference specified where applicable)*

		HVPQ Ref
<b>GENERAL INFORMATION</b>		
Date Updated:	Jul 20, 2005	
Vessel's name:	Regal Unity	1.2
IMO number:	9118393	1.3
Vessel's previous name(s):	None / None / None / None	1.4-1.7
Flag:	Marshall Island	1.8
Port of Registry:	Majuro	1.9
Call sign:	V7AS6	1.11
Inmarsat phone number:	Sat B Tel 353831110	1.12
Fax number:	Sat B 353831120	1.13
Email address:	master.rgunity@ships.osg.com	1.16
Type of vessel:	Oil Tanker	1.17
Type of hull:	Double Hull	1.19
<b>OWNERSHIP &amp; OPERATION</b>		
Registered owner - Full Style:	Regency Tankers Corporation c/o OSG Ship Management (UK) Ltd +44 191 218 0100 osguk@osg.com	1.20
Technical operator - Full Style:	OSG Ship Management (UK) Ltd. Quorum 4, Balliol Business Park East, , Benton Lane, Newcastle on Tyne, NE12 8EZ, England U.K. , , , Gosforth, Newcastle-upon-Tyne, NE3 3HW, United Kingdom +44 191 218 0100 osguk@osg.com	1.22
Commercial operator - Full Style:	Tankers International LLC c/o Tankers (UK) Agencies Ltd, 3rd Floor, Moreau House, 116 Brompton Road, London SW3 1JJ, United Kingdom +44 207 8704700 operations@tankers.uk.com	1.25
Disponent owner / Bareboat charterer - Full Style:		
Number of vessels in disponent owner's fleet:		
<b>BUILDER</b>		
Where Built :	Hitachi Zosen Inc	1.26
Date Delivered:	Mar 31, 1997	1.31
<b>CLASSIFICATION</b>		
Vessel's classification society:	American Bureau of Shipping	1.34
Class notation:	A1E OIL CARRIER, SH	1.35
If Classification society changed, name of previous society?	n/a	1.36
If Classification society changed, date of change?		1.37
Last dry-dock:	Mar 29, 2002	1.38
Last special survey:	Mar 29, 2002	1.41
Latest CAP Rating (if applicable)		1.44
Last annual survey:	May 20, 2004	1.45
Does the vessel have a statement of compliance issued under the provisions of the Condition Assessment Scheme (CAS)?		
<b>DIMENSIONS</b>		
LOA (Length Over All):	329.77 Metres	1.49
Extreme breadth:	58.043 Metres	1.51
KTM (Keel to Masthead):	68.11 Metres	1.54
BCM (Bow to Center Manifold):	160.25 Metres	1.57.1

Lightship parallel body length:	83 Metres	1.57.3
Normal ballast parallel body length:	142 Metres	1.57.6
Parallel body length at Summer DWT:	182 Metres	1.57.9

## TONNAGES

Net Tonnage:	100817 Tonnes	1.59
Gross Tonnage:	164371 Tonnes	1.60
Suez Net Tonnage:	167356.8 Tonnes	1.61
Panama Net Tonnage:	0 Tonnes	1.62

	Freeboard	Draft	Deadweight	Displacement	
<b>LOADLINE INFORMATION</b>					
Summer:	8967 Metres	22.878 Metres	309966 Tonnes	352652 Tonnes	1.63
Winter:	9443 Metres	22.402 Metres	301752 Tonnes	344438 Tonnes	1.64
Tropical:	8491 Metres	23.354 Metres	318211 Tonnes	360897 Tonnes	1.65
Lightship:	28455 Metres	3.39 Metres	0 Tonnes	42686 Tonnes	1.66
Normal Ballast Condition:	21620 Metres	10.18 Metres	100546 Tonnes	143232 Tonnes	1.67

TPC on summer draft:	172.79 Tonnes	1.70
Does vessel have Multiple SDWT?	Yes	1.72
If yes what is the maximum assigned Deadweight?	309966 Tonnes	1.73
Air draft (sea level to top of mast/highest point) in normal SBT condition?	57.930 Metres	1.74

## RECENT OPERATIONAL HISTORY

Has vessel been involved in any collision, grounding or pollution incident the past 12 months, full description:	Pollution: No Grounding: No Collision: No	1.77-1.79
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## CERTIFICATION

Owners warrant following certificates to be valid throughout the

Charter Party period:		
SOLAS Safety Equipment:	Mar 31, 2007	2.2
SOLAS Safety Radio:	Mar 31, 2007	2.3
SOLAS Safety Construction:	Mar 31, 2007	2.4
Load line:	Mar 31, 2007	2.5
IOPPC:	Mar 31, 2007	2.6
Safety Management (ISM):	Nov 09, 2009	2.8
USCG COC:	Jul 30, 2006	2.11
CLC:		2.13
US COFR:		2.15
Certificate of Fitness (Gas/Chemicals):	Gas: Chem:	2.16 & 2.17

Certificate of Class:

ISPS ISSC:

## DOCUMENTATION

Does the vessel have the following documents on board?

International Safety Guide for Oil Tankers & Terminals (ISGOTT):	Yes	2.28
OCIMF/ICS Ship to Ship Transfer Guide (Petroleum):	Yes	2.31

Is the vessel entered with ITOPF?

## CREW MANAGEMENT

Nationality of Master		
Nationality of Officers:	British, , Croatian	3.1
Nationality of Crew:	Croatians	3.2
If Officers/Crew employed by a Manning Agency - Full Style:	Officers: Crew:	3.1 & 3.2
What is the common working language onboard?	English	3.1
Do key officers understand English?		
In case of Flag Of Convenience (FOC), is the ITF Special Agreement on board?		

## STRUCTURAL CONDITION

Are cargo tanks coated?	Yes	7.1
If Yes, specify type of coating:	Tar Epoxy	7.1.1
If cargo tanks are coated, specify to what extent:	Other	7.1.3
Are slop tanks coated?		
If slop tanks are coated, specify to what extent:		

**CARGO & BALLAST SYSTEMS**

If double hull, is vessel fitted with centreline bulkhead in all cargo tanks?	No	8.2
Groups / Tank Capacities	1: Cu. Metres - , 2: Cu. Metres - 3: Cu. Metres - 4: Cu. Metres - 5: Cu. Metres - 6: Cu. Metres - 7: Cu. Metres - 8: Cu. Metres - 9: Cu. Metres -	8.3
Total cubic capacity 98% ex slop tank:	336434 Cu. Metres	8.4 & 8.6
Slop tank(s) capacity 98%:	8312 Cu. Metres	8.5 & 8.7
SBT or CBT?	SBT	
If SBT, what percentage of SDWT can vessel maintain with SBT only?	35.8%	8.14.2
If SBT, does vessel meet the requirements of MARPOL Reg 13(2)?	Yes	8.14.3
Number of natural segregations with double valve:	3	8.15

**CARGO PUMPS**

Number / Capacity / Type:	6 x 5500 Cu. Metres/Hour (Centrifugal)	8.18-8.25
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**GAUGING AND SAMPLING**

Can tank innage/ullage be read from the CCR?	Yes	8.48
Can vessel operate under closed conditions in accordance with ISGOTT 7.6.3?	Yes	8.51
Type of tank gauging system (radar / floating / other)	Floating	8.51.1
Are high level alarms fitted and operational in cargo tanks?	Yes	8.54

**VAPOUR EMISSION CONTROL AND VENTING**

Is a vapour return system fitted?	No	8.65
State what type of venting system is fitted:	Common Single Riser	8.67
Max loading rate per midships connection for homogenous cargo?	Cu. Metres/Hour	8.79

**CARGO MANIFOLDS**

Does vessel comply with the latest edition of the OCIMF 'Recommendations for Oil Tanker Manifolds and Associated Equipment'?	Yes	8.80
What is the number of cargo connections per side?	6	8.83
What is the size of cargo connections?	500 Millimetres	8.84
What is the material of the manifold?	Cast Steel	8.86
Distance between cargo manifold centres:	3000 Millimetres	8.93
Distance ships rail to manifold:	4250 Millimetres	8.95
Distance main deck to centre of manifold:	2100 Millimetres	8.97
Height of manifold connections above the waterline at loaded (Summer Deadweight) condition?	11 Metres	8.101

Height of manifold connections above the waterline in normal ballast?	23.7 Metres	8.102
Is vessel fitted with a stern manifold?	No	8.104
Number / size reducers:	12 x 500/500 Millimetres 6 x 500/400 Millimetres 6 x 500/300 Millimetres 2 x 300/250 Millimetres	8.106-8.110

**CARGO HEATING**

Type of cargo heating system?		8.120
Material of heating system?		8.128
Max load temp:		
Max temp maintain:		

**IGS & COW**

Is an Inert Gas System (IGS) fitted?	Yes	9.1
Is IGS supplied by flue gas, inert gas (IG) generator and/or nitrogen?	Flue Gas	9.3
Is a Crude Oil Washing (COW) installation fitted?	Yes	9.17

**MOORING ARRANGEMENTS**

Number / length / diameter of wires:	Forecastle: 4 / 300 / 42 Fwd main deck: 6 / 300 / 42 Aft main deck: 6 / 300 / 42 Poop: 4 / 300 / 42	10.2-5
Breaking strength of wires:	Forecastle: 123 Fwd main deck: 123 Aft main deck: 123 Poop: 123	10.2-5
Number / length / diameter of ropes:	Other Lines Forecastle: 3 / 300 / 80 Poop: 3 / 300 / 80	10.11-18

Breaking strength of ropes:	None	10.11-18
Number and brake holding power of winches:	Forecastle: 2 / 98	10.22-10.25
	Fwd main deck: 3 / 98	
	Aft main deck: 2 / 98	
	Poop: 3 / 98	

How many closed chocks and/or fairleads of enclosed type are fitted on:

Focsl:  
Main deck fwd:  
Main deck aft:  
Poop:

### SINGLE POINT MOORING (SPM) EQUIPMENT

Fairlead size:	650 x 450mm	10.48
Does vessel comply with the latest edition of OCIMF 'Recommendations for Equipment Employed in the Mooring of Vessels at Single Point Moorings (SPM)'?	Yes	10.60
Is vessel fitted with chain stopper(s)?	Yes	10.61
Number:	2	10.61.1
Type:	Tongue	10.61.2
SWL:	200 Tonnes	10.61.3
Max diameter chain size:	76 Millimetres	10.62

### LIFTING EQUIPMENT

Derrick(s) - Number / SWL:	/ Tonnes	10.75
Crane(s) - Number / SWL:	2 / 20 Tonnes	10.76

### ENGINE ROOM

What type of fuel is used for main propulsion?	IFO 380 CST	12.5
What type of fuel is used in the generating plant?	MDO / IFO	12.14

### MISCELLANEOUS

P & I Club name:		
Last three cargoes (Last / 2 <sup>nd</sup> Last / 3 <sup>rd</sup> Last):	Contact owner for details.	
Last three charterers (Last / 2 <sup>nd</sup> Last / 3 <sup>rd</sup> Last):	Contact owner for details.	
Last three voyages (Last / 2 <sup>nd</sup> Last / 3 <sup>rd</sup> Last):	Contact owner for details.	
Date of last SIRE Inspection:		
Date of last CDI Inspection:		
Current Oil Major Company Acceptances (TBOOK):		
Date and place of last Port State Control:	/	
Any outstanding deficiencies as reported by any Port State Control?		
If yes, provide details:		

### FOR USA CALLS ONLY

Qualified individual (QI) - Full Style:

Oil Spill Response Organization (OSRO) -Full Style:

Has owner, manager, or operator signed the Sea Carrier Initiative agreement with US customs concerning drug smuggling?

Revised: July 2004 (INTERTANKO.com / Q88.com)

### APPENDIX B

#### APPROVED SHIP BROKERS

P.F. Bassoe A/S (Norway)  
Platou (Norway)  
Fearnleys (Norway)  
H. Clarkson (U.K.)  
E.A. Gibson (U.K.)  
Simpson Spence & Young Ltd.  
Jacq. Pierot Jr. & Sons, Inc. (USA)  
Compass Maritime Services LLC  
Galbraith's Limited



**Code word for this Charter Party**  
**“SHELLTIME 4”**

Issued December 1984 amended December 2003

**Time Charter Party**  
**New York**  
**October 6, 2005**

IT IS THIS DAY AGREED between CATHY TANKER CORPORATION of MAJURO, MARSHALL ISLANDS (hereinafter referred to as “Owners”), being owners of the good motor vessel called “OVERSEAS CATHY” (hereinafter referred to as “the vessel”) described as per Clause 1 hereof and DHT CATHY AFRAMAX CORP. of MAJURO, MARSHALL ISLANDS (hereinafter referred to as “Charterers”):

**Description and Condition of Vessel**

1. At the date of delivery of the vessel under this charter and throughout the charter period:
    - (a) she shall be classed by a Classification Society which is a member of the International Association of Classification Societies;
    - (b) she shall be in every way fit to carry crude petroleum and/or its dirty products; such as Fuel Oil, Light Cycle Oil, Orimulsion, LSWR, Carbon Black Feedstock, Decant Oil and VGO in accordance with vessel’s class certificates, coating manufacturers resistance list and in accordance with the vessels stability trim and stress requirements.
    - (c) she shall be tight, staunch, strong, in good order and condition, and in every way fit for the service, with her machinery, boilers, hull and other equipment (including but not limited to hull stress calculator, radar, computers and computer systems) in a good and efficient state;
    - (d) her tanks, valves and pipelines shall be oil-tight;
    - (e) she shall be in every way fitted for burning IFO and MDO (if applicable), in accordance with the grades specified in Clause 29 hereof;
    - (f) she shall comply with the regulations in force so as to enable her to pass through the Suez Canal by day and night without delay;
    - (g) she shall have on board all certificates, documents and equipment required from time to time by any applicable law to enable her to perform the charter service without delay;
    - (h) she shall comply with the description in the Questionnaire 88, appended hereto provided however that if there is any conflict between the provisions of this questionnaire and any other provision, including this Clause 1, of this charter such other provisions shall govern;
    - (i) her flag, registry, and classification society shall not be changed;
    - (j) Owners will operate:
      - (i) a safety management system certified to comply with the International Safety Management Code (“ISM Code”) for the Safe Operation of Ships and for Pollution Prevention;
      - (ii) a documented safe working procedures system (including procedures for the identification and mitigation of risks);
      - (iii) a documented environmental management system;
- 
- (iv) documented accident/incident reporting system compliant with flag state requirements;
  - (k) Owners shall maintain Health Safety Environmental (“HSE”) records sufficient to demonstrate compliance with the requirements of their HSE system and of this charter. Charterers reserve the right to confirm compliance with HSE requirements by audit of Owners.

**Shipboard Personnel and their Duties**

2. (a) At the date of delivery of the vessel under this charter and throughout the charter period:
  - (i) she shall have a full and efficient complement of master, officers and crew for a vessel of her tonnage, who shall in any event be not less than the number required by the laws of the flag state and who shall be trained to operate the vessel and her equipment competently and safely;
  - (ii) all shipboard personnel shall hold valid certificates of competence in accordance with the requirements of the law of the flag state;
  - (iii) all shipboard personnel shall be trained in accordance with the relevant provisions of the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1995 or any additions, modifications or subsequent versions thereof;
  - (iv) (See Clause 91).



- (v) the terms of employment of the vessel's staff and crew will always remain acceptable to The International Transport Worker's Federation and the vessel will at all times carry a Blue Card; (See Clause 50e).
  - (vi) the nationality of the vessel's officers will not change without Charterers' prior agreement.
- (b) Owners guarantee that throughout the charter service the master shall with the vessel's officers and crew, unless otherwise ordered by Charterers;
- (i) prosecute all voyages with the utmost despatch;
  - (ii) render all customary assistance; and
  - (iii) load and discharge cargo as rapidly as possible when required by Charterers or their agents to do so, by night or by day, but always in accordance with the laws of the place of loading or discharging (as the case may be) and in each case in accordance with any applicable laws of the flag state.

### **Duty to Maintain**

3. (a) Throughout the charter service Owners shall, whenever the passage of time, wear and tear or any event (whether or not coming within Clause 27 hereof) requires steps to be taken to maintain or restore the conditions stipulated in Clauses 1 and 2(a), exercise due diligence so to maintain or restore the vessel.
- (b) If at any time whilst the vessel is on hire under this charter the vessel fails to comply with the requirements of Clauses 1, 2(a) or 10 then hire shall be reduced to the extent necessary to indemnify Charterers for such failure. If and to the extent that such failure affects the time taken by the vessel to perform any services under this charter, hire shall be reduced by an amount equal to the value, calculated at the rate of hire, of the time so lost.

Any reduction of hire under this sub-Clause (b) shall be without prejudice to any other remedy available to Charterers, but where such reduction of hire is in respect of time lost, such time shall be excluded from any calculation under Clause 24.

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- (c) If Owners are in breach of their obligations under Clause 3(a), Charterers may so notify Owners in writing and if, after the expiry of 30 days following the receipt by Owners of any such notice, Owners have failed to demonstrate to Charterers' reasonable satisfaction the exercise of due diligence as required in Clause 3(a), the vessel shall be off-hire, and no further hire payments shall be due, until Owners have so demonstrated that they are exercising such due diligence.
- (d) Owners shall advise Charterers immediately, in writing, should the vessel fail an inspection by, but not limited to, a governmental and/or port state authority, and/or terminal and/or major charterer of similar tonnage. Owners shall simultaneously advise Charterers of their proposed course of action to remedy the defects which have caused the failure of such inspection (see clause 57).
- (e) If, in Charterers reasonably held view:
- (i) failure of an inspection, or,
  - (ii) any finding of an inspection,

referred to in Clause 3(d), prevents normal commercial operations then Charterers have the option to place the vessel off-hire from the date and time that the vessel fails such inspection, or becomes commercially inoperable, until the date and time that the vessel passes a re-inspection by the same organisation, or becomes commercially operable, which shall be in a position no less favourable to Charterers than at which she went off-hire.

- (f) Furthermore, at any time while the vessel is off-hire under this Clause 3 (with the exception of Clause 3(e)(ii)), Charterers have the option to terminate this charter by giving notice in writing with effect from the date on which such notice of termination is received by Owners or from any Later date stated in such notice. This sub-Clause (f) is without prejudice to any rights of Charterers or obligations of Owners under this charter or otherwise (including without limitation Charterers' rights under Clause 21 hereof).

### **Period, Trading Limits and Safe Places**

4. (a) Owners agree to let and Charterers agree to hire the vessel for a period of (See clause 93). The last firm period shall having a tolerance of plus or minus 30 days in Charterers' option commencing from the time and date of delivery of the vessel under the Memorandum of Agreement (the "MOA") dated , 2005, for the purpose of carrying all lawful merchandise (subject always to Clause 28) including in particular:
- Crude petroleum and/or its dirty products; such as Fuel Oil, Light Cycle Oil, Orimulsion, LSWR, Carbon Black Feedstock, Decant Oil and VGO in any part of the world, as Charterers shall direct, subject to the limits of the current British Institute Warranties and any subsequent amendments thereof excluding countries under U.N. and/or U.S. sanctions/embargoes. The vessel may trade to war zones, with Owners consent which not to be unreasonably withheld, in which case, Charterers to pay for the additional premium. Notwithstanding the foregoing, but subject to Clause 35, Charterers may order the vessel to ice-bound waters or to any part of the world outside such limits provided that Owner's consent thereto (such consent not to be unreasonably withheld) and that Charterers pay for any insurance premium required by the vessel's underwriters as a consequence of such order.
- (b) Any time during which the vessel is off-hire under this charter may be added to the last firm charter period in Charterers' option up to the total amount of time spent off-hire. In such cases the rate of hire will be that prevailing at the time the vessel would, but for the provisions of this Clause, have been redelivered.
- (c) Charterers shall use due diligence to ensure that the vessel is only employed between and at safe places (which expression when used in this charter shall include ports, berths, wharves, docks, anchorages, submarine lines, alongside vessels or lighters, and other locations including

locations at sea) where she can safely lie always afloat. Notwithstanding anything contained in this or any other clause of this charter,

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Charterers do not warrant the safety of any place to which they order the vessel and shall be under no liability in respect thereof except for loss or damage caused by their failure to exercise due diligence as aforesaid. Subject as above, the vessel shall be loaded and discharged at any places as Charterers may direct, provided that Charterers shall exercise due diligence to ensure that any ship-to-ship transfer operations shall conform to standards not less than those set out in the latest published edition of the ICS/OCIMF Ship-to-Ship Transfer Guide.

- (d) The vessel shall be delivered by Owners at a safe port or at sea in Charterer's option and redelivered to Owners at one safe port or at sea, worldwide at Charterer's option.
- (e) The vessel will deliver with last cargo of crude petroleum and/or its dirty products, such as Fuel Oil, Light Cycle Oil, Orimulsion, LSWR, Carbon Black Feedstock, Decant Oil and VGO. and will redeliver with last cargo of crude petroleum and/or its dirty products; such as Fuel Oil, Light Cycle Oil, Orimulsion, LSWR, Carbon Black Feedstock, Decant Oil and VGO
- (f) Charterers are required to give Owners 30 days prior approximate notice of redelivery and 5/3/2/1 day(s) definite notice of redelivery and place.

#### **Laydays/Canceling**

- 5. The delivery of the vessel under this charter shall be deemed to have occurred and this Charter shall be effective as of the date of the delivery of the vessel from the Sellers to the Buyers (Owners) under the terms of the MOA between Tenth Aframax Tanker Corporation and Cathy Tanker Corporation dated September 20, 2005.

The vessel may be on a voyage or time charter at the time of delivery. Charterers accept this Charter subject to such charters (which become sub-charters to this time charter) upon delivery. Furthermore, notwithstanding anything to the contrary contained in this charter, including but not limited to Clause 1 hereof, the Charterers accept the vessel in the condition it is in at the time of delivery, including the vetting status, and agrees that at such time the vessel satisfies the standard set forth in Clause 1.

#### **Owners to Provide**

- 6. Owners undertake to provide and to pay for all provisions, wages (including but not limited to all overtime payments), and shipping and discharging fees and all other expenses of the master, officers and crew; also, except as provided in Clauses 4 and 34 hereof, for all insurance on the vessel, for all Deck, cabin and engine-room stores, and for water (limited to crew only); for all drydocking, overhaul, maintenance and repairs to the vessel. Owners' obligations under this Clause 6 extend to all liabilities for customs or import duties arising at any time during the performance of this charter in relation to the personal effects of the master, officers and crew, and in relation to the stores, provisions and other matters aforesaid which Owners are to provide and pay for and Owners shall refund to Charterers any sums Charterers or their agents may have paid or been compelled to pay in respect of any such liability. Any amounts allowable in general average for wages and provisions and stores shall be credited to Charterers insofar as such amounts are in respect of a Period when the vessel is on-hire.

#### **Charterers to Provide**

- 7. (a) Charterers shall provide and pay for all fuel (except for fuel used for domestic services), towage and pilotage and shall pay agency fees, port charges, commissions, expenses of loading and unloading cargoes, canal dues, and tax/dues on cargo/freight and all charges other than those payable by Owners in accordance with Clause 6 hereof, provided that all charges for the said items shall be for Owners' account when such items are consumed, employed or incurred for Owners' purposes or while the vessel is off-hire (unless such items reasonably relate to any service given or distance made good and taken into account under Clause 21 or 22); and provided further that any fuel used in connection with a general average sacrifice or expenditure shall be paid for by Owners. OPA charges to be paid by Charterers, COFR to be arranged and paid for by Owners.

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- (b) In respect of bunkers consumed for Owners' purposes these will be charged on each occasion by Charterers on a "first-in-first-out" basis valued on the prices actually paid by Charterers.
  - (c) If the trading limits of this charter include ports in the United States of America and/or its protectorates then Charterers shall reimburse Owners for port specific charges relating to additional premiums charged by providers of oil pollution cover, when incurred by the vessel calling at ports in the United States of America and/or its protectorates in accordance with Charterers orders. The liability to reimburse Owners shall not apply where the OPA charges has arisen through the actions of the Owner.

#### **Rate of Hire**

- 8. (See Clause 99).

#### **Payment of Hire**

- 9. Subject to Clause 3(c) and 3(e), payment of hire shall be made in immediately available funds to:

Wachovia Bank, NA New York  
ABA # 031-201-467  
Account: The Royal Bank of Scotland International Limited  
Account Number: 2000193009149 (CHIPS:155424)  
SWIFT: PNBUS3NNYC  
For further credit to: Double Hull Tankers, Inc.  
Account Number: 1028 – 50440694

in United States Dollars per calendar month in advance, less:

- (i) any hire paid which Charterers reasonably estimate to relate to off-hire periods, and,
- (ii) any amounts disbursed on Owners' behalf, any advances and commission therein, and charges which are for Owners' account pursuant to any provision hereof, and;
- (iii) any amounts due or reasonably estimated to become due to Charterers under Clause 3(c) or 24 hereof,

any such adjustments to be made at the due date, which shall be the 27<sup>th</sup> day of the preceding month for which payment is being made, for the next monthly payment after the facts have been ascertained. Charterers shall not be responsible for any delay or error by Owners' bank in crediting Owners' account provided that Charterers have made proper and timely payment.

In default of such proper and timely payment:

- (a) Owners shall notify Charterers of such default and Charterers shall within seven days of receipt of such notice pay to Owners the amount due, including interest, failing which Owners may withdraw the vessel from the service of Charterers without prejudice to any other rights Owners may have under this charter or otherwise; and;
- (b) Interest on any amount due but not paid on the due date shall accrue from the day after that date up to and including the day when payment is made, at a rate per annum which shall be 1% above the U.S. Prime Rate as published in the Wall Street Journal as effective for each day the amount is outstanding, or, if no such interest rate is published for a given day, the interest rate published for the next preceding day for which such a rate was so published, computed on an actual/365 basis.

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### **Space Available to Charterers**

- 10. The whole reach, burthen and decks on the vessel and any passenger accommodation (including Owners' suite) shall be at Charterers' disposal, reserving only proper and sufficient space for the vessel's master, officers, crew, tackle, apparel, furniture, provisions and stores.

### **Segregated Ballast**

- 11. In connection with the Council of the European Union Regulation on the Implementation of IMO Resolution A747(18) Owners will ensure that the following entry is made on the International Tonnage Certificate (1969) under the section headed "Remarks".

"The segregated ballast tanks comply with the Regulation 13 of Annex 1 of the International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 relating thereto".

### **Instructions and Logs**

- 12. Charterers shall from time to time give the master all requisite instructions and sailing directions, and the master shall keep a full and correct log of the voyage or voyages, which Charterers or their agents may inspect as required. The master shall when required furnish Charterers or their agents with a true copy of such log and with properly completed loading and discharging port sheets and voyage reports for each voyage and other returns as Charterers may require. Charterers shall be entitled to take copies at Owners' expense of any such documents which are not provided by the master. Owner's crew to be trained to operate and to utilize Charter Operations System (CHOPS) as directed by Charterer.

### **Bills of Lading**

- 13. (a) The master (although appointed by Owners) shall be under the orders and direction of Charterers as regards employment of the vessel, agency and other arrangements, and shall sign Bills of Lading as Charterers or their agents may direct (subject always to Clauses 35(a) and 40) without prejudice to this charter. Charterers hereby indemnify Owners against all consequences or liabilities that may arise;
  - (i) from signing Bills of Lading in accordance with the directions of Charterers or their agents, to the extent that the terms of such Bills of Lading fail to conform to the requirements of this charter, or (except as provided in Clause 13(b)) from the master otherwise complying with Charterers' or their agents' orders;
  - (ii) from any irregularities in papers supplied by Charterers or their agents.
- (b) Notwithstanding the foregoing, Owners shall not be obliged to comply with any orders from Charterers to discharge all or part of the cargo:
  - (i) at any place other than shown on the Bill of Lading and/or
  - (ii) without presentation of an original Bill of Lading

unless they receive from Charterers both written confirmation of such orders and an indemnity in a form acceptable to Owners (See Clause 49).

### **Conduct of Vessel's Personnel**

- 14. If Charterers complain of the conduct of the master or any of the officers or crew, Owners shall immediately investigate the complaint. If the complaint proves to be well founded, Owners shall, without delay, make a change in the appointments and Owners shall in any event communicate the result of their investigations to Charterers as soon as possible.
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### **Bunkers at Delivery and Redelivery**

15. There shall be no physical payment for bunkers on board at the time of delivery. Owners shall on redelivery (whether it occurs at the end of the charter or on the earlier termination of this charter) accept and pay for all bunkers remaining on board, at the price actually paid, on a "first-in-first-out" basis. Such prices are to be supported by paid invoices.

Vessel to be delivered to and redelivered from the charter with, at least, a quantity of bunkers on board sufficient to reach the nearest main bunkering port.

Notwithstanding anything contained in this charter all bunkers on board the vessel shall, throughout the duration of this charter, remain the property of Charterers and can only be purchased on the terms specified in the charter at the end of the charter period or, if earlier, at the termination of the charter.

### **Stevedores, Pilots, Tugs**

16. Stevedores, when required, shall be employed and paid by Charterers, but this shall not relieve Owners from responsibility at all times for proper stowage, which must be controlled by the master who shall keep a strict account of all cargo loaded and discharged. Owners hereby indemnify Charterers, their servants and agents against all losses, claims, responsibilities and liabilities arising in any way whatsoever from the employment of pilots, tugboats or stevedores, who although employed by Charterers shall be deemed to be the servants of and in the service of Owners and under their instructions (even if such pilots, tugboat personnel or stevedores are in fact the servants of Charterers their agents or any affiliated company); provided, however, that:

- (a) the foregoing indemnity shall not exceed the amount to which Owners would have been entitled to limit their liability if they had themselves employed such pilots, tugboats or stevedores, and;
- (b) Charterers shall be liable for any damage to the vessel caused by or arising out of the use of stevedores, fair wear and tear excepted, to the extent that Owners are unable by the exercise of due diligence to obtain redress therefor from stevedores.

### **Super-Numeraries**

17. Charterers may send representatives in the vessel's available accommodation upon any voyage made under this charter, Owners finding provisions and all requisites as supplied to officers, except alcohol. Charterers paying at the rate of United States Dollars 20 (twenty) per day for each representative while on board the vessel.

### **Sub-letting/Assignment/Novation**

18. Charterers may sub-let the vessel, but shall always remain responsible to Owners for due fulfilment of this charter.

### **Final Voyage**

19. If when a payment of hire is due hereunder Charterers reasonably expect to redeliver the vessel before the next payment of hire would fall due, the hire to be paid shall be assessed on Charterers' reasonable estimate of the time necessary to complete Charterers' programme up to redelivery, and from which estimate Charterers may deduct amounts due or reasonably expected to become due for:

- (a) disbursements on Owners' behalf or charges for Owners' account pursuant to any provision hereof, and;
- (b) bunkers on board at redelivery pursuant to Clause 15.

Promptly after redelivery any overpayment shall be refunded by Owners or any underpayment made good by Charterers.

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If at the time this charter would otherwise terminate in accordance with Clause 4 the vessel is on a ballast voyage to a port of redelivery or is upon a laden voyage, Charterers shall continue to have the use of the vessel at the same rate and conditions as stand herein for as long as necessary to complete such ballast voyage, or to complete such laden voyage and return to a port of redelivery as provided by this charter, as the case may be.

### **Loss of Vessel**

20. Should the vessel be lost, this charter shall terminate and hire shall cease at noon (GMT) on the day of her loss; should the vessel be a constructive total loss, this charter shall terminate and hire shall cease at noon (GMT) on the day on which the vessel's underwriters agree that the vessel is a constructive total loss; should the vessel be missing, this charter shall terminate and hire shall cease at noon (GMT) on the day on which she was last heard of. Any hire paid in advance and not earned shall be returned to Charterers and Owners shall reimburse Charterers for the value of the estimated quantity of bunkers on board at the time of termination, at the price paid by Charterers at the last bunkering port.

### **Off-hire**

21. (a) On each and every occasion that there is loss of time (whether by way of interruption in the vessel's service or, from reduction in the vessel's performance, or in any other manner):
- (i) due to deficiency of personnel or stores; repairs; gas-freeing for repairs; time in and waiting to enter dry dock for repairs; breakdown (whether partial or total) of machinery, boilers or other parts of the vessel or her equipment (including without limitation tank coatings); overhaul, maintenance or survey; collision, stranding, accident or damage to the vessel; or any other similar cause preventing the efficient working of the vessel; and such loss continues for more than three consecutive hours (if resulting from interruption in the vessel's service) or cumulates to more than three hours (if resulting from partial loss of service); or;

- (ii) due to industrial action, refusal to sail, breach of orders or neglect of duty on the part of the master, officers or crew; or;
  - (iii) for the purpose of obtaining medical advice or treatment for or landing any sick or injured person (other than a Charterers' representative carried under Clause 17 hereof) or for the purpose of landing the body of any person (other than a Charterers' representative), and such loss continues for more than three consecutive hours; or;
  - (iv) due to any delay in quarantine arising from the master, officers or crew having had communication with the shore at any infected area without the written consent or instructions of Charterers or their agents, or to any detention by customs or other authorities caused by smuggling or other infraction of local law on the part of the master, officers, or crew; or;
  - (v) due to detention of the vessel by authorities at home or abroad attributable to legal action against or breach of regulations by the vessel, the vessel's owners, or Owners (unless brought about by the act or neglect of Charterers); then; without prejudice to Charterers' rights under Clause 3 or to any other rights of Charterers hereunder, or otherwise, the vessel shall be off-hire from the commencement of such loss of time until she is again ready and in an efficient state to resume her service from a position not less favourable to Charterers than that at which such loss of time commenced; provided, however, that any service given or distance made good by the vessel whilst off-hire shall be taken into account in assessing the amount to be deducted from hire.
  - (vi) Charterers shall keep owners/master advised of vessels schedule to allow Owners the opportunity to make use of any idle time for the purpose of maintenance during the charter. Such idle time not to count as off-hire.
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(b) If the vessel fails to proceed at any guaranteed speed pursuant to Clause 24, and such failure arises wholly or partly from any of the causes set out in Clause 21(a) above, then the period for which the vessel shall be off-hire under this Clause 21 shall be the difference between:

- (i) the time the vessel would have required to perform the relevant service at such guaranteed speed, and;
- (ii) the time actually taken to perform such service (including any loss of time arising from interruption in the performance of such service).

For the avoidance of doubt, all time included under (ii) above shall be excluded from any computation under Clause 24.

- (c) Further and without prejudice to the foregoing, in the event of the vessel deviating (which expression includes without limitation putting back, or putting into any port other than that to which she is bound under the instructions of Charterers) for any cause or purpose mentioned in Clause 21(a), the vessel shall be off-hire from the commencement of such deviation until the time when she is again ready and in an efficient state to resume her service from a position not less favourable to Charterers than that at which the deviation commenced, provided, however, that any service given or distance made good by the vessel whilst so off-hire shall be taken into account in assessing the amount to be deducted from hire. If the vessel, for any cause or purpose mentioned in Clause 21(a), puts into any port other than the port to which she is bound on the instructions of Charterers, the port charges, pilotage and other expenses at such port shall be borne by Owners. Should the vessel be driven into any port or anchorage by stress of weather hire shall continue to be due and payable during any time lost thereby.
- (d) If the vessel's flag state becomes engaged in hostilities, and Charterers in consequence of such hostilities find it commercially impracticable to employ the vessel and have given Owners written notice thereof then from the date of receipt by Owners of such notice until the termination of such commercial impracticability the vessel shall be off-hire and Owners shall have the right to employ the vessel on their own account.
- (e) Time during which the vessel is off-hire under this charter shall count as part of the charter period except where Charterers declare their option to add off-hire periods under Clause 4(b).
- (f) All references to "time" in this charter party shall be references to GMT except where otherwise stated.
- (g) During any time that the vessel is off-hire under this charter, Basic Hire shall not accrue. Any additional hire that may be due for periods that the Vessel is off-hire shall be determined in accordance with the terms of the Charter Framework Agreement.

### **Periodical Drydocking**

22. (a) Owners have the right and obligation to drydock the vessel at regular intervals not exceeding 5 years. On each occasion Owners shall propose to Charterers a date on which they wish to drydock the vessel, not less than 90 days before such date and Charterers shall offer a port for such periodical drydocking and shall take all reasonable steps to make the vessel available as near to such date as practicable.

Owners shall put the vessel in drydock at their expense as soon as practicable after Charterers place the vessel at Owners' disposal clear of cargo other than tank washings and residues. Owners shall be responsible for and pay for the disposal into reception facilities of such tank washings and residues and shall have the right to retain any monies received therefor, without prejudice to any claim for loss of cargo under any Bill of Lading or this charter.

- (b) If a periodical drydocking is carried out in the port offered by Charterers (which must have suitable accommodation for the purpose and reception facilities for tank washings and residues), the vessel shall
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be off-hire from the time she arrives at such port until drydocking is completed and she is in every way ready to resume Charterers' service and is at the position at which she went off-hire or a position no less favourable to Charterers, whichever she first attains. However:

- (i) provided that Owners exercise due diligence in gas-freeing, any time lost in gas-freeing to the standard required for entry into drydock for cleaning and painting the hull shall not count as off-hire, whether lost on passage to the drydocking port or after arrival there (notwithstanding

Clause 21), and;

- (ii) any additional time lost in further gas-freeing to meet the standard required for hot work or entry to cargo tanks shall count as off-hire, whether lost on passage to the drydocking port or after arrival there.

Any time which, but for sub-Clause (i) above, would be off-hire, shall not be included in any calculation under Clause 24.

The expenses of gas-freeing, including without limitation the cost of bunkers, shall be for Owners account.

- (c) If Owners require the vessel, instead of proceeding to the offered port, to carry out periodical drydocking at a special port selected by them, the vessel shall be off-hire from the time when she is released to proceed to the special port until she next presents for loading in accordance with Charterers' instructions, provided, however, that Charterers shall credit Owners with the time which would have been taken on passage at the service speed had the vessel not proceeded to drydock. All fuel consumed shall be paid for by Owners but Charterers shall credit Owners with the value of the fuel which would have been used on such notional passage calculated at the guaranteed daily consumption for the service speed, and shall further credit Owners with any benefit they may gain in purchasing bunkers at the special port.
- (d) Charterers shall, insofar as cleaning for periodical drydocking may have reduced the amount of tank-cleaning necessary to meet Charterers' requirements, credit Owners with the value of any bunkers which Charterers calculate to have been saved thereby, whether the vessel drydocks at an offered or a special port.

### **Ship Inspection**

23. (See Clause 83).

### **Detailed Description and Performance**

24. Owners guarantee that the speed and consumption of the vessel shall be as follows: (see Clause 78).

The bunker consumptions are for all purposes except cargo heating, purging and tank cleaning and shall be pro-rated between the speeds shown.

Charterer may order the vessel to proceed at any speed above/below the guaranteed speed, weather and safe navigation permitting.

If the vessel is ordered to proceed at any speed other than the highest speed and the average speed actually attained by the vessel during the currency of such order exceeds such ordered speed plus 0.5 knots (the "maximum recognised speed"), then for the purpose of calculating a decrease of hire under this Clause 24 the maximum recognised speed shall be used in place of the average speed actually attained.

For the purposes of this charter the "guaranteed speed" at any time shall be the then-current ordered speed or the service speed, as the case may be.

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The average speeds and bunker consumptions shall for the purposes of this Clause 24 be calculated by reference to the observed distance from pilot station to pilot station on all sea passages during each period stipulated in Clause 24(c), but excluding any time during which the vessel is (or but for Clause 22(b)(i) would be) off-hire and also excluding "Adverse Weather Periods", being:

- (i) any periods during which reduction of speed is necessary for safety in congested waters or in poor visibility;
  - (ii) any days, noon to noon, when winds exceed force 5 on the Beaufort Scale for more than 12 hours.
- (b) If during any half year (i.e., 6 calendar months) period from the date on which the vessel enters service and continuing for each succeeding 6 calendar month period thereafter, the vessel falls below the performance guaranteed in Clause 24(a), then if such shortfall results:
- (i) from a reduction in the average speed of the vessel, compared to the speed guaranteed in Clause 24(a), then an amount equal to the value at the hire rate of the time so lost shall be included in the performance calculation;
  - (ii) from an increase in the total bunkers consumed, compared to the total bunkers which would have been consumed had the vessel performed as guaranteed in Clause 24(a), an amount equivalent to the value of the additional bunkers consumed or based on the average price paid by Charterers for the vessel's bunkers in such period, shall be included in the performance calculation.

The results of the performance calculation for laden and ballast mileage respectively shall be adjusted to take into account the mileage steamed in each such condition during Adverse Weather Periods, by dividing such deduction by the number of miles over which the performance has been calculated and multiplying by the same number of miles plus the miles steamed during the Adverse Weather Periods, in order to establish the total performance calculation for such period.

Reduction of hire under the foregoing sub-Clause (b), shall be without prejudice to any other remedy available to Charterers.

- (c) Calculations under this Clause 24 shall be made every 6 months terminating on each successive anniversary of the date on which the vessel enters service, and for the period between the last such anniversary and the date of termination of this charter if less than a year. Claims in respect of reduction of hire arising under this Clause during the final year or part year of the charter period shall in the first instance be settled in accordance with Charterers' estimate made two months before the end of the charter period. Any necessary adjustment after this charter terminates shall be made by payment by Owners to Charterers.
- (d) Owners and Charterers agree that this Clause 24 is assessed on the basis that Owners are not entitled to additional hire for performance in excess of the speeds and consumptions given in this Clause 24.

It is understood between Owner and Charterers that any speed over performance and/or fuel under consumption are to be credited to any under performance/over consumption during the (6) months review period, but no over performance and/or under consumption bonus shall be paid to owners.

### **Salvage**

25. Subject to the provisions of Clause 21 hereof, all loss of time and all expenses (excluding any damage to or loss of the vessel or tortious liabilities to third parties) incurred in saving or attempting to save life or in successful or unsuccessful attempts at salvage shall be borne equally by Owners and Charterers provided that Charterers shall not be liable to contribute towards any salvage payable by Owners arising in any way out of services rendered under this Clause 25.
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All salvage and all proceeds from derelicts shall be divided equally between Owners and Charterers after deducting the master's, officers' and crew's share.

### **Lien**

26. Owners shall have a lien upon all cargoes and all freights, sub-freights and demurrage for any amounts due under this charter; and Charterers shall have a lien on the vessel for all monies paid in advance and not earned, and for all claims for damages arising from any breach by Owners of this charter.

### **Exceptions**

27. (a) The vessel, her master and Owners shall not, unless otherwise in this charter expressly provided, be liable for any loss or damage or delay or failure arising or resulting from any act, neglect or default of the master, pilots, mariners or other servants of Owners in the navigation or management of the vessel; fire, unless caused by the actual fault or privity of Owners; collision or stranding; dangers and accidents of the sea; explosion, bursting of boilers, breakage of shafts or any latent defect in hull, equipment or machinery; provided, however, that Clauses 1, 2, 3, and 24 hereof shall be unaffected by the foregoing. Further, neither the vessel, her master or Owners, nor Charterers shall, unless otherwise in this charter expressly provided, be liable for any loss or damage or delay or failure in performance hereunder arising or resulting from act of God, act of war, seizure under legal process, quarantine restrictions, strikes, lock-outs, riots, restraints of labour, civil commotions or arrest or restraint of princes, rulers or people.
- (b) The vessel shall have liberty to sail with or without pilots, to tow or go to the assistance of vessels in distress and to deviate for the purpose of saving life or property.
- (c) Clause 27(a) shall not apply to, or affect any liability of Owners or the vessel or any other relevant person in respect of:
- (i) loss or damage caused to any berth, jetty, dock, dolphin, buoy, mooring line, pipe or crane or other works or equipment whatsoever at or near any place to which the vessel may proceed under this charter, whether or not such works or equipment belong to Charterers, or;
  - (ii) any claim (whether brought by Charterers or any other person) arising out of any loss of or damage to or in connection with cargo. Any such claim shall be subject to the Hague-Visby Rules or the Hague Rules or the Hamburg Rules, as the case may be, which ought pursuant to Clause 38 hereof to have been incorporated in the relevant Bill of Lading (whether or not such Rules were so incorporated) or, if no such Bill of Lading is issued, to the Hague-Visby Rules unless the Hamburg Rules compulsorily apply in which case to the Hamburg Rules.
- (d) In particular and without limitation, the foregoing subsections (a) and (b) of this Clause shall not apply to or in any way affect any provision in this charter relating to off-hire or to reduction of hire.

### **Injurious Cargoes**

28. No acids, explosives or cargoes injurious to the vessel shall be shipped and without prejudice to the foregoing any damage to the vessel caused by the shipment of any such cargo, and the time taken to repair such damage, shall be for Charterers' account. No voyage shall be undertaken, nor any goods or cargoes loaded, that would expose the vessel to capture or seizure by rulers or governments.

### **Grade of Bunkers**

29. Charterers shall supply the vessel with IFO 380 CST RMG 35 as per ISO 8217:1996 (E) requirements for Marine residual fuels and MDO (if applicable) DMB distillate diesel as per ISO 8217:1996 (E) requirements for Marine distillate fuels. Specifications are subject to any revisions of the ISO standards over the term of this charter (See Clause 62).
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### **Disbursements**

30. Should the master require advances for ordinary disbursements at any port, Charterers or their agents shall make such advances to him, in consideration of which Owners shall pay a commission of two and a half per cent, and all such advances and commission shall be deducted from hire.

### **Laying-up**

31. Charterers shall have the option, after consultation with Owners, of requiring Owners to lay up the vessel at a safe place nominated by Charterers, in which case the hire provided for under this charter shall be adjusted to reflect any net increases in expenditure reasonably incurred or any net saving which should reasonably be made by Owners as a result of such lay up. Charterers may exercise the said option any number of times during the charter period.

### **Requisition**

32. Should the vessel be requisitioned by any government, de facto or de jure, during the period of this charter, the vessel shall be off-hire during the period of such requisition, and any hire paid by such governments in respect of such requisition period shall be for Owners' account. Any such requisition period shall not count as part of the charter period and the cumulative requisition time may, at the sole discretion of the Charterer, be added to the end of the firm charter period at a rate in effect at the time the off hire was incurred.

### **Outbreak of War**

33. If war or hostilities break out between any two or more of the following countries: U.S.A., the countries or republics having been part of the former U.S.S.R. (except that declaration of war or hostilities solely between any two or more of the countries or republics having been part of the former USSR shall be exempted), P.R.C., U.K., Netherlands, then both Owners and Charterers shall have the right to cancel this charter provided that the hostilities directly interfere with the vessels trading under Clause 4.

### **Additional War Expenses**

34. If the vessel is ordered to trade in areas where there is war (de facto or de jure) or threat of war, Charterers shall reimburse Owners for any additional insurance premia, crew bonuses and other expenses which are reasonably incurred by Owners as a consequence of such orders, provided that Charterers are given notice of such expenses as soon as practicable and in any event before such expenses are incurred, and provided further that Owners obtain from their insurers a waiver of any subrogated rights against Charterers in respect of any claims by Owners under their war risk insurance arising out of compliance with such orders.

Any payments by Charterers under this Clause will only be made against proven documentation. Any discount or rebate refunded to Owners, for whatever reason, in respect of additional war risk premium shall be passed on to Charterers.

### **War Risks**

35. (a) The master shall not be required or bound to sign Bills of Lading for any place which in his or Owners' reasonable opinion is dangerous or impossible for the vessel to enter or reach owing to any blockade, war, hostilities, warlike operations, civil war, civil commotions or revolutions.
- (b) If in the reasonable opinion of the master or Owners it becomes, for any of the reasons set out in Clause 35(a) or by the operation of international law, dangerous, impossible or prohibited for the vessel to reach or enter, or to load or discharge cargo at, any place to which the vessel has been ordered pursuant to this charter (a "place of peril"), then Charterers or their agents shall be immediately notified in writing or by radio messages, and Charterers shall thereupon have the right to order the cargo, or such part of it as may be affected, to be loaded or discharged, as the case may be, at any other place within the trading

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limits of this charter (provided such other place is not itself a place of peril). If any place of discharge is or becomes a place of peril, and no orders have been received from Charterers or their agents within 48 hours after dispatch of such messages, then Owners shall be at liberty to discharge the cargo or such part of it as may be affected at any place which they or the master may in their or his discretion select within the trading limits of this charter and such discharge shall be deemed to be due fulfilment of Owners' obligations under this charter so far as cargo so discharged is concerned.

- (c) The vessel shall have liberty to comply with any directions or recommendations as to departure, arrival, routes, ports of call, stoppages, destinations, zones, waters, delivery or in any other wise whatsoever given by the government of the state under whose flag the vessel sails or any other government or local authority or by any person or body acting or purporting to act as or with the authority of any such government or local authority including any de facto government or local authority or by any person or body acting or purporting to act as or with the authority of any such government or local authority or by any committee or person having under the terms of the war risks insurance on the vessel the right to give any such directions or recommendations. If by reason of or in compliance with any such directions or recommendations anything is done or is not done, such shall not be deemed a deviation. If by reason of or in compliance with any such direction or recommendation the vessel does not proceed to any place of discharge to which she has been ordered pursuant to this charter, the vessel may proceed to any place which the master or Owners in his or their discretion select and there discharge the cargo or such part of it as may be affected. Such discharge shall be deemed to be due fulfilment of Owners' obligations under this charter so far as cargo so discharged is concerned.

Charterers shall procure that all Bills of Lading issued under this charter shall contain the Chamber of Shipping War Risks Clause 1952.

### **Both to Blame Collision Clause**

36. If the liability for any collision in which the vessel is involved while performing this charter fails to be determined in accordance with the laws of the United States of America, the following provision shall apply:

"If the ship comes into collision with another ship as a result of the negligence of the other ship and any act, neglect or default of the master, mariner, pilot or the servants of the carrier in the navigation or in the management of the ship, the owners of the cargo carried hereunder will indemnify the carrier against all loss, or liability to the other or non-carrying ship or her owners in so far as such loss or liability represents loss of, or damage to, or any claim whatsoever of the owners of the said cargo, paid or payable by the other or non-carrying ship or her owners to the owners of the said cargo and set off, recouped or recovered by the other or non-carrying ship or her owners as part of their claim against the carrying ship or carrier."

"The foregoing provisions shall also apply where the owners, operators or those in charge of any ship or ships or objects other than, or in addition to, the colliding ships or objects are at fault in respect of a collision or contact."

Charterers shall procure that all Bills of Lading issued under this charter shall contain a provision in the foregoing terms to be applicable where the liability for any collision in which the vessel is involved fails to be determined in accordance with the laws of the United States of America.

### **New Jason Clause**



37. General average contributions shall be payable according to York/Antwerp Rules, 2000 as amended from time to time, and shall be adjusted in New York in accordance with New York law and practice.

In the event of accident, danger, damage or disaster before or after the commencement of the voyage, resulting from any cause whatsoever, whether due to negligence or not, for which, or for the consequence of which, the carrier is not responsible by statute, contract or otherwise, the cargo, shippers, consignees or owners of the cargo shall contribute with the carrier in general average to the payment of any sacrifices, losses or expenses of

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a general average nature that may be made or incurred and shall pay salvage and special charges incurred in respect of the cargo.

If a salving ship is owned or operated by the carrier, salvage shall be paid for as fully as if the said salving ship or ships belonged to strangers. Such deposit as the carrier or his agents may deem sufficient to cover the estimated contribution of the cargo and any salvage and special charges thereon shall, if required, be made by the cargo, shippers, consignees or owners of the cargo to the carrier before delivery.

Charterers shall procure that all Bills of Lading issued under this charter shall contain a provision in the foregoing terms, to be applicable where adjustment of general average is made in accordance with the laws and practice of the United States of America.

#### **Clause Paramount**

38. Charterers shall procure that all Bills of Lading issued pursuant to this charter shall contain the following:

“(1) Subject to sub-Clause (2) or (3) hereof, this Bill of Lading shall be governed by, and have effect subject to, the rules contained in the International Convention for the Unification of Certain Rules relating to Bills of Lading signed at Brussels on 25th August 1924 (hereafter the “Hague Rules”) as amended by the Protocol signed at Brussels on 23rd February 1968 (hereafter the “Hague-Visby Rules”). Nothing contained herein shall be deemed to be either a surrender by the carrier of any of his rights or immunities or any increase of any of his responsibilities or liabilities under the Hague-Visby Rules.”

“(2) If there is governing legislation which applies the Hague Rules compulsorily to this Bill of Lading, to the exclusion of the Hague-Visby Rules, then this Bill of Lading shall have effect subject to the Hague Rules. Nothing therein contained shall be deemed to be either a surrender by the carrier of any of his rights or immunities or an increase of any of his responsibilities or liabilities under the Hague Rules.”

“(3) If there is governing legislation which applies the United Nations Convention on the Carriage of Goods by Sea 1978 (hereafter the “Hamburg Rules”) compulsorily to this Bill of Lading, to the exclusion of the Hague-Visby Rules, then this Bill of Lading shall have effect subject to the Hamburg Rules. Nothing therein contained shall be deemed to be either a surrender by the carrier of any of his rights or immunities or an increase of any of his responsibilities or liabilities under the Hamburg Rules.”

“(4) If any term of this Bill of Lading is repugnant to the Hague-Visby Rules, or Hague Rules, or Hamburg Rules, as applicable, such term shall be void to that extent but no further.”

“(5) Nothing in this Bill of Lading shall be construed as in any way restricting, excluding or waiving the right of any relevant party or person to limit his liability under any available legislation and/or law.”

#### **Insurance/ITOPF**

39. Owners warrant that the vessel is now, and will, throughout the duration of the charter:

- (a) be owned or demise chartered by a member of the International Tanker Owners Pollution Federation Limited;
  - (b) be properly entered in U.K. or GARD P & I Club, being a member of the International Group of P & I Clubs;
  - (c) have in place insurance cover for oil pollution for the maximum on offer through the International Group of P & I Clubs but always a minimum of United States Dollars 1,000,000,000 (one thousand million);
  - (d) have in full force and effect Hull and Machinery insurance placed through reputable brokers on Institute Time Clauses or equivalent for the market value of the vessel plus twenty (20) percent as from time to time
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may be amended with Charterers' approval, which shall not be unreasonably withheld. Insurance amount always to comply with loan covenants.

Owners will provide, within a reasonable time following a request from Charterers to do so, documented evidence of compliance with the warranties given in this Clause 39.

#### **Export Restrictions**

40. The master shall not be required or bound to sign Bills of Lading for the carriage of cargo to any place to which export of such cargo is prohibited under the laws, rules or regulations of the country in which the cargo was produced and/or shipped.

Charterers shall procure that all Bills of Lading issued under this charter shall contain the following clause:

“If any laws rules or regulations applied by the government of the country in which the cargo was produced and/or shipped, or any relevant agency thereof, impose a prohibition on export of the cargo to the place of discharge designated in or ordered under this Bill of Lading, carriers shall be entitled

to require cargo owners forthwith to nominate an alternative discharge place for the discharge of the cargo, or such part of it as may be affected, which alternative place shall not be subject to the prohibition, and carriers shall be entitled to accept orders from cargo owners to proceed to and discharge at such alternative place. If cargo owners fail to nominate an alternative place within 72 hours after they or their agents have received from carriers notice of such prohibition, carriers shall be at liberty to discharge the cargo or such part of it as may be affected by the prohibition at any safe place on which they or the master may in their or his absolute discretion decide and which is not subject to the prohibition, and such discharge shall constitute due performance of the contract contained in this Bill of Lading so far as the cargo so discharged is concerned".

The foregoing provision shall apply mutatis mutandis to this charter, the references to a Bill of Lading being deemed to be references to this charter.

### **Business Principles**

41. (Deleted)

### **Drugs and Alcohol**

42. (Deleted)

### **Oil Major Acceptability**

43. (See Clause 57)

### **Pollution and Emergency Response**

44. Owners are to advise Charterers of organisational details and names of Owners personnel together with their relevant telephone/facsimile/e-mail/telex numbers, including the names and contact details of Qualified Individuals for OPA 90 response, who may be contacted on a 24 hour basis in the event of oil spills or emergencies.

### **ISPS Code/US MTSA 2002**

45. (See Clause 98).

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### **Law and Litigation**

46. (a) This charter shall be construed and the relations between the parties determined in accordance with the laws of the State of New York, U.S.A.

(b) All disputes arising out of this charter shall be referred to Arbitration in New York in accordance with the Rules of the Society of Marine Arbitrators, Inc. New York (SMA).

(i) Any Award of the arbitrator(s) shall be final and binding and not subject to appeal.

(ii) For the purposes of this Clause 46(b), any requests or notices in writing shall be sent by fax, e-mail or telex and shall be deemed received on the day of transmission.

(c) It shall be a condition precedent to the right of any party to a stay of any legal proceedings in which maritime property has been, or may be, arrested in connection with a dispute under this charter, that that party furnishes to the other party security to which that other party would have been entitled in such legal proceedings in the absence of a stay.

### **Confidentiality**

47. (Deleted)

### **Construction**

48. The side headings have been included in this charter for convenience of reference and shall in no way affect the construction hereof.

Additional Clauses: Special clauses to Shelltime 4 CP form, 49 through 112 shall be fully incorporated into the terms of this Charter Party.

Appendix A: Questionnaire 88 for the vessel, as attached, shall be incorporated herein.

Appendix B: List of Approved Ship Brokers, as attached, shall be incorporated herein.

For the Owners  
CATHY TANKER CORPORATION

For the Charterers  
DHT CATHY AFRAMAX CORP.

By: /s/ Ole Jacob Diesen  
Ole Jacob Diesen  
Chief Executive Officer

By: /s/ Myles R. Itkin  
Myles R. Itkin

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**TIME CHARTER  
SPECIAL CLAUSES  
MT OVERSEAS CATHY**

**IF THERE IS ANY CONFLICT BETWEEN THE FOLLOWING CLAUSES AND THE PRINTED CLAUSES OF THE CHARTER PARTY FORM AS ADJUSTED, THE FOLLOWING CLAUSES SHALL PREVAIL.**

**49) Bill of Lading Indemnification**

The standard form of letter of indemnity to be given in the case of delivery of cargo (a) without production of the original Bill of Lading, or (b) at a port other than stated in the Bill of Lading, or (c) both of the foregoing, in each case without bank guarantee, in revised form as recommended by the International Group of P&I Clubs in 2001, shall be used in all cases, provided that the reference to English law and jurisdiction shall be revised to read New York law and the jurisdiction of any court of competent jurisdiction sitting in New York County.

**50) Certificates/Regulations Compliance**

The Owners warrant that during the term of this charter party the vessel fully complies with the following:

- A. all governmental laws, regulations, protocols and directives promulgated by the authoritative body or any of its legally constituted agencies charged with the application of the same laws/regulations/protocols and directives applicable to the countries and ports within the trading limits defined in the charter party.
- B. that it has secured and maintains aboard the vessel all Certificates of Financial Responsibility issued and required by the competent authorities of the countries within the trading limits defined in the charter party.
- C. (Deleted)
- D. that the vessel shall have on board for inspection by the appropriate port authorities all certificates, records, compliance letters and other documents required.
- E. The vessel shall be approved by the international transport workers federation and carry a valid ITF 'Blue Certificate' on board at all times. Any losses, expenses or damages arising as a result of failure to comply with ITF regulations, as interpreted by local union, shall be for Owners account.
- F. COFR — Owners to provide the vessel, at their cost, with a valid Certification of Financial Responsibility which is acceptable to U.S. authorities at Owners' cost. Compliance with state laws during the currency of this charter to be Owners' responsibility and cost. COFR to be in place prior to the vessels arrival at first U.S. or Canadian port.

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Owners will pay for the initial cost of issuing and maintaining the certificate. Any additional premiums or surcharges payable by Owners in relation to the vessel calling at U.S. ports to be for Charterers account.

- G. Owners shall have a program covering oil pollution avoidance, including compliance with latest international maritime organization and port state regulations and SOLAS and MARPOL conventions and the adoption of vessel response plans and qualified individuals for OPA response.

**51) IMO Clause**

Owners warrant that during the term of this charter party and any extension thereof the vessel will be in full compliance with: the requirements of the United States Port and Tanker Safety Act of 1978 and applicable regulations promulgated thereunder (hereinafter called "U.S. Regulations") the International Convention for the Prevention of Pollution from Ships (MARPOL 1973) and the 1978 Protocol thereto as applicable: and the International Convention for Safety of Lives at Sea (SOLAS 1974) and the 1978 Protocol thereto as applicable (the foregoing conventions and protocols hereinafter called "IMO Regulations"). Owners warrant that it will carry onboard certifications evidencing compliance with U.S. Regulations, compliance with IMO Regulations and any other records or documentation as may be required by the U.S. government authorities the vessel is currently ISM certified and will remain so during the duration of this charter (see ISM Clause).

**52) Pollution Financial Responsibility**

Owners warrant that at the date of the charter that Owners complies with all financial capability, responsibility, security or like laws, regulations and/or other requirements of whatsoever kind with respect to oil or other pollution damage applicable to the vessel entering, leaving, remaining at or passing through any ports or places or waters to perform this charter.

Owners further warrant that it shall continue to comply with these requirements throughout the period of the charter at the levels and in amounts in effect at the date of this charter.

Owners, at its sole risk and expense, shall make all arrangements by bond, insurance or otherwise and obtain all certificates or other documentary evidence and take all such other action, as may be necessary, to satisfy such laws, regulations and/or other requirements.

**53) OPA**

It is mutually understood that Oil Pollution Act of 1990 (OPA) surcharges for trading to the United States ports/territories shall be for Charterer's account.

**54) Contingency Plans Clause**

Owners warrant at the date of the charter that Owners complies with and satisfies existing U.S. federal, state and local rules, regulations and requirements for contingency plans applicable to the vessel entering, leaving, remaining at or passing through any ports or places or waters in performance of the charter, including having under contract

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the services of a catastrophic spill contractor (e.g., Marine Spill Response Corporation (MSRC) or National Response Corporation (NRC)).

Owners further warrant that it shall continue to comply with these requirements throughout the period of the charter at the levels in effect at the date of this charter.

The Owners shall be responsible for obtaining and maintaining all necessary and future approvals and satisfying existing and future federal, state, and local rules, regulations or requirements for contingency plans. Costs incurred shall be for Owners' account.

Qualified individual:                     Mr. Steven McCall  
  212 578 1892 office  
  646 327 7206 mobile

#### 55) Documentation

Owners undertake that throughout the term of this charter, the vessel shall have on board all such valid documentation as may, from time to time, be required to enable the vessel to enter and carry out all required operations at loading or discharging ports or places and leave, without hindrance, all ports or places to which the vessel may be directed under the terms of this charter.

In addition, the vessel shall be off-hire and Owners shall be held responsible for any losses, costs or damages for any period during which she is not fully and freely available to Charterer as a result of action taken against her by any government, government organization, competent authority, competent person or competent organization, owing to her flag, failure to have on board valid documentation as aforesaid or any dispute relating to Owners' wages or crew employment policy or to the condition of the vessel or her equipment. All cumulative off hire under this Clause may be added to the end of the charter period in the sole option of the Charterer.

Any time lost during which the vessel awaiting USCG TVEL inspection, or in the case of calls at non-U.S. ports where any similar certificate is required to be issued by a state authority at these ports prior to loading or discharging cargo, and until such time as she has secured TVEL certificate or any similar certificate, vessel will be considered off-hire.

#### 56) ISM Clause

The requirements of the International Safety Management (ISM) Code are hereby incorporated in the terms of this charter party. Owners/operator warrant that a Safety Management System (SMS) in accordance with the ISM Code is in operation both on shore and on board the vessel. Owners/operator further warrant that they (or the company as defined by the ISM Code) have a valid Document of Compliance (DOC), and the vessel has a valid Safety Management Certificate (SMC). Owners/operator shall supply Charterer with a copy of the DOC and the SMC. Owners shall, when required by Charterer, provide a copy of the documents both ashore and on board the vessel evidencing the SMS and its application and when further required by Charterer, Owners/operator shall provide a report on safety audits carried out internally or by the vessel's flag administration.

Non compliance with the requirements of the ISM code resulting in loss or suspension of the ISM certificate shall be deemed a breach of condition and Charterer shall have the

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right to cancel the charter. Owners shall be responsible for any delays, costs, damages incurred for non compliance with the above conditions.

#### 57) Vetting

During the period of this charter, Charterers require Owners to endeavor to arrange for at least four of the following oil company inspections/approvals at their time and expense: BP, Shell, Exxon/Mobil, Chevron Corp., Vela, PDVSA, Statoil and Dreyfus. Charterers may request Owners to obtain other vetting approvals as/when required, and Owners shall do so.

The above is always subject to the vessel's trading pattern, ports accessibility, the oil company's interest in the vessel and the availability of inspectors at the time, all of which Owners will keep a record of and keep Charterers advised.

Charterers shall keep Owners fully informed of the vessels forward schedule in order to facilitate vetting inspections.

If the vessel, during the period of this charter, fails to obtain a minimum of four approvals because of Owners fault/negligence, or fails a physical inspection by any company listed above, or loses a vetting approval required to maintain the vessels' trading pattern, then, Owners shall have a period of forty five (45) days from the date Owners are notified of such non-acceptance to have the vessel obtain such minimum number of approvals or reinstate such approval, subject always to the vessel's trading pattern, ports accessibility, the oil company's interest in the vessel and the availability of inspectors at the time, all of which Owners will keep a record of and keep Charterers advised.

If the Owners do not obtain the minimum number of vetting approvals or the necessary vetting approval is not reinstated as provided for in the preceding paragraphs, and the lack of vettings affect the vessel's trading pattern, then the Charterer shall have the right (i) to terminate this charter party without penalty to either party, or, (ii) to place the Vessel off-hire for any loss of time (whether by way of interruption in the Vessel's service, including time necessary for re-positioning to an alternate trading pattern or otherwise)(a) resulting from the vessel being placed off hire by a pool in which it is entered due to such lack of vetting, or (b) otherwise due to such lack of vetting.

In the event the preceding paragraph is invoked, and the Charterer does not terminate the Charter, it shall use commercially reasonable efforts to employ the Vessel in an alternate trading pattern to maximize its earning capacity on commercially reasonable terms provided that the terms of the pool it is entered into or the time charter it is operating under permit the Charterer to do so. For each day the Vessel is operating under a subcharter on such alternate trading pattern, and not otherwise off hire, if the Basic Hire rate otherwise applicable pursuant to this Charter exceeds the time charter rate or equivalent rate obtained by the Charterer on its sub-charters in the alternate trading pattern, then the Basic Hire payable hereunder shall be reduced by an amount equal to the difference between (a) the Basic Hire rate and (b) the time charter rate or equivalent rate obtained by the Charterer on its sub-charters in the alternate trading pattern until the later of (i) the date the Vessel has re-obtained the minimum number of vetting approvals or the necessary vetting approval has been reinstated, and (ii) the last day of the applicable sub-charter.

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**58) Adherence to Voyage Instructions**

- A. Owners shall be responsible to and will indemnify Charterer for any time, costs, delays or loss suffered by Charterer due to underlift, overlift or other failure to comply fully with Charterer's lawful instructions as long as such failure was solely due to Owners'/vessel's proven negligence.
- B. If a conflict arises between terminal orders and Charterers' instructions, master is to stop cargo operations and to contact Charterer at once. Terminal orders shall never supersede Charterer's instructions and any conflict shall be resolved prior to resumption of cargo operations.

Vessel is not to resume cargo operations until Charterers has directed vessel to do so.

**59) Traffic Separation and Routing**

Owners shall instruct the master to observe recommendations as to traffic separation and routing as issued from time to time by authorities (national or local) and comply with federal, state or local regulations of the United States. Voluntary and mandatory traffic separation schemes shall be adhered to while the vessel is in the United States or international waters.

**60) ETA Notice**

Master shall give both Charterer and load/discharge port(s)/place(s) agents notices of estimated time of arrival (ETA) to load/discharge port(s)/place(s) or any other port/place where Charterers order vessel to proceed on a daily basis or as required by Charterers voyage orders.

Any delay incurred to the vessel at any load or discharge port(s) resulting from master's failure to comply with the above requirements, shall be deducted from the monthly hire. The foregoing is without prejudice to Charterer's right to recover for any damages incurred as a result of such breach by Owners of the obligations herein defined. Notices of ETA to be sent to Charterer as instructed. This Clause only applies where the Charterer cannot claim demurrage or any other claim and incur a loss due to the master's failure to follow Charterers instructions.

**61) Watchmen**

Compulsory shore gangway watchmen shall be servants of the Charterer and the cost for such watchmen shall be borne by Charterer throughout the currency of this charter party.

**62) Bunkers**

On every occasion where the bunkers are taken, the ship will participate in either the DNV VQFT, Lloyds FOBAS or ABS scheme (line samples). As between Owners and Charterers fuel shall be deemed delivered to the ship upon arrival at the ship's manifold, which shall be the point of custody transfer. Three samples will be taken at the ship's manifold, using an approved in line drip sampler. One sample shall be provided to the surveyor and analysed, a second shall be given to the suppliers, and third shall be retained on board for independent joint testing, in the event of disputes about the quality of the bunkers supplied.

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In the event of dispute about the quality of the fuel the third sample left on board shall be jointly analysed at a mutually acceptable independent laboratory, and the results shall be binding on the parties

The quantity of fuel shall be finally determined using the density determined in the sample analysed. Owners undertake to provide Charterers with a copy of each off specification analysis report, to enable Charterers to notify suppliers promptly in the event of a quality or quantity dispute.

The supplier and Charterers shall at all times be entitled to witness the extraction and division of the sample at the ship's manifold and shall be entitled to employ a bunker surveyor.

Charterers shall not cause or permit any lien or other rights to be created against the ship, her crew, Owners, etc., by any fuel suppliers, or otherwise bind the ship, her Owners in crew in any way whatsoever, arising out of the supply of fuels.

Should analysis confirm that bunkers are off specification, (as per specification detailed in Clause 29). Charterers will be notified regarding Owners intentions. Should Owners decide to use the bunkers supplied then Charterers are not entitled to present Owners with a speed or consumption claim for any period during which vessel is using bunkers that do not reasonably meet the specified requirements. Charterers reserve the right to discuss analysis results with Owners to ensure an equitable resolution of any problems. Owners shall not be obliged to use fuel that is injurious to the engine/auxiliaries and associated equipment.

Owners warrant that the vessel shall comply with the emission control and other requirements of Regulation 14 and 18 of MARPOL Annex VI and any other laws or regulations relating to bunker content and bunkering procedures applicable in any areas to which the vessel is ordered.

Charterers warrant that they will supply bunkers:

- A. of sufficient quantity and quality to enable the vessel to meet the emission control and other requirements of Regulation 14 and 18 of MARPOL Annex VI and any other laws or regulations relating to bunker content and bunkering procedures applicable in any areas to which the vessel is ordered, and
- B. in accordance with the specifications in ISO 8217 as in force at the time of supply and any other specifications contained elsewhere in this charterparty.

Charterers further warrant that all bunker suppliers and bunkers supplied hereunder shall with respect to all areas in which the vessel may trade comply with the current and future requirements of MARPOL Annex VI and MEPC96(47) in respect of sampling and the provision of a bunker delivery notes and, where bunkers are supplied in a state where MARPOL Annex VI is in force, that suppliers shall be registered in accordance therewith.

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**63) Heating**

Owners warrant that the vessel is capable of maintaining cargo loaded temperature, or, if time permits, raising same up to a maximum temperature of 150 degrees Fahrenheit. Maximum temperature of cargo loaded at 165 degrees Fahrenheit.

Master to report daily to Charterers average cargo temperature of all tanks and to keep voyage heating records for Charterers inspection.

If vessel fails to maintain the loaded temperature, or to increase and maintain the temperature of the cargo, as requested by Charterer, all delays incurred will be considered off hire and all expenses and damages shall be for Owners' account.

Failure to follow Charterers heating instructions shall be considered off hire until such time as the cargo is heated to Charterers instruction. If vessel fails to follow Charterers heating instructions on a consistent basis it shall be considered a breach of this contract and Charterers shall have the right to cancel this charter without penalty.

**64) Pumping Clause**

Owners warrant that the vessel is fitted with and will use the main cargo pumps and the stripping pumps as per Charterers instructions.

Owners further guarantees that vessel will discharge the full cargo in twenty four (24) hours, stripping excluded or maintain an average pressure of 100 PSI at the vessel's manifold during discharge, provided shore facilities permit. It is agreed that time lost as a result of vessel being unable to discharge the cargo in accordance with the guarantee stated herein will be deducted from monthly hire.

In the event of the vessel failing to maintain average discharge pressure of 100 PSI or to discharge the cargo within 24 hours, Charterers are entitled to deduct all time over and above 24 hours taken to discharge cargo from hire.

Discharge terminal shall have the right to gauge line pressure. Should the vessel fail to comply with the guarantee herein stipulated should terminal request, Charterer shall have the right to order the vessel to be withdrawn from the berth and all time and expenses incurred to leave the berth and return later to complete discharge will be for Owners' account with the proven lost time and/or expenses being deductible from the monthly hire. In any event, Owners shall provide Charterer with a detailed hourly pumping record showing the pressure maintained at the vessel's manifold throughout the discharge. Such record shall be duly counter signed by a terminal representative and/or independent surveyor, if possible.

If the vessel discharges at more than one port or discharges a partial cargo, then time to be prorated relative to the vessel's full cargo capacity for the nominated cargo(es).

Should the discharge terminal(s) restrict in any way the vessel's performance indicated in this charter party, the master shall immediately issue a letter of protest to the terminal indicating the nature of the restriction and any details he may consider relevant. The vessel to obtain terminals signature on the letter of protest.

Notwithstanding the above, vessel is to make best efforts to utilize full capabilities (safety permitting) when discharging at Portland, Maine.

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For discharge in Punta Palenque, Dominican Republic, vessel to maintain 150 PSI at vessel's manifold.

**65) STS Clause**

Charterers shall have the right to require the vessel to perform lighterage operations and or ship to ship transfer operations at anchor or underway at a safe anchorage or place and these ship to ship transfer operations shall be conducted in accordance with the provisions of the latest ICS/OCIMF transfer guide (petroleum) always to master's acceptance which not to be unreasonably withheld.

It is understood and agreed that the crew of the vessel will be required to assist in handling the fenders and cargo hoses as well as mooring and unmooring of the vessel as designated by the mooring master at the STS transfer site at no additional cost to the Charterer.

All extra equipment required for such transfer operations shall be provided by Charterer at its expense.

Extra cost of insurance 'if any' to be for Charterers account.

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**66) Pressure Gauges**

Vessel to be equipped with pressure gauges at each discharge manifold which will be maintained in a proper working condition and each gauge shall have a valid test certificate.

**67) Bilge Liquids**

Vessel shall have efficient and safe means of transferring engine room/pump room bilge to designated holding tanks onboard for disposal in accordance with international regulations.

**68) Previous Cargoes**

(Deleted)

**69) Condition of Cargo Spaces on Delivery and Redelivery**

Vessel will be redelivered with tanks free of liquid slops.

**70) Tanks, Lines, Pumps Suitability**

Owners warrant that vessel will arrive at each load port with all cargo tanks, pumps and lines suitable to load the intended cargo as per Charterer's representative and/or independent surveyor's satisfaction, subject to Charterers voyage orders and vessels time to comply. All damages, time lost and costs incurred due to noncompliance will be for Owners' account and deducted from monthly hire.

**71) Inert Gas System**

Owners warrant that vessel has a good working inert gas system and that the officers and crew are experienced in the operation of the system. Owners further warrant that the vessel will arrive at the load port with cargo tanks inerted and that tanks will remain inerted throughout the loading, voyage and discharge operations. Any delay, cost and expense due to improper operation of the inert gas system shall be for Owners' account and shall be deducted from monthly hire.

The master may be required by terminal personnel or independent surveyor(s) before and/or after discharge to breach the inert gas system for the purpose of gauging, sampling, temperature determination and/or determining the quantity of cargo remaining on board (ROB). The master shall comply with these requests consistent with the safe operation of the vessel. Vessel to remain on hire for such periods.

**72) Crude Oil Washing (COW)**

Owners warrant that the vessel is capable of crude oil washing (COW) of all cargo tanks.

If requested by Charterer, Owners agrees to conduct crude oil washing of cargo tanks at discharge port(s) simultaneously with the discharge of the cargo to shore. Under no circumstance shall the vessel utilize more than eight (8) hours to effect COW or prorata on the basis of the number of tanks washed to the total number of tanks unless authorized by Charterer.

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The vessel will comply with the requirements of the Pumping Clause during simultaneous discharge to shore and the COW operation. If the vessel fails to comply, all additional time to discharge the cargo will be deducted from the monthly hire.

Owners agrees to comply with applicable port and terminal regulations and, if necessary, to submit any advance information or technical data that may be required by local authorities relative to the COW operations.

**73) Fittings, Equipment and Dimensions**

- A. Owners warrant that all piping, valves, spools, reducers and other fittings comprising that portion of the vessel's manifold system outboard of the last fixed rigid support to the vessel's deck and used in the transfer of cargo, bunkers or ballast, are made of steel or nodular iron; and the fixed rigid support for the manifold system is designed to prevent both lateral and vertical movement of the manifold. Owners further warrant that no more than one reducer or spool piece (each ANSI standard) will be used between the vessel's manifold valve and the terminal hose or loading arm connection.
- B. Owners are responsible for providing safety equipment to persons aboard the vessel when the cargo is high sulfur or otherwise dangerous to the health of the crew.
- C. Owners warrant that the vessel is capable of discharging more than one grade simultaneously.
- D. Owners warrant that throughout the charter vessel will have on board the calibration tables for its tanks calculated by the builder or by a reputable independent international surveyor.
- E. Charterers, subject to Owners' approval (which shall not be unreasonably withheld) and class approval, shall be at liberty to fit any additional pumps and/or other vessel gear beyond what is on board at the commencement of the charter, and to make the necessary connections with hydraulic, steam or water pipes, such work to be done at Charterers time and their expense, and such pumps and/or gear so fitted to be considered their property, and Charterers shall be at liberty to remove it at their time and expense and time during or at the expiry of this charter, with the vessel to be left in her original condition.

- F. Vessel is fitted with 95 percent and 98 percent high level alarms. Any delays due to breakdown of these high level alarms will be considered off hire and will be deducted from the charter hire.

**74) Cargo Transference**

Owners shall notify Charterer of any transfer of cargo within the vessel that takes place after loading and before discharge for purposes of trimming, stress or any other similar purposes.

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**75) Prohibited Detergent Washing**

Owners warrant that vessel will not perform cargo tanks washing utilizing detergents with organic chloride contents throughout the duration of the charter period. Owners to be held responsible for all damages and consequences including but not limited to all cargo claims if Owners/master fails to adhere to this Clause.

**76) Cargo Retention**

- A. In the event that liquid cargo remains on board upon completion of discharge Charterers shall have the right to deduct from hire an amount equal to the fob port of loading cost of such cargo plus its pro rata cost of freight and insurance unless such cargo is unpumpable or unreachable by the vessel's fixed pumps.
- B. Nothing in this Clause deprives Owners of any defenses they have to counterclaims for cargo shortloading or damage but it is agreed that such counterclaims will not be time barred if asserted in any proceedings commenced by Owners for hire deducted under this Clause provided that the deduction was proper.
- C. Any action or lack of action in accordance with this provision shall be without prejudice to any rights or obligations of the parties.
- D. All slops throughout the charter term shall belong to Charterer.

**77) Loss of Carrying Capacity**

In the event cargo is shut out by the fault of the master, officers, crew or mechanical deficiency of the vessel, then Charterer shall be entitled to claim compensation for the transportation cost of the cargo shut out on a round voyage basis by reference to the rate of hire or the current market level (whichever is greater). Any additional port costs and/or bunker consumed due to the loss of carrying capacity shall for Owners account.

**78) Speed and Fuel Warranties**

The Owners warrant that the vessel is capable of maintaining and shall maintain, consistent with safety throughout the period of this charter party on all sea passages, from seabuoy to seabuoy, unless otherwise ordered by Charterer, an average speed under weather conditions up to and including Beaufort Force 5 of about 15 knots laden on a daily consumption of about 60 metric tons IFO 380 CST plus 0 metric tons MDO at sea and about 15 knots ballast on a daily consumption of about 60 metric tons IFO 380 CST 0 metric tons MDO at sea for all purposes excluding tank cleaning, cargo heating and IGS plus about 20 mts IFO for loading and about 20 mts IFO for discharging, based on single port loading and discharging excluding Laguna and Boscan crude and similar cargoes.

The above speed and consumption rates shall be adjusted in accordance with, and always be subject to any changes made to the Aframax International pool key, provided the vessel continues to trade in the Aframax International pool.

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**79) Slow Steaming/Speed Up**

Weather and safe navigation permitting, Charterer shall have the right to order the vessel to proceed at any speed greater than/less than normal full speed.

**80) Adjustment of Hire**

The speed and fuel consumption guaranteed by the Owners in Part 1 will be reviewed by the Charterer 30 days after every six (6) months. If at the end of the period, if it is found that the vessel has failed to maintain, as an average during the period, the speed and/or fuel consumption warranted, the Charterer shall be retroactively compensated in respect of such failings, as per Clause 24.

No bonus shall be payable to Owners under any circumstances.

The Charterer shall provide Owners with an opportunity to review any claim submitted by Charterer under this Clause, and the Owners shall complete such review and provide Charterer with the results thereof within thirty (30) days from the date such claim was received by Owners. In the absence of such response, Charterer may deduct from hire any amount to which it is entitled under this Clause.

In the event of Charterer having a claim in respect of vessel's performance during the final year of the charter period and any extension thereof, the amount of such claim shall be withheld from hire in accordance with Charterer's estimate made two months before the end of the charter period and any necessary adjustment after the end of the charter shall be made by the Owners to the Charterer.

**81) Additional Offhire**

- A. The vessel shall be offhire whenever there is loss of time if:



- 1) due to the boycott of the vessel due to the terms or conditions of employment of Owners' servants; or employment, trades, or cargoes of vessels other than under this charter.
  - 2) due to restraint or interference in the vessel's operation by any governmental authority in connection with the ownership, registration, or obligations of Owners or the vessel, or stowaways, or in connection with smuggling or other prohibited activities.
  - 3) due to cargo contamination or damage caused by unseaworthiness of the vessel or negligence of Owners' servants.
- B. In addition, if during offhire the vessel loses its turn to berth, it shall remain offhire until it regains the same berthing position. If the vessel goes offhire while in berth, extra expenses thereby incurred by Charterers in connection with the vessel remaining at the berth shall be for Owners' account and Charterers shall also have the option to order the vessel out of berth, so as to avoid delay to other vessels waiting to use the berth, with the cost of unberthing and reberthing for this purpose to be for Owners' account. The vessel shall remain offhire during time lost in between berths.
- C. In the event of detention of vessel by any governmental authority, or by any legal action against vessel or Owners, or by any strike or boycott by the vessel's officers or crew, whereby vessel is rendered unavailable for Charterers' service
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for a period of thirty (30) days or more, Charterers may, by written notice given before vessel is free and ready to resume service, elect to terminate this charter, without prejudice to any other rights Charterers may have under this charter or to any claim it may have for damages.

## **82) Off Hire Survey**

A joint off hire bunker survey shall be conducted by Charterers and Owners representatives at the place of redelivery. The time and cost for the offhire bunker survey at redelivery shall be split equally between Owner and Charterer.

## **83) Access**

The Charterer shall have the right and privilege of having their representatives visit the vessel while in port or at sea. Charterer's representatives shall have access to the entire vessel (excluding accommodation spaces) and the master, officers and crew of the vessel shall cooperate with and render any reasonable assistance that Charterer's representatives may require.

Charterer shall be entitled, from time to time during the period of this charter, to cause their representative(s) to take samples of the cargo and to inspect the vessel in order to ascertain whether Owners is reasonably complying in all respects with their obligations under this charter party.

In the case of inspection of the vessel, Charterer shall give Owners appropriate notice of their intention to inspect the vessel and any such inspection may include, but shall not be limited to: examination of the vessel's hull, machinery, boilers, auxiliaries and equipment, examination of the vessel's deck and engine, rough and official log books, certificates, investigation of the vessel's operating procedures both in port and at sea, examination of the qualifications and conduct of the vessel's master, officers and crew. Any inspections carried out by Charterer under this sub-Clause shall be without prejudice to any other rights of inspection or investigation allowed to Charterer in accordance with the provisions of this charter.

In the event of Owners' failing, at any time during the period of this charter, to comply with their obligations under this Clause, Charterer shall be entitled to give Owners notice in writing, whether or not an inspection under the terms of this Clause has taken place, requiring Owners to take immediate steps to remedy their default.

In the event the Owners fails forthwith, or within such period as may be agreed to remedy such default to Charterer's satisfaction, Charterer shall be entitled at their absolute discretion, to place the vessel off-hire, until such default shall have been satisfactorily remedied. Any exercise of, or failure to exercise, their discretion under the terms hereof by Charterer shall be without prejudice to any other remedy available to Charterer.

## **84) Change of Flag, Management, Ownership**

Owners rights and obligations under this charter are not transferable and except as provided in this Clause Owners undertake not to change the vessel's management nor flag nor to sell the vessel or stock in the ownership company without Charterer's consent which consent shall not be unreasonably withheld.

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In the event that the Owners desire to hire a manager other than Tanker Management Ltd., Owners shall provide written notice (the "New Manager Notice") to the Charterer at least 10 business days prior to the proposed date of hire, which notice shall seek the Charterer's consent to the new manager. The Charterer shall have the right, within 5 business days of receipt of the New Manager Notice, to object to the new manager in writing. Such objection must be based on reasonable grounds, and must be accompanied by a list of two comparable managers (other than any affiliates of Charterer) to which the Charterer would have no objection, and which Owners may then hire without any further requirement for consent from Charterer.

If written notice of objection together with the accompanying list of acceptable managers is not provided by the Charterer within 10 business days of receiving the New Manager Notice, the Charterer shall be deemed to consent to the new manager.

Owners shall have the right to transfer the vessel and Charterer agrees that stock in the Owners may also be transferred (either of which, for purposes of this Clause, a "Transfer"), subject to the Charterer's right of first offer as described in this Clause:

Prior to and in order to effect a Transfer, the Owners shall first give written notice (a "Sale Notice") to the Charterer stating (i) the Owners (or its parent's) intention to make a Transfer, (ii) the name of a broker who Owners have selected to be a member of the three member panel described

below (the "Panel") that will determine the fair market price of the vessel (on the basis that it is sold subject to this charter) and (iii) the material terms other than price upon which the Owners (or its parent) intends to make the Transfer.

The Charterer shall select a member of the Panel within 5 business days after receipt of the Sale Notice by delivery of written notice to Owners. If Charterer does not make such selection within such 5 business day period, then the Panel shall consist solely of the broker selected by Owners. If Charterer makes such selection, then the two members selected by Owners and Charterer shall select together a third member of the Panel within 10 business days after delivery of Charterer's written notice to Owners. If the members selected by Owners and Charterer do not select a third member of the Panel within such 10 business day period, then the third member of the Panel shall be selected by the President of the Society of Marine Arbitrators, Inc. New York. No broker is eligible to be selected as a member of the Panel unless it is listed in Appendix B of approved ship brokers to this charter.

After all the members of the Panel have been selected in accordance with the preceding paragraph, the Panel shall determine the fair market price of the vessel, taking into account that any sale would be made subject to this charter. The market price determined by the Panel (the "Price") shall be the price determined by the sole member of the Panel if there is only one member and shall be the average of the two closest prices determined by members of the Panel if there are three members. The sole member, or, the member of the Panel selected by the other two members shall notify in writing the Owners and Charterer of the Price (the "Price Notice"). Owners and Charterer shall each pay one-half of the fees and expenses of the members of the Panel in performing their services under this Clause 84. Such Price shall be considered the price of the vessel, if Owners elect to proceed with the sale of the vessel after receiving the Price Notice. Owners shall not be obligated to proceed with the sale of the vessel if it, in its sole discretion, deems the Price to be inadequate. If the parent of Owners seeks to sell the stock of the Owners, then the Panel, in addition to determining the Price of the vessel as aforesaid, shall determine the fair market price of the assets of the Owners

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(other than the vessel) and the fair market value of the liabilities of the Owners in accordance with the foregoing methodology. The sum of the Price of the vessel in the Price Notice and the price of the other assets of the Owners determined as aforesaid reduced by the value of the liabilities of Owners determined as aforesaid shall be considered the price for the stock (the "Stock Price") and the Stock Price shall be set forth in the Price Notice.

In the event that the Owners elect to proceed with the sale of the vessel upon its review of the Price Notice, Charterer shall have an irrevocable and non-transferable option to effect Transfer to it of the vessel or stock in the Owners at the Price or at the Stock Price, as the case may be, set forth in the Price Notice and on materially the same terms as set forth in the Sale Notice. Such option may be exercisable during the period (the "Purchase Option Period") commencing on receipt of the Price Notice and ending (a) if Tanker Management Ltd. is the manager at the time of the Price Notice, 30 days after Charterer's receipt of the Price Notice or (b) if Tanker Management Ltd. is not the manager at the time of the Price Notice, 30 days after the later of (i) the date (the "Inspection Date"), set forth in a notice from Owners to Charterer that the vessel and the records of the vessel may be inspected by Charterer, which notice shall be given after the Sale Notice and at least 5 business days prior to the Inspection Date and (ii) Charterer's receipt of the Price Notice. In order to exercise its option, the Charterer shall, within the Purchase Option Period, send an irrevocable written acceptance notice to the Owners (the "Purchase Notice"). The Charterer shall then be obligated to consummate the purchase of the vessel or stock at the Price or at the Stock Price, as the case may be, set forth in the Price Notice and on materially the same terms as set forth in the Sale Notice within thirty (30) days after the Purchase Notice. If Charterer does not exercise its option within the Purchase Option Period or, if such option is exercised, Charterer fails to consummate the purchase of the vessel or stock within the time period set forth above, then, in addition to any other remedies available, the Owners may during the period set forth in the next sentence (the "Sale Option Period") sign a legally binding agreement for the Transfer of the vessel or stock to a third party at a price not less than the Price or the Stock Price, as the case may be, set forth in the Price Notice, minus up to 2.5% of the Price of the vessel, and on materially the same terms as set forth in the Sale Notice. The Sale Option Period shall commence on the earlier of (i) the date Charterer notifies Owners that Charterer will not exercise its option and (ii) the expiration of the Purchase Option Period (such earlier date referred to as the "Start Date") and end on the later of 90 days after (i) the Start Date and (ii) the date after the Start Date when the vessel and the records of the vessel are first made available at a port for inspection at the request of potential third party purchasers of the vessel or stock. If an agreement for the Transfer of the vessel or stock is not signed during the Sale Option Period or the Transfer of the vessel or stock is not completed under such agreement, then Charterer's right of first offer as described in this Clause 84 shall begin again and a new Price determined in accordance with the provisions of this Clause 84. Any Transfer of the vessel or stock to a third party shall be subject to (x) Charterer's prior approval, which shall not be unreasonably withheld, and (y) Charterer's right to purchase at par any loan obtained by the third party purchaser of the vessel to finance such purchase if such purchaser defaults under the credit agreement for such loan or this charter provided the third party can obtain such right from its lenders on, in the sole good faith opinion of the Owners, commercially reasonable terms. This charter, including all options to extend it, shall continue in full force and effect notwithstanding any Transfer of the vessel or stock in the ownership company of the vessel.

If the Owners fail to comply with the terms of this Clause, Charterer may, in its absolute discretion, terminate this charter, whereupon Owners shall reimburse Charterer for any

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hire paid in advance and not earned, the cost of bunker fuel on board the vessel and for any amount for which the Owners are liable to Charterer under the terms of this charter. Charterer's rights of termination shall, whether or not it is exercised, be without prejudice to any other rights available to Charterer.

The managers shall be responsible for the day to day technical operations of the vessel however Owners always to be held responsible for the overall management of the vessel.

If Charterer is not satisfied with the performance of the manager, Charterer may request a meeting within 7 business days with Owners and manager to discuss the deficiencies in the management which deficiencies shall be presented in writing by Charterer. If after thirty days, the management deficiencies are evidently still unresolved in Charterer's determination (which deficiencies and determination will be delivered to Owners and manager in writing), then the management company may be changed provided that the new management company shall be selected by the Owners subject to the consent of the Charterer, such consent not to be unreasonably withheld.

Owners will not effect any mortgage, encumbrance or other lien on the vessel, other than liens that are not material in amount and that arise in the ordinary course of business or by operation of law, without the prior written consent of the Charterer, such consent not to be unreasonably withheld. In the case of the initial financing by Royal Bank of Scotland for the purchase of the vessel (the "Initial Financing"), the Charterer hereby consents. In the case of any refinancing of the vessel, Owners shall negotiate in good faith and use their best efforts to have the refinancing mortgagee agree on, in the sole good faith opinion of the Owners, commercially reasonable terms that are no less favorable to the Charterer than the terms contained in the Initial Financing in terms of the mortgagee's rights to enforce its mortgage in the event and so long as the Charterer continues to pay the charter hire under this charter. If the Owners, after negotiating in good faith and using their best efforts, are unable to obtain such provisions from the refinancing mortgagee on, in the sole good faith opinion of the Owners, commercially reasonable terms, Charterer or its affiliates may seek such provisions on behalf of Owners and Owners shall consider in good faith all refinancing proposals obtained by Charterer or its affiliates which have, in the sole good faith opinion of Owners, commercially reasonable terms. In addition, Owners shall use their best efforts to have the refinancing lenders agree on, in the sole good faith opinion of the Owners, commercially reasonable terms, that Charterer or its affiliates may purchase at par the loan made by such lenders and related mortgage and other security interests if Owners breach any provision of this charter, including this Clause 85, or if Owners or any of their affiliates default under the loan agreement for such loan.

## 86) Requirements of Special Trades

- A. Charterer may blend cargo on board. If original Bills of Lading are issued for one or more of the parcels which are blended, upon return of all such Original Bills of Lading and at Charterers' request, Owners will issue new Bills of Lading for the blended cargo. New Bills of Lading can only be issued for the blend as a whole. Owners are hereby indemnified against all claims for contamination or quality deterioration or off specification whatsoever due to cargo blending on board.
- B. Extra insurance on freight and/or cargo, if any, due to vessel's age shall be for Owners' account and Charterer shall have the right to deduct such extra

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insurance cost from hire due Owners. Charterer will provide supporting invoice for extra insurance cost deducted from charter hire.

- C. Whenever requested by Charterer, Owners shall arrange for war risk underwriters to advise Charterer via Owners about actual net 'additional premium' then in effect. If requested by Charterer, Owners shall arrange in advance for war risk underwriters to furnish such information to Charterer via Owners 48 hours before vessel enters 'additional premium' zone, weekend and local holidays are excluded, at Charterers expense.
- D. Any 'additional premiums' due from Charterer shall be documented by underwriters and Charterer shall pay only the net premium charged to Owners -- i.e. gross premium less rebate, if any.
- E. Charterer shall not be responsible for any time lost due to officers and/or crew refusing to proceed to an actual war zone, or for any time lost as a result of the vessel remaining in an "additional premium" zone due to action by vessel's officers and/or crew and/or breakdown and/or accident to vessel or her equipment not caused by fault of the Charterer, or as a result of an occurrence of a war risk.
- F. Pollution insurance. Owners warrant that they will have in place the maximum cover for pollution offered by members of the International Group of P&I Clubs (currently USD 1 billion) and that this cover from underwriters approved by Charterer (such approval not to be unreasonably withheld) will remain in place throughout the period of this charter. Owners shall provide Charterers within five business days after the fixture is concluded, written evidence from the vessel's P&I club or insurance broker of such pollution cover.

Any additional premiums or surcharges payable by Owners in relation to the vessel calling to United States of America ports to be for Charterers account.

- G. Vessel to be able to comply with the following Clause for occasional cargoes loading in Venezuela:

The vessel to arrive at the loadport fully cleaned for wax free stowage, including all waxy residues and sediments to be removed by hand lifting. Owners to allow Charterers representative to board the vessel at the last discharge port to supervise the cleaning operations en route to loadport.

Vessel shall arrive loadport with all cargo tanks, pumps and pipes suitably clean for Laguna crude, at Owners time and expense, and the Charterers inspectors satisfaction and delays, as a result of the vessel arriving at the loadport and not being clean to Charterers inspectors satisfaction, shall be considered off hire. The cargo is intended to be used in the production of lube oil and transformer oils, etc. and is especially sensitive to wax and salt.

Vessel to be capable of hot machine washing and flushing all cargo tanks, pumps and pipes (water used to be 80 degrees C. and not less than 65 degrees C. at any time) for at least four hours. All wax deposits to be lifted. All tank washings to be discharged and collected in slop tanks. Vessel to discharge slops from cargo tanks at minimum 65 degrees C. Vessel to arrive loadport fully

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cleaned for wax free stowage including all waxy residues and sediments to be removed by hand lifting. After the hot water wash, vessel to perform a quick cold lake water flush of all tanks and pipes and tank system to be well drained. No slops to be discharged ashore. Slops to be kept fully segregated from cargo at all times. Vessel to be clean to Charterer's inspector's satisfaction before loading.

Charterer's expeditor will board the vessel at last discharge port at Charterers expense to supervise the cleaning operation en route to the loadport. If the cleaning required is carried out to the expeditor's satisfaction then Charterers not to require vessel to be gas free on arrival loadport.

- H. Owners warrant that vessel is fully capable of carrying 'Orimulsion' and Owners/operators are fully aware of the requirements for carrying this type of cargo. Normally, crude oil washing nor inert gas system never to be utilized while Orimulsion is onboard.
  - I. It is understood that the vessel shall not be required to force ice but to follow ice breakers from time to time always subject to master's approval.
  - J. (Deleted)
  - K. Grades and comingling. Charterer shall be at liberty to ship three grades of cargo. Grades and quantities of petroleum products shall be defined by Charterer prior to each voyage. Segregated grades shall be kept within vessels natural segregations. At the option of the Charterer, loading of three or more grades of cargo in such a manner as to voluntarily mix the cargo to obtain a new grade shall be carried out by the Owners pursuant to Charterers requirements. Any such mixture or admixture shall be at Charterers risk and expense and shall be considered to be one grade under the present agreement. Any new bills of lading that are issued will only be for the blended cargo as a whole.
  - L. Vessel to have a working vapour recovery system onboard.
  - M. Owners warrant that it has a policy on drug and alcohol abuse ("Policy") applicable to the vessel which meets or exceeds the standards of the OCIMF guidelines for the control of drugs and alcohol onboard ship. Under the Policy, alcohol impairment shall be defined as a blood alcohol content of 40 mg/100 ml or greater; the appropriate seafarers to be tested shall be all the vessel's officers and the drug/alcohol testing and screening shall include unannounced testing in addition to routine medical examinations. An objective of the Policy should be that the frequency of the unannounced testing be adequate to act as an effective abuse deterrent, and that the officers be tested at least once a year though a combined program of unannounced testing and routine medical examinations. Owners further warrant that the Policy will remain in effect during the term of this charter providing that the terms are in conformity with the laws of the vessel's flag state and that the Owners shall exercise due diligence to ensure that the Policy is complied with. It is understood that an actual impairment, shall not in and of itself mean Owners has failed to exercise due diligence. Persons who test positive, refuse to test, or are unfit for duty (impaired because of drug or alcohol abuse) shall be removed from the vessel and shall not be reassigned to service on the vessel.
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- N. Charterers shall have the right to convert the vessel to an FSO or FPSO or another similar use provided that the vessel is re-converted to her original condition at the end of the charter at Charterers time and expense. Owners consent is required but should not be unreasonably withheld.
- O. If requested by Charterers, vessel shall make best efforts to cool the cargo temperature by spraying the deck with water and/or taking extra ballast in ballast tanks or any other method by which the Charterers suggest provided same is deemed safe by master.
- P. Vessel shall be capable of full hot fresh water wash, as well as hot sea water wash followed by fresh water rinse, with all fresh water to be procured by Charterers over and above what vessel is capable of producing with all time and expense for the cost of the water as well as extra bunkers, and time and expense for all related operations to be for Charterers account. Owners will make best efforts to produce fresh water for Charterer's purposes, however without guaranty.
- Q. Worldwide trading always within American Institute Trade Warranties limits and any subsequent amendments thereof as permitted by U.S. and/or Marshall Island authorities.

Charter may order the vessel to Alaska, outside of American IWL, provided Owners' consent thereto and that Charterers pay for any insurance premium required by the vessel's underwriters. Charterers to give adequate prior notice to Owners and Charterer shall provide and pay for response plan and OSRO coverage for the vessel while in Alaskan waters. All costs for any breach of BIWL as well as all costs for trading to Alaska, and to comply with Charterer's orders to be for Charterer's account including any insurance premium required by the vessel's underwriters.

Costs of complying with USWC trading, with port, local and OPA 90 rules and regulations to be for Charterers account in addition to filing spill response plans.

- R. Where the vessel is required to change over to and from low sulphur fuel, the fuel consumption and any delays due to flushing the fuel system is to be for Charterers account.
- S. Owners warrant that the vessel will perform ballast change in deep water in open sea prior to arrival Primorsk, whenever time and circumstances permit, and will ensure that ballast water content complies with Primorsk requirements so far as possible. However, if Primorsk lab analysis of ballast indicates the hydrocarbon contents exceed 0.05 ppm and source hydrocarbon is not from within the vessel and vessel is consequently ordered to discharge ballast outside port limits, then any unberthing and reberthing costs incurred as a consequence will be for Charterers account.

## 87) Agency

Owners can appoint their own agents or have the right to use and pay Charterer's agents for Owners' matters.

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## 88) Hull And Machinery Value

(Deleted)

## 89) War Risk Premium

Owners to be responsible only for the basic annual contributions payable to obtain war risk cover. Charterer shall be responsible for the full amount of any sums payable by way of additional premiums to maintain that full cover as a result of the vessel proceeding any areas designated as additional war risk premium areas.

**90) Histories**

Owners shall provide a work history to Charterer prior to any change of the master, chief engineer and chief officer serving onboard vessel. The history which shall show the extent of tanker experience in rank. Similar histories shall be furnished for any new master, chief engineer and chief officers prior to assignment to the vessel. After reviewing same, Charterers have the right to reasonably reject any of the above in which case Owners will nominate a substitute which shall be subject to Charterers approval as well.

**91) Personnel**

Conversational English language proficiency is required for the master and officers in charge of cargo or bunker oil handling.

**92) Reduction or Increase in Deadweight**

(Deleted)

**93) Confidentiality**

(Deleted)

**94) General Average**

- A. In addition to any other rights Charterer may have, and if requested by Charterer, Owners will release one or more cargoes to Charterer for transshipment from a port of refuge by and at the expense of Charterer in exchange for a nonseparation of interest agreement, general average bond, and a general average undertaking from cargo underwriters in the customary forms. Charterer's transshipment expenses, up to the general average expenses saved, are to be treated like the general average expenses saved, as if those expenses had actually been incurred and paid for by Charterer. If a subcharter is involved and freight is at risk, subcharterer shall be credited for the vessel's daily manning, bunkers, insurance costs as well as port expenses saved for any part of the voyage not required to be made by reason of transshipment. Bills of lading for such transhipped cargoes are deemed to be accomplished on completion of transfer to the transshipping vessel, and port of refuge where transfer is made shall be treated as a discharge port.
- B. Any amounts allowable in general average for wages, provisions and stores shall be credited to Charterer insofar as such amounts are in respect of a period when the vessel is on hire.

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95) (Deleted)

**96) Hydrogen Sulphide (H2S) Clause:**

Owners shall comply with the requirements in ISGOTT (as amended from time to time) concerning Hydrogen Sulphide and ensuring that the Hydrogen Sulphide level is always below the threshold limit value (TLV).

If on arrival at the loading terminal, the loading authorities, inspectors or other authorised and qualified personnel declare that the Hydrogen Sulphide levels exceed the TLV and request the vessel to reduce the said level to within the TLV, provided that the duration of the voyage between the last discharge port and such loading terminal permits such reduction, then the delay shall be considered off hire and any additional expenses incurred by Charterer to be for Owners account.

**97) Yugoslavia Clause**

(Deleted)

**98) BIMCO ISPS Clause for Time Charter Parties 2005**

- (A) (i) The Owners shall comply with the requirements of the International Code for the Security of Ships and of Port Facilities and the relevant amendments to Chapter XI of SOLAS (ISPS Code) relating to the vessel and "the company" (as defined by the ISPS Code). If trading to or from the United States or passing through United States waters, the Owners shall also comply with the requirements of the U.S. Maritime Transportation Security Act 2002 (MTSA) relating to the vessel and the "owner" (as defined by the MTSA).
- (ii) Upon request the Owners shall provide the Charterers with a copy of the relevant International Ship Security Certificate (or the interim international ship security certificate) and the full style contact details of the Company Security Officer (CSO).
- (iii) Loss, damages, expense or delay (excluding consequential loss, damages, expense or delay) caused by failure on the part of the Owners or "the company"/"owner" to comply with the requirements of the ISPS Code/MTSA or this Clause shall be for the Owners' account, except as otherwise provided in this charter party.
- (B) (i) The Charterers shall provide the Owners and the master with their full style contact details and, upon request, any other information the Owners require to comply with the ISPS Code/MTSA. Where sub-letting is permitted under the terms of this charter party, the Charterers shall ensure that the contact details of all sub-charterers are likewise provided to the Owners and the master. Furthermore, the Charterers shall ensure that all sub-charter parties they enter into during the period of this charter party contain the following provision:

“The Charterers shall provide the Owners with their full style contact details and, where sub-letting is permitted under the terms of the charter party, shall ensure that the contact details of all sub-charterers are likewise provided to the Owners”.

- (ii) Loss, damages, expense or delay (excluding consequential loss, damages, expense or delay) caused by failure on the part of the Charterers to comply with this Clause shall be for the Charterers’ account, except as otherwise provided in this charter party.
- (C) Notwithstanding anything else contained in this charter party all delay, costs or expenses whatsoever arising out of or related to security regulations or measures required by the port facility or any relevant authority in accordance with the ISPS Code/MTSA including, but not limited to, security guards, launch services, vessel escorts, security fees or taxes and inspections, shall be for the Charterers’ account, unless such costs or expenses result solely from the negligence of the Owners, master or crew. All measures required by the Owners to comply with the ship security plan shall be for the Owners’ account.
- (D) If either party makes any payment which is for the other party’s account according to this Clause, the other party shall indemnify the paying party.

**99) Period / Charter Hire**

Owner and Charterer agree that the initial charter period shall be the period commencing on October 17, 2005 and ending on January 16, 2012 (the “Initial Expiration Date”). Until the Initial Expiration Date, the Charterer shall pay to the Owner, charter hire (“Basic Hire”) monthly in advance by the due date set forth in Clause 9. Each payment of Basic Hire (“Basic Hire Amount”) shall equal the basic hire rate set forth in the initial charter rate table below that corresponds to the time period for which payment is being made multiplied by the actual number of days in the month for which the Basic Hire Amount is being calculated.

**INITIAL CHARTER RATE TABLE**

CHARTER YEAR	COMMENCING (0001 GMT)	ENDING (2400 GMT)	BASIC HIRE RATE
1	October 17, 2005	October 16, 2006	USD 24,500 per day
2	October 17, 2006	October 16, 2007	USD 24,700 per day
3	October 17, 2007	October 16, 2008	USD 24,800 per day
4	October 17, 2008	October 16, 2009	USD 24,900 per day
5	October 17, 2009	October 16, 2010	USD 25,100 per day
6	October 17, 2010	October 16, 2011	USD 25,400 per day
To 6 ¼	October 17, 2011	January 16, 2012	USD 25,700 per day

The Charterer may, at its option, extend the charter on one or more occasions (provided that the charter is still in effect at the time of extension) by giving written notice (the “Extension Notice”) to the Owner at least 90 days prior to the expiration date of the charter then in effect. The Extension Notice shall specify the new expiration date of this charter, which shall be the first, second or third anniversary of the existing expiration date; provided, however, that in no event shall the expiration date be subsequent to January 16, 2020. The Extension Notice shall also specify the Basic Hire Amount for the

selected extension period, which shall be calculated in the same manner as the Basic Hire Amount for the initial charter period, and shall, at the option of the Charterer, be equal to either:

- A. the one-, two- or three-year time charter rate for VLCCs, which rate corresponds to the selected extension period, established by the Association of Shipbrokers Agents and Agents Tanker Broker Panel (the “Broker Panel”), plus five percent, or
- B. the basic hire rate for the corresponding time period(s) set forth in the option period rate table below.

Upon receipt of the Extension Notice by the Owner, the charter shall be extended to the new expiration date on the same terms and conditions (other than as expressly set forth herein). If, at the time of the exercise of any extension period, the Broker Panel is no longer quoting one-, two- or three-year time charter rates, then a mutually acceptable replacement Broker Panel shall be selected by the Owner and Charterer. The following broker panels shall be deemed mutually acceptable by the Owner and Charterer:

London Tanker Broker Panel

**OPTION PERIOD RATE TABLE**

OPTION YEAR	COMMENCING (0001 GMT)	ENDING (2400 GMT)	BASIC HIRE RATE
1	January 17, 2012	October 16, 2012	USD 25,700 per day
	October 17, 2012	January 16, 2013	USD 26,000 per day
2	January 17, 2013	October 16, 2013	USD 26,000 per day
	October 17, 2013	January 16, 2014	USD 26,200 per day
3	January 17, 2014	October 16, 2014	USD 26,200 per day
	October 17, 2014	January 16, 2015	USD 26,400 per day
4	January 17, 2015	October 16, 2015	USD 26,400 per day
	October 17, 2015	January 16, 2016	USD 26,600 per day
5	January 17, 2016	October 16, 2016	USD 26,600 per day
	October 17, 2016	January 16, 2017	USD 26,800 per day

6	January 17, 2017 October 17, 2017	October 16, 2017 January 16, 2018	USD 26,800 per day USD 27,000 per day
7	January 17, 2018 October 17, 2018	October 16, 2018 January 16, 2019	USD 27,000 per day USD 27,200 per day
8	January 17, 2019 October 17, 2019	October 16, 2019 January 16, 2020	USD 27,200 per day USD 27,500 per day

## ADDITIONAL HIRE

Charterer agrees that Additional Hire Payment Amount (as defined in the Charter Framework Agreement, dated October 6, 2005, by and among the Owners, the Charterer and the other parties thereto), if any, shall be calculated and paid in accordance with such Charter Framework Agreement.

### 100) AMS Clause

U.S. Customs Clearance – if cargo is to be discharged in a U.S. port or territory subject to control by the U.S. Customs and Border Protection (CBP), Charterers warrant that all necessary details required by CBP for clearance of the cargo, inclusive of but not limited to, shipper consignee and notify party full name, address and phone number or telex number, will be included on each bill of lading or alternatively supplied to Owners in writing a minimum of 24 hours prior to the vessel's arrival at the first designated U.S. port of discharge. For voyages less than 24 hours in duration this information must be included on the bill of lading or advised to Owners prior to the vessel departure from the loading place or port. Any delays, fines or penalties incurred due to Charterers' failure to comply with the above will be for Charterers' account.

Effective March 4, 2004, all imported cargoes into the U.S. must be electronically reported via the Bureau of U.S. Customs and Border Protection AMS system. This requires the Owner to have a Type 3 International Carriers Bond as well as a Standard Carriers Alpha Code (SCAC). It is the responsibility of the Owner to ensure that his reporting requirement occurs 24 hours prior to the vessel's arrival at the first U.S. port. Should the international voyage be less than 24 hours in duration, the Owner shall electronically file the manifest via the automated manifest system at the time of the loading in the foreign port. Owners and/or vessel master or their designated agent will provide a copy of the electronically filed manifest to the Charterers or their designated agent at the time of filing with CBP.

Owners warrant that it is aware of the requirements of the U.S. Customs and Border Protection regulation issued on December 5, 2003 under Federal Register Part II Department of Homeland Security 19 CFP Parts 4, 103, et al. and will comply fully with these requirements for entering U.S. ports. Any delays, fines or penalties incurred due to Owners failure to comply with the above will be for Owners account.

The cost of filing to be for Charterers account. Charterers to be responsible for any delay and/or fines related to late filing by their agents.

### 101) House Flag/Charterers Markings

At any time during the period of this charter, Charterers shall have the privilege of flying their house flag, to paint the funnel and bow crest in their house colors and to paint their markings on ships sides and put/change the name of the vessel. Upon vessels redelivery, Owners shall be obliged to rename the vessel and remove Charterers markings on ships sides and repaint ships name and funnel. The cost of such paintings and/or repaintings and/or name change to be for Charterers account unless otherwise agreed with Owners. Upon Charterers request, crew to perform the work and payment to be settled directly between Charterers and master.

In the event of a change in the technical management of the vessel, Charterers shall have the option to change the markings on the vessel and/or the name of the vessel at Owners time and expense.

### 102) Green Award Clause

Rebates in port dues, etc. obtained via the green award certificate to be refunded to Charterers, provided that Charterers have paid for the green award audit fees in full, or prorated for the period covered under this charter party.

### 103) Remeasure Clause

Charterers have the option to re-measure the vessel for the purpose of satisfying certain port/terminal regulations. All cost and time to be for Charterers' account. The vessel is to be redelivered non-measured at Owners' option if Charterers exercised their option to re-measure in the first place.

### 104) Exxon Mooring

(Deleted)

### 105) Storage Clause

Charterers shall have the option of requesting the vessel to remain idle, at a safe place, at anchor/or drifting.

### 106) Breach Of Warranty Clause

(Deleted)

### 107) Tracking System Clause

It is agreed that Charterers may from the time of fixing until completion of the charter period employ an INMARSAT tracking system on the vessel. Such tracking system works on data provided from the vessel's onboard INMARSAT C system and can be installed simply, either remotely, or on some older systems with minimal set up input from the vessel. All registration/communication costs relating to this tracking system will be for Charterers' account. Charterers will advise when the system is operative and confirm termination on completion of charter.

**108) Q88.Com Clause**

Owners to provide, free of charge, a copy of the OCIMF VPQ in the required electronic form so that the vessel can be included in Charterers' subscription to the website "q88.com". Owners are furthermore required to update the system with vessel approval status, certification and any other information as required on a regular basis.

**109) Changes/Improvements Necessary for the Operation of the Vessel or Imposed by Legislation, Class or Oil Company Vetting Requirements**

- A. In the event any improvement, structural change or the installation of new equipment is imposed by compulsory legislation and/or Class rules and/or oil company vetting requirements, Charterers shall have the right to require that the

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Owners effect such improvement, changes or installations. The Charterers shall fully reimburse the Owners for the total cost of all such improvements, structural changes or installations up to USD 50,000 in any calendar year. To the extent that the total cost of all such improvements, structural changes or installations exceed USD 50,000 in any calendar year, the Charterers shall reimburse the Owners in an amount equal to 50 percent of the product of (i) the cost of such improvements, structural changes or installations over USD 50,000 and (ii) a fraction, the numerator of which shall be the number of whole months remaining in the charter period at the time of completion of such improvement, structural change or installation (the "Remaining Charter Period") and the denominator of which shall be the number of whole months remaining in the depreciation period of the vessel (calculated as 25 years from the year the vessel was built) at the time of completion of such improvement, structural change or installation (such product, the "Reimbursement Payment") and the balance of the cost of such improvement, structural change or installation over USD 50,000 shall be paid by the Owners. In the event the charter period is extended for any reason, included but not limited to any extension under Clause 99, the Charterers shall pay additional reimbursement to the Owners in an amount equal to the difference between the reimbursement calculated under the preceding sentence (plus any additional reimbursement calculated for any other extension period if applicable) and the amount that would have been due from the Charterers had the Remaining Charter Period used to calculate the Reimbursement Payment including the number of whole months in the extension period as the numerator of the relevant fraction.

- B. In the event any improvement, structural change or the installation of new equipment, not falling under (A) above, is deemed necessary by the Charterers for the continued operation of the vessel, Charterers shall have the right at their own cost to effect such improvement, structural changes or installation, with the Owners' consent which shall not unreasonably be withheld.
- C. The Owners shall be notified in writing in advance by the Charterers about any changes and/or improvements as afore mentioned.
- D. Any change, improvement or installation made pursuant to this Clause shall be the property of Owners.

**110) Third Party Clause**

Except as may be otherwise agreed in writing by the parties with any third party, a person who is not party to this agreement/charter may not enforce, or otherwise have the benefit of, any provision of this agreement/charter under the contract.

**111) Optional Termination**

In the event the vessel is not delivered under this charter by [IPO closing], 2005 both the Owners and the Charterers shall have the right to terminate this charter and neither the Owners nor the Charterers shall be entitled to damages or to any other compensation or reimbursement of expenses.

**112) Damages Clause**

In subchartering to its customers, Charterer shall endeavor to avoid or limit any liability to

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such customers for consequential damages. Owners shall not be liable for any consequential damages or losses unless the Charterer's sub-charter provides for such consequential damages or losses to such customers.

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**APPENDIX A**

**QUESTIONNAIRE 88 FOR M/T OVERSEAS CATHY**

**INTERTANKO'S STANDARD TANKER VOYAGE CHARTERING QUESTIONNAIRE 1988 (Version 2)**

*(Metric system to be applied, HVPQ reference specified where applicable)*

**GENERAL INFORMATION**

Date Updated: Jun 29, 2005  
Vessel's name: Overseas Cathy

**HVPQ Ref**

**1.2**



IMO number:	9248849	1.3
Vessel's previous name(s):	Not Applicable	1.4-1.7
Flag:	Marshall Island	1.8
Port of Registry:	MAJURO	1.9
Call sign:	V7EM9	1.11
Inmarsat phone number:	SAT B-353846636	1.12
Fax number:	SAT B-353846637	1.13
Email address:	master.ovcathy@ships.osg.com	1.16
Type of vessel:	Oil Tanker	1.17
Type of hull:	Double Hull	1.19

#### OWNERSHIP & OPERATION

Registered owner - Full Style:	TENTH AFRAMAX TANKER CORP. c/o THE TRUST COMPANY OF THE MARSHALL ISLANDS, INC TRUST COMPANY COMPLEX AJELTAKE ISLAND P.O. BOX 1405, MAJURO M.I. c/o OSG UK 44-191-218-0100 OSGUK@OSG.COM	1.20
Technical operator - Full Style:	OSG Ship Management (UK) Ltd. Quorum 4 Balliol Business Park East Benton Lane Newcastle Upon Tyne NE12 8EZ England 44 191 218 0100 ncaframax@osg.com	1.22
Commercial operator - Full Style:	OSG SHIP MANAGEMENT, INC 511 5TH AVE NEW YORK, NY 10017 212-578-1963 OPERATIONS@OSG.COM	1.25
Disponent owner / Bareboat charterer - Full Style:	NA NA NA NA	
Number of vessels in disponent owner's fleet:	0	

#### BUILDER

Where Built :	Hyundai Samho Heavy Industries Co.Ltd.	1.26
Date Delivered:	Jan 30, 2004	1.31

#### CLASSIFICATION

Vessel's classification society:	American Bureau of Shipping	1.34
Class notation:	+A1 CIRCLE E, 'OIL CARRIER'	1.35
If Classification society changed, name of previous society?	Not Applicable	1.36
If Classification society changed, date of change?	Not Applicable	1.37
Last dry-dock:	Not Applicable	1.38
Last special survey:	Not Applicable	1.41
Latest CAP Rating (if applicable)		1.44
Last annual survey:	Not Applicable	1.45
Does the vessel have a statement of compliance issued under the provisions of the Condition Assessment Scheme (CAS)?	N/A	

#### DIMENSIONS

LOA (Length Over All):	250.17 Metres	1.49
Extreme breadth:	44 Metres	1.51
KTM (Keel to Masthead):	48.8 Metres	1.54
BCM (Bow to Center Manifold):	123.52 Metres	1.57.1
Lightship parallel body length:	62.4 Metres	1.57.3
Normal ballast parallel body length:	111 Metres	1.57.6
Parallel body length at Summer DWT:	128.0 Metres	1.57.9

#### TONNAGES

Net Tonnage:	33878 Tonnes	1.59
Gross Tonnage:	62371 Tonnes	1.60
Suez Net Tonnage:	63134 Tonnes	1.61
Panama Net Tonnage:	Tonnes	1.62

	Freeboard	Draft	Deadweight	Displacement	
Summer:	6417 Metres	14.618 Metres	111928.4 Tonnes	131060.4 Tonnes	1.63
Winter:	6.721 Metres	14.314 Metres	108937.2 Tonnes	128069.2 Tonnes	1.64
Tropical:	6.113 Metres	14.922 Metres	114919 Tonnes	134051.8 Tonnes	1.65
Lightship:	16.47 Metres	4.53 Metres	0 Tonnes	19132 Tonnes	1.66
Normal Ballast Condition:	12.57 Metres	8.43 Metres	44051.6 Tonnes	63183.6 Tonnes	1.67

TPC on summer draft:	98.47 Tonnes	1.70
Does vessel have Multiple SDWT?	Yes	1.72
If yes what is the maximum assigned Deadweight?	111928.4 Tonnes	1.73
Air draft (sea level to top of mast/highest point) in normal SBT condition?	40.370 Metres	1.74

### RECENT OPERATIONAL HISTORY

Has vessel been involved in any collision, grounding or pollution incident the past 12 months, full description:	Pollution: No Grounding: No Collision: No	1.77-1.79
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### CERTIFICATION

Owners warrant following certificates to be valid throughout the

Charter Party period:		
SOLAS Safety Equipment:	Jan 28, 2009	2.2
SOLAS Safety Radio:	Jan 28, 2009	2.3
SOLAS Safety Construction:	Jan 28, 2009	2.4
Load line:	Jun 28, 2009	2.5
IOPPC:	Jan 28, 2009	2.6
Safety Management (ISM):	Jun 10, 2009	2.8
USCG COC:	Nov 04, 2006	2.11
CLC:	Feb 20, 2006	2.13
US COFR:	Feb 03, 2007	2.15
Certificate of Fitness (Gas/Chemicals):	Gas: Not Applicable Chem: Not Applicable	2.16 & 2.17
Certificate of Class:	Jan 29, 2006	
ISPS ISSC:	Jun 10, 2009	

### DOCUMENTATION

Does the vessel have the following documents on board?		
International Safety Guide for Oil Tankers & Terminals (ISGOTT):	Yes	2.28
OCIMF/ICS Ship to Ship Transfer Guide (Petroleum):	Yes	2.31
Is the vessel entered with ITOPF?	Yes	

### CREW MANAGEMENT

Nationality of Master	CROATIA	
Nationality of Officers:	CROATIAN	3.1
Nationality of Crew:	CROATIAN	3.2
If Officers/Crew employed by a Manning Agency - Full Style:	Officers: GLOBTIK EXPRESS AGENCY Crew: Globtik Express Agency	3.1 & 3.2
What is the common working language onboard?	ENGLISH (uk)	3.1
Do key officers understand English?	Yes	
In case of Flag Of Convenience (FOC), is the ITF Special Agreement on board?	Yes	

### STRUCTURAL CONDITION

Are cargo tanks coated?	Yes	7.1
If Yes, specify type of coating:	TAR EPOXY	7.1.1
If cargo tanks are coated, specify to what extent:	BOTTOM AND DECKHEAD	7.1.3
Are slop tanks coated?	Yes	
If slop tanks are coated, specify to what extent:	Whole Tank	

### CARGO & BALLAST SYSTEMS

If double hull, is vessel fitted with centreline bulkhead in all cargo tanks?	No	8.2
Groups / Tank Capacities	1: 42110 Cu. Metres – No. 1 COT (P&S), No. 4 COT (P&S), Slop (P&S), 2: 43225 Cu. Metres -No. 2 COT (P&S), No. 5 COT (P&S), 3: 42232 Cu. Metres -No. 3 COT (P&S), No. 6 COT (P&S), 4: Cu. Metres - 5: Cu. Metres - 6: Cu. Metres - 7: Cu. Metres - 8: Cu. Metres - 9: Cu. Metres -	8.3
Total cubic capacity 98% ex slop tank:	124725 Cu. Metres	8.4 & 8.6
Slop tank(s) capacity 98%:	2841.8 Cu. Metres	8.5 & 8.7
SBT or CBT?	SBT	
If SBT, what percentage of SDWT can vessel maintain with SBT only?	39%	8.14.2
If SBT, does vessel meet the requirements of MARPOL Reg 13(2)?	Yes	8.14.3
Number of natural segregations with double valve:	3	8.15

### CARGO PUMPS

Number / Capacity / Type: 3 x 3000 Cu. Metres/Hour (Centrifugal) 8.18-8.25

#### GAUGING AND SAMPLING

Can tank innage/ullage be read from the CCR? Yes 8.48  
Can vessel operate under closed conditions in accordance with ISGOTT 7.6.3? Yes 8.51  
Type of tank gauging system (radar / floating / other) Radar 8.51.1  
Are high level alarms fitted and operational in cargo tanks? Yes 8.54

#### VAPOUR EMISSION CONTROL AND VENTING

Is a vapour return system fitted? Yes 8.65  
State what type of venting system is fitted: individ pv high velocity vents+common riser 8.67  
Max loading rate per midships connection for homogenous cargo? 3750 Cu. Metres/Hour 8.79

#### CARGO MANIFOLDS

Does vessel comply with the latest edition of the OCIMF 'Recommendations for Oil Tanker Manifolds and Associated Equipment'? Yes 8.80

What is the number of cargo connections per side? 3 8.83  
What is the size of cargo connections? 500 Millimetres 8.84  
What is the material of the manifold? Steel 8.86  
Distance between cargo manifold centres: 2500 Millimetres 8.93  
Distance ships rail to manifold: 4600 Millimetres 8.95  
Distance main deck to centre of manifold: 2100 Millimetres 8.97  
Height of manifold connections above the waterline at loaded (Summer Deadweight) condition? 8.48 Metres 8.101  
Height of manifold connections above the waterline in normal ballast? 15.55 Metres 8.102  
Is vessel fitted with a stern manifold? No 8.104  
Number / size reducers: 6 x 500/400 Millimetres 8.106-8.110  
6 x 500/300 Millimetres  
6 x 500/250 Millimetres  
1 x 300/200 Millimetres  
1 x 250/200 Millimetres

#### CARGO HEATING

Type of cargo heating system? COILS 8.120  
Material of heating system? STEEL 8.128  
Max load temp: 71.0 °C / 159.8 °F  
Max temp maintain: 63.0 °C / 145.4 °F

#### IGS & COW

Is an Inert Gas System (IGS) fitted? Yes 9.1  
Is IGS supplied by flue gas, inert gas (IG) generator and/or nitrogen? Flue Gas 9.3  
Is a Crude Oil Washing (COW) installation fitted? Yes 9.17

#### MOORING ARRANGEMENTS

Number / length / diameter of wires: Forecastle: 4 / 220 / 35 10.2-5  
Fwd main deck: 4 / 220 / 35  
Aft main deck: 2 / 220 / 35  
Poop: 6 / 220 / 35  
Breaking strength of wires: Forecastle: 79.7 10.2-5  
Fwd main deck: 79.7  
Aft main deck: 79.7  
Poop: 79.7  
Number / length / diameter of ropes: Other Lines 10.11-18  
Forecastle: 2 / 220 / 80  
Fwd main deck: 1 / /  
Aft main deck: 1 / /  
Poop: 2 / 220 / 80

Breaking strength of ropes: None 10.11-18  
Number and brake holding power of winches: Forecastle: 2 / 63.8 10.22-10.25  
Fwd main deck: 2 / 63.8  
Aft main deck: 1 / 63.8  
Poop: 3 / 63.8

How many closed chocks and/or fairleads of enclosed type are fitted on:

Focsle: 4

Main deck fwd: 4  
Main deck aft: 4  
Poop: 4

#### **SINGLE POINT MOORING (SPM) EQUIPMENT**

Fairlead size:	600 mm x 450mm	<b>10.48</b>
Does vessel comply with the latest edition of OCIMF 'Recommendations for Equipment Employed in the Mooring of Vessels at Single Point Moorings (SPM)'?	Yes	<b>10.60</b>
Is vessel fitted with chain stopper(s)?	Yes	<b>10.61</b>
Number:	2	<b>10.61.1</b>
Type:	Tongue	<b>10.61.2</b>
SWL:	200 Tonnes	<b>10.61.3</b>
Max diameter chain size:	76 Millimetres	<b>10.62</b>

#### **LIFTING EQUIPMENT**

Derrick(s) - Number / SWL:	0 / 0 Tonnes	<b>10.75</b>
Crane(s) - Number / SWL:	1 / 15 Tonnes	<b>10.76</b>

#### **ENGINE ROOM**

What type of fuel is used for main propulsion?	HFO 380 cst	<b>12.5</b>
What type of fuel is used in the generating plant?	HFO 380 cst	<b>12.14</b>

#### **MISCELLANEOUS**

P & I Club name:	GARD
Last three cargoes (Last / 2 <sup>nd</sup> Last / 3 <sup>rd</sup> Last):	Contact owner for details.
Last three charterers (Last / 2 <sup>nd</sup> Last / 3 <sup>rd</sup> Last):	Contact owner for details.
Last three voyages (Last / 2 <sup>nd</sup> Last / 3 <sup>rd</sup> Last):	Contact owner for details.
Date of last SIRE Inspection:	
Date of last CDI Inspection:	
Current Oil Major Company Acceptances (TBOOK):	SHELL / SUNOCO / STATOIL / BP / EXXONMOBIL / DREYFUS

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Date and place of last Port State Control:	Dec 02, 2004 / ANTWERP
Any outstanding deficiencies as reported by any Port State Control?	N/A
If yes, provide details:	NA

#### **FOR USA CALLS ONLY**

Qualified individual (QI) - Full Style:	STEVEN MCCALL c/o OSG Ship Management, Inc. 511 5TH AVE NEW YORK, NY 10017 Off. 212-578-1892 Mobil: 646-327-7206 SMCCALL@OSG.COM
Oil Spill Response Organization (OSRO) -Full Style:	MSRC WASHINGTON D.C. 800-259-6772
Has owner, manager, or operator signed the Sea Carrier Initiative agreement with US customs concerning drug smuggling?	Yes

Revised: July 2004 (INTERTANKO.com / Q88.com)

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#### **APPENDIX B**

#### **APPROVED SHIP BROKERS**

P.F. Bassoe A/S (Norway)  
Platou (Norway)  
Fearnleys (Norway)  
H. Clarkson (U.K.)  
E.A. Gibson (U.K.)  
Simpson Spence & Young Ltd.  
Jacq. Pierot Jr. & Sons, Inc. (USA)  
Compass Maritime Services LLC  
Galbraith's Limited

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**Code word for this Charter Party**  
**“SHELLTIME 4”**

Issued December 1984 amended December 2003

**Time Charter Party**  
**New York**  
**October 6, 2005**

IT IS THIS DAY AGREED between SOPHIE TANKER CORPORATION of MAJURO, MARSHALL ISLANDS (hereinafter referred to as “Owners”), being owners of the good motor vessel called “OVERSEAS SOPHIE” (hereinafter referred to as “the vessel”) described as per Clause 1 hereof and DHT SOPHIE AFRAMAX CORP. of MAJURO, MARSHALL ISLANDS (hereinafter referred to as “Charterers”):

**Description and Condition of Vessel**

1. At the date of delivery of the vessel under this charter and throughout the charter period:
    - (a) she shall be classed by a Classification Society which is a member of the International Association of Classification Societies;
    - (b) she shall be in every way fit to carry crude petroleum and/or its dirty products; such as Fuel Oil, Light Cycle Oil, Orimulsion, LSWR, Carbon Black Feedstock, Decant Oil and VGO in accordance with vessel’s class certificates, coating manufacturers resistance list and in accordance with the vessels stability trim and stress requirements.
    - (c) she shall be tight, staunch, strong, in good order and condition, and in every way fit for the service, with her machinery, boilers, hull and other equipment (including but not limited to hull stress calculator, radar, computers and computer systems) in a good and efficient state;
    - (d) her tanks, valves and pipelines shall be oil-tight;
    - (e) she shall be in every way fitted for burning IFO and MDO (if applicable), in accordance with the grades specified in Clause 29 hereof;
    - (f) she shall comply with the regulations in force so as to enable her to pass through the Suez Canal by day and night without delay;
    - (g) she shall have on board all certificates, documents and equipment required from time to time by any applicable law to enable her to perform the charter service without delay;
    - (h) she shall comply with the description in the Questionnaire 88, appended hereto provided however that if there is any conflict between the provisions of this questionnaire and any other provision, including this Clause 1, of this charter such other provisions shall govern;
    - (i) her flag, registry, and classification society shall not be changed;
    - (j) Owners will operate:
      - (i) a safety management system certified to comply with the International Safety Management Code (“ISM Code”) for the Safe Operation of Ships and for Pollution Prevention;
      - (ii) a documented safe working procedures system (including procedures for the identification and mitigation of risks);
      - (iii) a documented environmental management system;
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- (iv) documented accident/incident reporting system compliant with flag state requirements;
  - (k) Owners shall maintain Health Safety Environmental (“HSE”) records sufficient to demonstrate compliance with the requirements of their HSE system and of this charter. Charterers reserve the right to confirm compliance with HSE requirements by audit of Owners.

**Shipboard Personnel and their Duties**

2. (a) At the date of delivery of the vessel under this charter and throughout the charter period:
  - (i) she shall have a full and efficient complement of master, officers and crew for a vessel of her tonnage, who shall in any event be not less than the number required by the laws of the flag state and who shall be trained to operate the vessel and her equipment competently and safely;
  - (ii) all shipboard personnel shall hold valid certificates of competence in accordance with the requirements of the law of the flag state;
  - (iii) all shipboard personnel shall be trained in accordance with the relevant provisions of the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1995 or any additions, modifications or subsequent versions thereof;
  - (iv) (See Clause 91).

- (v) the terms of employment of the vessel's staff and crew will always remain acceptable to The International Transport Worker's Federation and the vessel will at all times carry a Blue Card; (See Clause 50e).
  - (vi) the nationality of the vessel's officers will not change without Charterers' prior agreement.
- (b) Owners guarantee that throughout the charter service the master shall with the vessel's officers and crew, unless otherwise ordered by Charterers;
- (i) prosecute all voyages with the utmost despatch;
  - (ii) render all customary assistance; and
  - (iii) load and discharge cargo as rapidly as possible when required by Charterers or their agents to do so, by night or by day, but always in accordance with the laws of the place of loading or discharging (as the case may be) and in each case in accordance with any applicable laws of the flag state.

### **Duty to Maintain**

3. (a) Throughout the charter service Owners shall, whenever the passage of time, wear and tear or any event (whether or not coming within Clause 27 hereof) requires steps to be taken to maintain or restore the conditions stipulated in Clauses 1 and 2(a), exercise due diligence so to maintain or restore the vessel.
- (b) If at any time whilst the vessel is on hire under this charter the vessel fails to comply with the requirements of Clauses 1, 2(a) or 10 then hire shall be reduced to the extent necessary to indemnify Charterers for such failure. If and to the extent that such failure affects the time taken by the vessel to perform any services under this charter, hire shall be reduced by an amount equal to the value, calculated at the rate of hire, of the time so lost.

Any reduction of hire under this sub-Clause (b) shall be without prejudice to any other remedy available to Charterers, but where such reduction of hire is in respect of time lost, such time shall be excluded from any calculation under Clause 24.

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- (c) If Owners are in breach of their obligations under Clause 3(a), Charterers may so notify Owners in writing and if, after the expiry of 30 days following the receipt by Owners of any such notice, Owners have failed to demonstrate to Charterers' reasonable satisfaction the exercise of due diligence as required in Clause 3(a), the vessel shall be off-hire, and no further hire payments shall be due, until Owners have so demonstrated that they are exercising such due diligence.
- (d) Owners shall advise Charterers immediately, in writing, should the vessel fail an inspection by, but not limited to, a governmental and/or port state authority, and/or terminal and/or major charterer of similar tonnage. Owners shall simultaneously advise Charterers of their proposed course of action to remedy the defects which have caused the failure of such inspection (see clause 57).
- (e) If, in Charterers reasonably held view:
- (i) failure of an inspection, or,
  - (ii) any finding of an inspection,

referred to in Clause 3(d), prevents normal commercial operations then Charterers have the option to place the vessel off-hire from the date and time that the vessel fails such inspection, or becomes commercially inoperable, until the date and time that the vessel passes a re-inspection by the same organisation, or becomes commercially operable, which shall be in a position no less favourable to Charterers than at which she went off-hire.

- (f) Furthermore, at any time while the vessel is off-hire under this Clause 3 (with the exception of Clause 3(e)(ii)), Charterers have the option to terminate this charter by giving notice in writing with effect from the date on which such notice of termination is received by Owners or from any Later date stated in such notice. This sub-Clause (f) is without prejudice to any rights of Charterers or obligations of Owners under this charter or otherwise (including without limitation Charterers' rights under Clause 21 hereof).

### **Period, Trading Limits and Safe Places**

4. (a) Owners agree to let and Charterers agree to hire the vessel for a period of (See clause 93). The last firm period shall having a tolerance of plus or minus 30 days in Charterers' option commencing from the time and date of delivery of the vessel under the Memorandum of Agreement (the "MOA") dated , 2005, for the purpose of carrying all lawful merchandise (subject always to Clause 28) including in particular:

Crude petroleum and/or its dirty products; such as Fuel Oil, Light Cycle Oil, Orimulsion, LSWR, Carbon Black Feedstock, Decant Oil and VGO in any part of the world, as Charterers shall direct, subject to the limits of the current British Institute Warranties and any subsequent amendments thereof excluding countries under U.N. and/or U.S. sanctions/embargoes. The vessel may trade to war zones, with Owners consent which not to be unreasonably withheld, in which case, Charterers to pay for the additional premium. Notwithstanding the foregoing, but subject to Clause 35, Charterers may order the vessel to ice-bound waters or to any part of the world outside such limits provided that Owner's consent thereto (such consent not to be unreasonably withheld) and that Charterers pay for any insurance premium required by the vessel's underwriters as a consequence of such order.

- (b) Any time during which the vessel is off-hire under this charter may be added to the last firm charter period in Charterers' option up to the total amount of time spent off-hire. In such cases the rate of hire will be that prevailing at the time the vessel would, but for the provisions of this Clause, have been redelivered.
- (c) Charterers shall use due diligence to ensure that the vessel is only employed between and at safe places (which expression when used in this charter shall include ports, berths, wharves, docks, anchorages, submarine lines, alongside vessels or lighters, and other locations including

Charterers do not warrant the safety of any place to which they order the vessel and shall be under no liability in respect thereof except for loss or damage caused by their failure to exercise due diligence as aforesaid. Subject as above, the vessel shall be loaded and discharged at any places as Charterers may direct, provided that Charterers shall exercise due diligence to ensure that any ship-to-ship transfer operations shall conform to standards not less than those set out in the latest published edition of the ICS/OCIMF Ship-to-Ship Transfer Guide.

- (d) The vessel shall be delivered by Owners at a safe port or at sea in Charterer's option and redelivered to Owners at one safe port or at sea, worldwide at Charterer's option.
- (e) The vessel will deliver with last cargo of crude petroleum and/or its dirty products, such as Fuel Oil, Light Cycle Oil, Orimulsion, LSWR, Carbon Black Feedstock, Decant Oil and VGO. and will redeliver with last cargo of crude petroleum and/or its dirty products; such as Fuel Oil, Light Cycle Oil, Orimulsion, LSWR, Carbon Black Feedstock, Decant Oil and VGO
- (f) Charterers are required to give Owners 30 days prior approximate notice of redelivery and 5/3/2/1 day(s) definite notice of redelivery and place.

#### **Laydays/Canceling**

- 5. The delivery of the vessel under this charter shall be deemed to have occurred and this Charter shall be effective as of the date of the delivery of the vessel from the Sellers to the Buyers (Owners) under the terms of the MOA between Ninth Aframax Tanker Corporation and Sophie Tanker Corporation dated September 20, 2005.

The vessel may be on a voyage or time charter at the time of delivery. Charterers accept this Charter subject to such charters (which become sub-charters to this time charter) upon delivery. Furthermore, notwithstanding anything to the contrary contained in this charter, including but not limited to Clause 1 hereof, the Charterers accept the vessel in the condition it is in at the time of delivery, including the vetting status, and agrees that at such time the vessel satisfies the standard set forth in Clause 1.

#### **Owners to Provide**

- 6. Owners undertake to provide and to pay for all provisions, wages (including but not limited to all overtime payments), and shipping and discharging fees and all other expenses of the master, officers and crew; also, except as provided in Clauses 4 and 34 hereof, for all insurance on the vessel, for all Deck, cabin and engine-room stores, and for water (limited to crew only); for all drydocking, overhaul, maintenance and repairs to the vessel. Owners' obligations under this Clause 6 extend to all liabilities for customs or import duties arising at any time during the performance of this charter in relation to the personal effects of the master, officers and crew, and in relation to the stores, provisions and other matters aforesaid which Owners are to provide and pay for and Owners shall refund to Charterers any sums Charterers or their agents may have paid or been compelled to pay in respect of any such liability. Any amounts allowable in general average for wages and provisions and stores shall be credited to Charterers insofar as such amounts are in respect of a Period when the vessel is on-hire.

#### **Charterers to Provide**

- 7. (a) Charterers shall provide and pay for all fuel (except for fuel used for domestic services), towage and pilotage and shall pay agency fees, port charges, commissions, expenses of loading and unloading cargoes, canal dues, and tax/dues on cargo/freight and all charges other than those payable by Owners in accordance with Clause 6 hereof, provided that all charges for the said items shall be for Owners' account when such items are consumed, employed or incurred for Owners' purposes or while the vessel is off-hire (unless such items reasonably relate to any service given or distance made good and taken into account under Clause 21 or 22); and provided further that any fuel used in connection with a general average sacrifice or expenditure shall be paid for by Owners. OPA charges to be paid by Charterers, COFR to be arranged and paid for by Owners.

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- (b) In respect of bunkers consumed for Owners' purposes these will be charged on each occasion by Charterers on a "first-in-first-out" basis valued on the prices actually paid by Charterers.
  - (c) If the trading limits of this charter include ports in the United States of America and/or its protectorates then Charterers shall reimburse Owners for port specific charges relating to additional premiums charged by providers of oil pollution cover, when incurred by the vessel calling at ports in the United States of America and/or its protectorates in accordance with Charterers orders. The liability to reimburse Owners shall not apply where the OPA charges has arisen through the actions of the Owner.

#### **Rate of Hire**

- 8. (See Clause 99).

#### **Payment of Hire**

- 9. Subject to Clause 3(c) and 3(e), payment of hire shall be made in immediately available funds to:

Wachovia Bank, NA New York  
ABA # 031-201-467  
Account: The Royal Bank of Scotland International Limited  
Account Number: 2000193009149 (CHIPS:155424)  
SWIFT: PNBUS3N NYC  
For further credit to: Double Hull Tankers, Inc.  
Account Number: 1028 – 50440694

in United States Dollars per calendar month in advance, less:

- (i) any hire paid which Charterers reasonably estimate to relate to off-hire periods, and,
- (ii) any amounts disbursed on Owners' behalf, any advances and commission therein, and charges which are for Owners' account pursuant to any provision hereof, and;
- (iii) any amounts due or reasonably estimated to become due to Charterers under Clause 3(c) or 24 hereof,

any such adjustments to be made at the due date, which shall be the 27<sup>th</sup> day of the preceding month for which payment is being made, for the next monthly payment after the facts have been ascertained. Charterers shall not be responsible for any delay or error by Owners' bank in crediting Owners' account provided that Charterers have made proper and timely payment.

In default of such proper and timely payment:

- (a) Owners shall notify Charterers of such default and Charterers shall within seven days of receipt of such notice pay to Owners the amount due, including interest, failing which Owners may withdraw the vessel from the service of Charterers without prejudice to any other rights Owners may have under this charter or otherwise; and;
- (b) Interest on any amount due but not paid on the due date shall accrue from the day after that date up to and including the day when payment is made, at a rate per annum which shall be 1% above the U.S. Prime Rate as published in the Wall Street Journal as effective for each day the amount is outstanding, or, if no such interest rate is published for a given day, the interest rate published for the next preceding day for which such a rate was so published, computed on an actual/365 basis.

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### **Space Available to Charterers**

- 10. The whole reach, burthen and decks on the vessel and any passenger accommodation (including Owners' suite) shall be at Charterers' disposal, reserving only proper and sufficient space for the vessel's master, officers, crew, tackle, apparel, furniture, provisions and stores.

### **Segregated Ballast**

- 11. In connection with the Council of the European Union Regulation on the Implementation of IMO Resolution A747(18) Owners will ensure that the following entry is made on the International Tonnage Certificate (1969) under the section headed "Remarks".

"The segregated ballast tanks comply with the Regulation 13 of Annex 1 of the International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 relating thereto".

### **Instructions and Logs**

- 12. Charterers shall from time to time give the master all requisite instructions and sailing directions, and the master shall keep a full and correct log of the voyage or voyages, which Charterers or their agents may inspect as required. The master shall when required furnish Charterers or their agents with a true copy of such log and with properly completed loading and discharging port sheets and voyage reports for each voyage and other returns as Charterers may require. Charterers shall be entitled to take copies at Owners' expense of any such documents which are not provided by the master. Owner's crew to be trained to operate and to utilize Charter Operations System (CHOPS) as directed by Charterer.

### **Bills of Lading**

- 13. (a) The master (although appointed by Owners) shall be under the orders and direction of Charterers as regards employment of the vessel, agency and other arrangements, and shall sign Bills of Lading as Charterers or their agents may direct (subject always to Clauses 35(a) and 40) without prejudice to this charter. Charterers hereby indemnify Owners against all consequences or liabilities that may arise;
  - (i) from signing Bills of Lading in accordance with the directions of Charterers or their agents, to the extent that the terms of such Bills of Lading fail to conform to the requirements of this charter, or (except as provided in Clause 13(b)) from the master otherwise complying with Charterers' or their agents' orders;
  - (ii) from any irregularities in papers supplied by Charterers or their agents.
- (b) Notwithstanding the foregoing, Owners shall not be obliged to comply with any orders from Charterers to discharge all or part of the cargo:
  - (i) at any place other than shown on the Bill of Lading and/or
  - (ii) without presentation of an original Bill of Lading

unless they receive from Charterers both written confirmation of such orders and an indemnity in a form acceptable to Owners (See Clause 49).

### **Conduct of Vessel's Personnel**

- 14. If Charterers complain of the conduct of the master or any of the officers or crew, Owners shall immediately investigate the complaint. If the complaint proves to be well founded, Owners shall, without delay, make a change in the appointments and Owners shall in any event communicate the result of their investigations to Charterers as soon as possible.
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### **Bunkers at Delivery and Redelivery**

15. There shall be no physical payment for bunkers on board at the time of delivery. Owners shall on redelivery (whether it occurs at the end of the charter or on the earlier termination of this charter) accept and pay for all bunkers remaining on board, at the price actually paid, on a "first-in-first-out" basis. Such prices are to be supported by paid invoices.

Vessel to be delivered to and redelivered from the charter with, at least, a quantity of bunkers on board sufficient to reach the nearest main bunkering port.

Notwithstanding anything contained in this charter all bunkers on board the vessel shall, throughout the duration of this charter, remain the property of Charterers and can only be purchased on the terms specified in the charter at the end of the charter period or, if earlier, at the termination of the charter.

### **Stevedores, Pilots, Tugs**

16. Stevedores, when required, shall be employed and paid by Charterers, but this shall not relieve Owners from responsibility at all times for proper stowage, which must be controlled by the master who shall keep a strict account of all cargo loaded and discharged. Owners hereby indemnify Charterers, their servants and agents against all losses, claims, responsibilities and liabilities arising in any way whatsoever from the employment of pilots, tugboats or stevedores, who although employed by Charterers shall be deemed to be the servants of and in the service of Owners and under their instructions (even if such pilots, tugboat personnel or stevedores are in fact the servants of Charterers their agents or any affiliated company); provided, however, that:

- (a) the foregoing indemnity shall not exceed the amount to which Owners would have been entitled to limit their liability if they had themselves employed such pilots, tugboats or stevedores, and;
- (b) Charterers shall be liable for any damage to the vessel caused by or arising out of the use of stevedores, fair wear and tear excepted, to the extent that Owners are unable by the exercise of due diligence to obtain redress therefor from stevedores.

### **Super-Numeraries**

17. Charterers may send representatives in the vessel's available accommodation upon any voyage made under this charter, Owners finding provisions and all requisites as supplied to officers, except alcohol. Charterers paying at the rate of United States Dollars 20 (twenty) per day for each representative while on board the vessel.

### **Sub-letting/Assignment/Novation**

18. Charterers may sub-let the vessel, but shall always remain responsible to Owners for due fulfilment of this charter.

### **Final Voyage**

19. If when a payment of hire is due hereunder Charterers reasonably expect to redeliver the vessel before the next payment of hire would fall due, the hire to be paid shall be assessed on Charterers' reasonable estimate of the time necessary to complete Charterers' programme up to redelivery, and from which estimate Charterers may deduct amounts due or reasonably expected to become due for:

- (a) disbursements on Owners' behalf or charges for Owners' account pursuant to any provision hereof, and;
- (b) bunkers on board at redelivery pursuant to Clause 15.

Promptly after redelivery any overpayment shall be refunded by Owners or any underpayment made good by Charterers.

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If at the time this charter would otherwise terminate in accordance with Clause 4 the vessel is on a ballast voyage to a port of redelivery or is upon a laden voyage, Charterers shall continue to have the use of the vessel at the same rate and conditions as stand herein for as long as necessary to complete such ballast voyage, or to complete such laden voyage and return to a port of redelivery as provided by this charter, as the case may be.

### **Loss of Vessel**

20. Should the vessel be lost, this charter shall terminate and hire shall cease at noon (GMT) on the day of her loss; should the vessel be a constructive total loss, this charter shall terminate and hire shall cease at noon (GMT) on the day on which the vessel's underwriters agree that the vessel is a constructive total loss; should the vessel be missing, this charter shall terminate and hire shall cease at noon (GMT) on the day on which she was last heard of. Any hire paid in advance and not earned shall be returned to Charterers and Owners shall reimburse Charterers for the value of the estimated quantity of bunkers on board at the time of termination, at the price paid by Charterers at the last bunkering port.

### **Off-hire**

21. (a) On each and every occasion that there is loss of time (whether by way of interruption in the vessel's service or, from reduction in the vessel's performance, or in any other manner):
- (i) due to deficiency of personnel or stores; repairs; gas-freeing for repairs; time in and waiting to enter dry dock for repairs; breakdown (whether partial or total) of machinery, boilers or other parts of the vessel or her equipment (including without limitation tank coatings); overhaul, maintenance or survey; collision, stranding, accident or damage to the vessel; or any other similar cause preventing the efficient working of the vessel; and such loss continues for more than three consecutive hours (if resulting from interruption in the vessel's service) or cumulates to more than three hours (if resulting from partial loss of service); or;

- (ii) due to industrial action, refusal to sail, breach of orders or neglect of duty on the part of the master, officers or crew; or;
  - (iii) for the purpose of obtaining medical advice or treatment for or landing any sick or injured person (other than a Charterers' representative carried under Clause 17 hereof) or for the purpose of landing the body of any person (other than a Charterers' representative), and such loss continues for more than three consecutive hours; or;
  - (iv) due to any delay in quarantine arising from the master, officers or crew having had communication with the shore at any infected area without the written consent or instructions of Charterers or their agents, or to any detention by customs or other authorities caused by smuggling or other infraction of local law on the part of the master, officers, or crew; or;
  - (v) due to detention of the vessel by authorities at home or abroad attributable to legal action against or breach of regulations by the vessel, the vessel's owners, or Owners (unless brought about by the act or neglect of Charterers); then; without prejudice to Charterers' rights under Clause 3 or to any other rights of Charterers hereunder, or otherwise, the vessel shall be off-hire from the commencement of such loss of time until she is again ready and in an efficient state to resume her service from a position not less favourable to Charterers than that at which such loss of time commenced; provided, however, that any service given or distance made good by the vessel whilst off-hire shall be taken into account in assessing the amount to be deducted from hire.
  - (vi) Charterers shall keep owners/master advised of vessels schedule to allow Owners the opportunity to make use of any idle time for the purpose of maintenance during the charter. Such idle time not to count as off-hire.
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(b) If the vessel fails to proceed at any guaranteed speed pursuant to Clause 24, and such failure arises wholly or partly from any of the causes set out in Clause 21(a) above, then the period for which the vessel shall be off-hire under this Clause 21 shall be the difference between:

- (i) the time the vessel would have required to perform the relevant service at such guaranteed speed, and;
- (ii) the time actually taken to perform such service (including any loss of time arising from interruption in the performance of such service).

For the avoidance of doubt, all time included under (ii) above shall be excluded from any computation under Clause 24.

- (c) Further and without prejudice to the foregoing, in the event of the vessel deviating (which expression includes without limitation putting back, or putting into any port other than that to which she is bound under the instructions of Charterers) for any cause or purpose mentioned in Clause 21(a), the vessel shall be off-hire from the commencement of such deviation until the time when she is again ready and in an efficient state to resume her service from a position not less favourable to Charterers than that at which the deviation commenced, provided, however, that any service given or distance made good by the vessel whilst so off-hire shall be taken into account in assessing the amount to be deducted from hire. If the vessel, for any cause or purpose mentioned in Clause 21(a), puts into any port other than the port to which she is bound on the instructions of Charterers, the port charges, pilotage and other expenses at such port shall be borne by Owners. Should the vessel be driven into any port or anchorage by stress of weather hire shall continue to be due and payable during any time lost thereby.
- (d) If the vessel's flag state becomes engaged in hostilities, and Charterers in consequence of such hostilities find it commercially impracticable to employ the vessel and have given Owners written notice thereof then from the date of receipt by Owners of such notice until the termination of such commercial impracticability the vessel shall be off-hire and Owners shall have the right to employ the vessel on their own account.
- (e) Time during which the vessel is off-hire under this charter shall count as part of the charter period except where Charterers declare their option to add off-hire periods under Clause 4(b).
- (f) All references to "time" in this charter party shall be references to GMT except where otherwise stated.
- (g) During any time that the vessel is off-hire under this charter, Basic Hire shall not accrue. Any additional hire that may be due for periods that the Vessel is off-hire shall be determined in accordance with the terms of the Charter Framework Agreement.

### **Periodical Drydocking**

22. (a) Owners have the right and obligation to drydock the vessel at regular intervals not exceeding 5 years. On each occasion Owners shall propose to Charterers a date on which they wish to drydock the vessel, not less than 90 days before such date and Charterers shall offer a port for such periodical drydocking and shall take all reasonable steps to make the vessel available as near to such date as practicable.

Owners shall put the vessel in drydock at their expense as soon as practicable after Charterers place the vessel at Owners' disposal clear of cargo other than tank washings and residues. Owners shall be responsible for and pay for the disposal into reception facilities of such tank washings and residues and shall have the right to retain any monies received therefor, without prejudice to any claim for loss of cargo under any Bill of Lading or this charter.

- (b) If a periodical drydocking is carried out in the port offered by Charterers (which must have suitable accommodation for the purpose and reception facilities for tank washings and residues), the vessel shall
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be off-hire from the time she arrives at such port until drydocking is completed and she is in every way ready to resume Charterers' service and is at the position at which she went off-hire or a position no less favourable to Charterers, whichever she first attains. However:

- (i) provided that Owners exercise due diligence in gas-freeing, any time lost in gas-freeing to the standard required for entry into drydock for cleaning and painting the hull shall not count as off-hire, whether lost on passage to the drydocking port or after arrival there (notwithstanding

Clause 21), and;

- (ii) any additional time lost in further gas-freeing to meet the standard required for hot work or entry to cargo tanks shall count as off-hire, whether lost on passage to the drydocking port or after arrival there.

Any time which, but for sub-Clause (i) above, would be off-hire, shall not be included in any calculation under Clause 24.

The expenses of gas-freeing, including without limitation the cost of bunkers, shall be for Owners account.

- (c) If Owners require the vessel, instead of proceeding to the offered port, to carry out periodical drydocking at a special port selected by them, the vessel shall be off-hire from the time when she is released to proceed to the special port until she next presents for loading in accordance with Charterers' instructions, provided, however, that Charterers shall credit Owners with the time which would have been taken on passage at the service speed had the vessel not proceeded to drydock. All fuel consumed shall be paid for by Owners but Charterers shall credit Owners with the value of the fuel which would have been used on such notional passage calculated at the guaranteed daily consumption for the service speed, and shall further credit Owners with any benefit they may gain in purchasing bunkers at the special port.
- (d) Charterers shall, insofar as cleaning for periodical drydocking may have reduced the amount of tank-cleaning necessary to meet Charterers' requirements, credit Owners with the value of any bunkers which Charterers calculate to have been saved thereby, whether the vessel drydocks at an offered or a special port.

### Ship Inspection

23. (See Clause 83).

### Detailed Description and Performance

24. Owners guarantee that the speed and consumption of the vessel shall be as follows: (see Clause 78).

The bunker consumptions are for all purposes except cargo heating, purging and tank cleaning and shall be pro-rated between the speeds shown.

Charterer may order the vessel to proceed at any speed above/below the guaranteed speed, weather and safe navigation permitting.

If the vessel is ordered to proceed at any speed other than the highest speed and the average speed actually attained by the vessel during the currency of such order exceeds such ordered speed plus 0.5 knots (the "maximum recognised speed"), then for the purpose of calculating a decrease of hire under this Clause 24 the maximum recognised speed shall be used in place of the average speed actually attained.

For the purposes of this charter the "guaranteed speed" at any time shall be the then-current ordered speed or the service speed, as the case may be.

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The average speeds and bunker consumptions shall for the purposes of this Clause 24 be calculated by reference to the observed distance from pilot station to pilot station on all sea passages during each period stipulated in Clause 24(c), but excluding any time during which the vessel is (or but for Clause 22(b)(i) would be) off-hire and also excluding "Adverse Weather Periods", being:

- (i) any periods during which reduction of speed is necessary for safety in congested waters or in poor visibility;
  - (ii) any days, noon to noon, when winds exceed force 5 on the Beaufort Scale for more than 12 hours.
- (b) If during any half year (i.e., 6 calendar months) period from the date on which the vessel enters service and continuing for each succeeding 6 calendar month period thereafter, the vessel falls below the performance guaranteed in Clause 24(a), then if such shortfall results:
    - (i) from a reduction in the average speed of the vessel, compared to the speed guaranteed in Clause 24(a), then an amount equal to the value at the hire rate of the time so lost shall be included in the performance calculation;
    - (ii) from an increase in the total bunkers consumed, compared to the total bunkers which would have been consumed had the vessel performed as guaranteed in Clause 24(a), an amount equivalent to the value of the additional bunkers consumed or based on the average price paid by Charterers for the vessel's bunkers in such period, shall be included in the performance calculation.

The results of the performance calculation for laden and ballast mileage respectively shall be adjusted to take into account the mileage steamed in each such condition during Adverse Weather Periods, by dividing such deduction by the number of miles over which the performance has been calculated and multiplying by the same number of miles plus the miles steamed during the Adverse Weather Periods, in order to establish the total performance calculation for such period.

Reduction of hire under the foregoing sub-Clause (b), shall be without prejudice to any other remedy available to Charterers.

- (c) Calculations under this Clause 24 shall be made every 6 months terminating on each successive anniversary of the date on which the vessel enters service, and for the period between the last such anniversary and the date of termination of this charter if less than a year. Claims in respect of reduction of hire arising under this Clause during the final year or part year of the charter period shall in the first instance be settled in accordance with Charterers' estimate made two months before the end of the charter period. Any necessary adjustment after this charter terminates shall be made by payment by Owners to Charterers.
- (d) Owners and Charterers agree that this Clause 24 is assessed on the basis that Owners are not entitled to additional hire for performance in excess of the speeds and consumptions given in this Clause 24.

It is understood between Owner and Charterers that any speed over performance and/or fuel under consumption are to be credited to any under performance/over consumption during the (6) months review period, but no over performance and/or under consumption bonus shall be paid to owners.

### **Salvage**

25. Subject to the provisions of Clause 21 hereof, all loss of time and all expenses (excluding any damage to or loss of the vessel or tortious liabilities to third parties) incurred in saving or attempting to save life or in successful or unsuccessful attempts at salvage shall be borne equally by Owners and Charterers provided that Charterers shall not be liable to contribute towards any salvage payable by Owners arising in any way out of services rendered under this Clause 25.
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All salvage and all proceeds from derelicts shall be divided equally between Owners and Charterers after deducting the master's, officers' and crew's share.

### **Lien**

26. Owners shall have a lien upon all cargoes and all freights, sub-freights and demurrage for any amounts due under this charter; and Charterers shall have a lien on the vessel for all monies paid in advance and not earned, and for all claims for damages arising from any breach by Owners of this charter.

### **Exceptions**

27. (a) The vessel, her master and Owners shall not, unless otherwise in this charter expressly provided, be liable for any loss or damage or delay or failure arising or resulting from any act, neglect or default of the master, pilots, mariners or other servants of Owners in the navigation or management of the vessel; fire, unless caused by the actual fault or privity of Owners; collision or stranding; dangers and accidents of the sea; explosion, bursting of boilers, breakage of shafts or any latent defect in hull, equipment or machinery; provided, however, that Clauses 1, 2, 3, and 24 hereof shall be unaffected by the foregoing. Further, neither the vessel, her master or Owners, nor Charterers shall, unless otherwise in this charter expressly provided, be liable for any loss or damage or delay or failure in performance hereunder arising or resulting from act of God, act of war, seizure under legal process, quarantine restrictions, strikes, lock-outs, riots, restraints of labour, civil commotions or arrest or restraint of princes, rulers or people.
- (b) The vessel shall have liberty to sail with or without pilots, to tow or go to the assistance of vessels in distress and to deviate for the purpose of saving life or property.
- (c) Clause 27(a) shall not apply to, or affect any liability of Owners or the vessel or any other relevant person in respect of:
- (i) loss or damage caused to any berth, jetty, dock, dolphin, buoy, mooring line, pipe or crane or other works or equipment whatsoever at or near any place to which the vessel may proceed under this charter, whether or not such works or equipment belong to Charterers, or;
- (ii) any claim (whether brought by Charterers or any other person) arising out of any loss of or damage to or in connection with cargo. Any such claim shall be subject to the Hague-Visby Rules or the Hague Rules or the Hamburg Rules, as the case may be, which ought pursuant to Clause 38 hereof to have been incorporated in the relevant Bill of Lading (whether or not such Rules were so incorporated) or, if no such Bill of Lading is issued, to the Hague-Visby Rules unless the Hamburg Rules compulsorily apply in which case to the Hamburg Rules.
- (d) In particular and without limitation, the foregoing subsections (a) and (b) of this Clause shall not apply to or in any way affect any provision in this charter relating to off-hire or to reduction of hire.

### **Injurious Cargoes**

28. No acids, explosives or cargoes injurious to the vessel shall be shipped and without prejudice to the foregoing any damage to the vessel caused by the shipment of any such cargo, and the time taken to repair such damage, shall be for Charterers' account. No voyage shall be undertaken, nor any goods or cargoes loaded, that would expose the vessel to capture or seizure by rulers or governments.

### **Grade of Bunkers**

29. Charterers shall supply the vessel with IFO 380 CST RMG 35 as per ISO 8217:1996 (E) requirements for Marine residual fuels and MDO (if applicable) DMB distillate diesel as per ISO 8217:1996 (E) requirements for Marine distillate fuels. Specifications are subject to any revisions of the ISO standards over the term of this charter (See Clause 62).
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### **Disbursements**

30. Should the master require advances for ordinary disbursements at any port, Charterers or their agents shall make such advances to him, in consideration of which Owners shall pay a commission of two and a half per cent, and all such advances and commission shall be deducted from hire.

### **Laying-up**

31. Charterers shall have the option, after consultation with Owners, of requiring Owners to lay up the vessel at a safe place nominated by Charterers, in which case the hire provided for under this charter shall be adjusted to reflect any net increases in expenditure reasonably incurred or any net saving which should reasonably be made by Owners as a result of such lay up. Charterers may exercise the said option any number of times during the charter period.

### **Requisition**

32. Should the vessel be requisitioned by any government, de facto or de jure, during the period of this charter, the vessel shall be off-hire during the period of such requisition, and any hire paid by such governments in respect of such requisition period shall be for Owners' account. Any such requisition period shall not count as part of the charter period and the cumulative requisition time may, at the sole discretion of the Charterer, be added to the end of the firm charter period at a rate in effect at the time the off hire was incurred.

### **Outbreak of War**

33. If war or hostilities break out between any two or more of the following countries: U.S.A., the countries or republics having been part of the former U.S.S.R. (except that declaration of war or hostilities solely between any two or more of the countries or republics having been part of the former USSR shall be exempted), P.R.C., U.K., Netherlands, then both Owners and Charterers shall have the right to cancel this charter provided that the hostilities directly interfere with the vessels trading under Clause 4.

### **Additional War Expenses**

34. If the vessel is ordered to trade in areas where there is war (de facto or de jure) or threat of war, Charterers shall reimburse Owners for any additional insurance premia, crew bonuses and other expenses which are reasonably incurred by Owners as a consequence of such orders, provided that Charterers are given notice of such expenses as soon as practicable and in any event before such expenses are incurred, and provided further that Owners obtain from their insurers a waiver of any subrogated rights against Charterers in respect of any claims by Owners under their war risk insurance arising out of compliance with such orders.

Any payments by Charterers under this Clause will only be made against proven documentation. Any discount or rebate refunded to Owners, for whatever reason, in respect of additional war risk premium shall be passed on to Charterers.

### **War Risks**

35. (a) The master shall not be required or bound to sign Bills of Lading for any place which in his or Owners' reasonable opinion is dangerous or impossible for the vessel to enter or reach owing to any blockade, war, hostilities, warlike operations, civil war, civil commotions or revolutions.
- (b) If in the reasonable opinion of the master or Owners it becomes, for any of the reasons set out in Clause 35(a) or by the operation of international law, dangerous, impossible or prohibited for the vessel to reach or enter, or to load or discharge cargo at, any place to which the vessel has been ordered pursuant to this charter (a "place of peril"), then Charterers or their agents shall be immediately notified in writing or by radio messages, and Charterers shall thereupon have the right to order the cargo, or such part of it as may be affected, to be loaded or discharged, as the case may be, at any other place within the trading

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limits of this charter (provided such other place is not itself a place of peril). If any place of discharge is or becomes a place of peril, and no orders have been received from Charterers or their agents within 48 hours after dispatch of such messages, then Owners shall be at liberty to discharge the cargo or such part of it as may be affected at any place which they or the master may in their or his discretion select within the trading limits of this charter and such discharge shall be deemed to be due fulfilment of Owners' obligations under this charter so far as cargo so discharged is concerned.

- (c) The vessel shall have liberty to comply with any directions or recommendations as to departure, arrival, routes, ports of call, stoppages, destinations, zones, waters, delivery or in any other wise whatsoever given by the government of the state under whose flag the vessel sails or any other government or local authority or by any person or body acting or purporting to act as or with the authority of any such government or local authority including any de facto government or local authority or by any person or body acting or purporting to act as or with the authority of any such government or local authority or by any committee or person having under the terms of the war risks insurance on the vessel the right to give any such directions or recommendations. If by reason of or in compliance with any such directions or recommendations anything is done or is not done, such shall not be deemed a deviation. If by reason of or in compliance with any such direction or recommendation the vessel does not proceed to any place of discharge to which she has been ordered pursuant to this charter, the vessel may proceed to any place which the master or Owners in his or their discretion select and there discharge the cargo or such part of it as may be affected. Such discharge shall be deemed to be due fulfilment of Owners' obligations under this charter so far as cargo so discharged is concerned.

Charterers shall procure that all Bills of Lading issued under this charter shall contain the Chamber of Shipping War Risks Clause 1952.

### **Both to Blame Collision Clause**

36. If the liability for any collision in which the vessel is involved while performing this charter fails to be determined in accordance with the laws of the United States of America, the following provision shall apply:

"If the ship comes into collision with another ship as a result of the negligence of the other ship and any act, neglect or default of the master, mariner, pilot or the servants of the carrier in the navigation or in the management of the ship, the owners of the cargo carried hereunder will indemnify the carrier against all loss, or liability to the other or non-carrying ship or her owners in so far as such loss or liability represents loss of, or damage to, or any claim whatsoever of the owners of the said cargo, paid or payable by the other or non-carrying ship or her owners to the owners of the said cargo and set off, recouped or recovered by the other or non-carrying ship or her owners as part of their claim against the carrying ship or carrier."

"The foregoing provisions shall also apply where the owners, operators or those in charge of any ship or ships or objects other than, or in addition to, the colliding ships or objects are at fault in respect of a collision or contact."

Charterers shall procure that all Bills of Lading issued under this charter shall contain a provision in the foregoing terms to be applicable where the liability for any collision in which the vessel is involved fails to be determined in accordance with the laws of the United States of America.

### **New Jason Clause**

37. General average contributions shall be payable according to York/Antwerp Rules, 2000 as amended from time to time, and shall be adjusted in New York in accordance with New York law and practice.

In the event of accident, danger, damage or disaster before or after the commencement of the voyage, resulting from any cause whatsoever, whether due to negligence or not, for which, or for the consequence of which, the carrier is not responsible by statute, contract or otherwise, the cargo, shippers, consignees or owners of the cargo shall contribute with the carrier in general average to the payment of any sacrifices, losses or expenses of

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a general average nature that may be made or incurred and shall pay salvage and special charges incurred in respect of the cargo.

If a salving ship is owned or operated by the carrier, salvage shall be paid for as fully as if the said salving ship or ships belonged to strangers. Such deposit as the carrier or his agents may deem sufficient to cover the estimated contribution of the cargo and any salvage and special charges thereon shall, if required, be made by the cargo, shippers, consignees or owners of the cargo to the carrier before delivery.

Charterers shall procure that all Bills of Lading issued under this charter shall contain a provision in the foregoing terms, to be applicable where adjustment of general average is made in accordance with the laws and practice of the United States of America.

#### **Clause Paramount**

38. Charterers shall procure that all Bills of Lading issued pursuant to this charter shall contain the following:

“(1) Subject to sub-Clause (2) or (3) hereof, this Bill of Lading shall be governed by, and have effect subject to, the rules contained in the International Convention for the Unification of Certain Rules relating to Bills of Lading signed at Brussels on 25th August 1924 (hereafter the “Hague Rules”) as amended by the Protocol signed at Brussels on 23rd February 1968 (hereafter the “Hague-Visby Rules”). Nothing contained herein shall be deemed to be either a surrender by the carrier of any of his rights or immunities or any increase of any of his responsibilities or liabilities under the Hague-Visby Rules.”

“(2) If there is governing legislation which applies the Hague Rules compulsorily to this Bill of Lading, to the exclusion of the Hague-Visby Rules, then this Bill of Lading shall have effect subject to the Hague Rules. Nothing therein contained shall be deemed to be either a surrender by the carrier of any of his rights or immunities or an increase of any of his responsibilities or liabilities under the Hague Rules.”

“(3) If there is governing legislation which applies the United Nations Convention on the Carriage of Goods by Sea 1978 (hereafter the “Hamburg Rules”) compulsorily to this Bill of Lading, to the exclusion of the Hague-Visby Rules, then this Bill of Lading shall have effect subject to the Hamburg Rules. Nothing therein contained shall be deemed to be either a surrender by the carrier of any of his rights or immunities or an increase of any of his responsibilities or liabilities under the Hamburg Rules.”

“(4) If any term of this Bill of Lading is repugnant to the Hague-Visby Rules, or Hague Rules, or Hamburg Rules, as applicable, such term shall be void to that extent but no further.”

“(5) Nothing in this Bill of Lading shall be construed as in any way restricting, excluding or waiving the right of any relevant party or person to limit his liability under any available legislation and/or law.”

#### **Insurance/ITOPF**

39. Owners warrant that the vessel is now, and will, throughout the duration of the charter:

- (a) be owned or demise chartered by a member of the International Tanker Owners Pollution Federation Limited;
  - (b) be properly entered in U.K. or GARD P & I Club, being a member of the International Group of P & I Clubs;
  - (c) have in place insurance cover for oil pollution for the maximum on offer through the International Group of P & I Clubs but always a minimum of United States Dollars 1,000,000,000 (one thousand million);
  - (d) have in full force and effect Hull and Machinery insurance placed through reputable brokers on Institute Time Clauses or equivalent for the market value of the vessel plus twenty (20) percent as from time to time
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may be amended with Charterers' approval, which shall not be unreasonably withheld. Insurance amount always to comply with loan covenants.

Owners will provide, within a reasonable time following a request from Charterers to do so, documented evidence of compliance with the warranties given in this Clause 39.

#### **Export Restrictions**

40. The master shall not be required or bound to sign Bills of Lading for the carriage of cargo to any place to which export of such cargo is prohibited under the laws, rules or regulations of the country in which the cargo was produced and/or shipped.

Charterers shall procure that all Bills of Lading issued under this charter shall contain the following clause:

“If any laws rules or regulations applied by the government of the country in which the cargo was produced and/or shipped, or any relevant agency thereof, impose a prohibition on export of the cargo to the place of discharge designated in or ordered under this Bill of Lading, carriers shall be entitled

to require cargo owners forthwith to nominate an alternative discharge place for the discharge of the cargo, or such part of it as may be affected, which alternative place shall not be subject to the prohibition, and carriers shall be entitled to accept orders from cargo owners to proceed to and discharge at such alternative place. If cargo owners fail to nominate an alternative place within 72 hours after they or their agents have received from carriers notice of such prohibition, carriers shall be at liberty to discharge the cargo or such part of it as may be affected by the prohibition at any safe place on which they or the master may in their or his absolute discretion decide and which is not subject to the prohibition, and such discharge shall constitute due performance of the contract contained in this Bill of Lading so far as the cargo so discharged is concerned”.

The foregoing provision shall apply mutatis mutandis to this charter, the references to a Bill of Lading being deemed to be references to this charter.

### **Business Principles**

41. (Deleted)

### **Drugs and Alcohol**

42. (Deleted)

### **Oil Major Acceptability**

43. (See Clause 57)

### **Pollution and Emergency Response**

44. Owners are to advise Charterers of organisational details and names of Owners personnel together with their relevant telephone/facsimile/e-mail/telex numbers, including the names and contact details of Qualified Individuals for OPA 90 response, who may be contacted on a 24 hour basis in the event of oil spills or emergencies.

### **ISPS Code/US MTSA 2002**

45. (See Clause 98).

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### **Law and Litigation**

46. (a) This charter shall be construed and the relations between the parties determined in accordance with the laws of the State of New York, U.S.A.

(b) All disputes arising out of this charter shall be referred to Arbitration in New York in accordance with the Rules of the Society of Marine Arbitrators, Inc. New York (SMA).

(i) Any Award of the arbitrator(s) shall be final and binding and not subject to appeal.

(ii) For the purposes of this Clause 46(b), any requests or notices in writing shall be sent by fax, e-mail or telex and shall be deemed received on the day of transmission.

(c) It shall be a condition precedent to the right of any party to a stay of any legal proceedings in which maritime property has been, or may be, arrested in connection with a dispute under this charter, that that party furnishes to the other party security to which that other party would have been entitled in such legal proceedings in the absence of a stay.

### **Confidentiality**

47. (Deleted)

### **Construction**

48. The side headings have been included in this charter for convenience of reference and shall in no way affect the construction hereof.

Additional Clauses: Special clauses to Shelltime 4 CP form, 49 through 112 shall be fully incorporated into the terms of this Charter Party.

Appendix A: Questionnaire 88 for the vessel, as attached, shall be incorporated herein.

Appendix B: List of Approved Ship Brokers, as attached, shall be incorporated herein.

For the Owners  
SOPHIE TANKER CORPORATION

For the Charterers  
DHT SOPHIE AFRAMAX CORP.

By: /s/ Ole Jacob Diesen

By: /s/ Myles R. Itkin

Ole Jacob Diesen  
Chief Executive Officer

Myles R. Itkin

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**TIME CHARTER  
SPECIAL CLAUSES  
MT OVERSEAS SOPHIE**

**IF THERE IS ANY CONFLICT BETWEEN THE FOLLOWING CLAUSES AND THE PRINTED CLAUSES OF THE CHARTER PARTY FORM AS ADJUSTED, THE FOLLOWING CLAUSES SHALL PREVAIL.**

**49) Bill of Lading Indemnification**

The standard form of letter of indemnity to be given in the case of delivery of cargo (a) without production of the original Bill of Lading, or (b) at a port other than stated in the Bill of Lading, or (c) both of the foregoing, in each case without bank guarantee, in revised form as recommended by the International Group of P&I Clubs in 2001, shall be used in all cases, provided that the reference to English law and jurisdiction shall be revised to read New York law and the jurisdiction of any court of competent jurisdiction sitting in New York County.

**50) Certificates/Regulations Compliance**

The Owners warrant that during the term of this charter party the vessel fully complies with the following:

- A. all governmental laws, regulations, protocols and directives promulgated by the authoritative body or any of its legally constituted agencies charged with the application of the same laws/regulations/protocols and directives applicable to the countries and ports within the trading limits defined in the charter party.
- B. that it has secured and maintains aboard the vessel all Certificates of Financial Responsibility issued and required by the competent authorities of the countries within the trading limits defined in the charter party.
- C. (Deleted)
- D. that the vessel shall have on board for inspection by the appropriate port authorities all certificates, records, compliance letters and other documents required.
- E. The vessel shall be approved by the international transport workers federation and carry a valid ITF 'Blue Certificate' on board at all times. Any losses, expenses or damages arising as a result of failure to comply with ITF regulations, as interpreted by local union, shall be for Owners account.
- F. COFR — Owners to provide the vessel, at their cost, with a valid Certification of Financial Responsibility which is acceptable to U.S. authorities at Owners' cost. Compliance with state laws during the currency of this charter to be Owners' responsibility and cost. COFR to be in place prior to the vessels arrival at first U.S. or Canadian port.

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Owners will pay for the initial cost of issuing and maintaining the certificate. Any additional premiums or surcharges payable by Owners in relation to the vessel calling at U.S. ports to be for Charterers account.

- G. Owners shall have a program covering oil pollution avoidance, including compliance with latest international maritime organization and port state regulations and SOLAS and MARPOL conventions and the adoption of vessel response plans and qualified individuals for OPA response.

**51) IMO Clause**

Owners warrant that during the term of this charter party and any extension thereof the vessel will be in full compliance with: the requirements of the United States Port and Tanker Safety Act of 1978 and applicable regulations promulgated thereunder (hereinafter called "U.S. Regulations") the International Convention for the Prevention of Pollution from Ships (MARPOL 1973) and the 1978 Protocol thereto as applicable: and the International Convention for Safety of Lives at Sea (SOLAS 1974) and the 1978 Protocol thereto as applicable (the foregoing conventions and protocols hereinafter called "IMO Regulations"). Owners warrant that it will carry onboard certifications evidencing compliance with U.S. Regulations, compliance with IMO Regulations and any other records or documentation as may be required by the U.S. government authorities the vessel is currently ISM certified and will remain so during the duration of this charter (see ISM Clause).

**52) Pollution Financial Responsibility**

Owners warrant that at the date of the charter that Owners complies with all financial capability, responsibility, security or like laws, regulations and/or other requirements of whatsoever kind with respect to oil or other pollution damage applicable to the vessel entering, leaving, remaining at or passing through any ports or places or waters to perform this charter.

Owners further warrant that it shall continue to comply with these requirements throughout the period of the charter at the levels and in amounts in effect at the date of this charter.

Owners, at its sole risk and expense, shall make all arrangements by bond, insurance or otherwise and obtain all certificates or other documentary evidence and take all such other action, as may be necessary, to satisfy such laws, regulations and/or other requirements.

**53) OPA**

It is mutually understood that Oil Pollution Act of 1990 (OPA) surcharges for trading to the United States ports/territories shall be for Charterer's account.



**54) Contingency Plans Clause**

Owners warrant at the date of the charter that Owners complies with and satisfies existing U.S. federal, state and local rules, regulations and requirements for contingency plans applicable to the vessel entering, leaving, remaining at or passing through any ports or places or waters in performance of the charter, including having under contract

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the services of a catastrophic spill contractor (e.g., Marine Spill Response Corporation (MSRC) or National Response Corporation (NRC)).

Owners further warrant that it shall continue to comply with these requirements throughout the period of the charter at the levels in effect at the date of this charter.

The Owners shall be responsible for obtaining and maintaining all necessary and future approvals and satisfying existing and future federal, state, and local rules, regulations or requirements for contingency plans. Costs incurred shall be for Owners' account.

Qualified individual:            Mr. Steven McCall  
   212 578 1892 office  
   646 327 7206 mobile

**55) Documentation**

Owners undertake that throughout the term of this charter, the vessel shall have on board all such valid documentation as may, from time to time, be required to enable the vessel to enter and carry out all required operations at loading or discharging ports or places and leave, without hindrance, all ports or places to which the vessel may be directed under the terms of this charter.

In addition, the vessel shall be off-hire and Owners shall be held responsible for any losses, costs or damages for any period during which she is not fully and freely available to Charterer as a result of action taken against her by any government, government organization, competent authority, competent person or competent organization, owing to her flag, failure to have on board valid documentation as aforesaid or any dispute relating to Owners' wages or crew employment policy or to the condition of the vessel or her equipment. All cumulative off hire under this Clause may be added to the end of the charter period in the sole option of the Charterer.

Any time lost during which the vessel awaiting USCG TVEL inspection, or in the case of calls at non-U.S. ports where any similar certificate is required to be issued by a state authority at these ports prior to loading or discharging cargo, and until such time as she has secured TVEL certificate or any similar certificate, vessel will be considered off-hire.

**56) ISM Clause**

The requirements of the International Safety Management (ISM) Code are hereby incorporated in the terms of this charter party. Owners/operator warrant that a Safety Management System (SMS) in accordance with the ISM Code is in operation both on shore and on board the vessel. Owners/operator further warrant that they (or the company as defined by the ISM Code) have a valid Document of Compliance (DOC), and the vessel has a valid Safety Management Certificate (SMC). Owners/operator shall supply Charterer with a copy of the DOC and the SMC. Owners shall, when required by Charterer, provide a copy of the documents both ashore and on board the vessel evidencing the SMS and its application and when further required by Charterer, Owners/operator shall provide a report on safety audits carried out internally or by the vessel's flag administration.

Non compliance with the requirements of the ISM code resulting in loss or suspension of the ISM certificate shall be deemed a breach of condition and Charterer shall have the

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right to cancel the charter. Owners shall be responsible for any delays, costs, damages incurred for non compliance with the above conditions.

**57) Vetting**

During the period of this charter, Charterers require Owners to endeavor to arrange for at least four of the following oil company inspections/approvals at their time and expense: BP, Shell, Exxon/Mobil, Chevron Corp., Vela, PDVSA, Statoil and Dreyfus. Charterers may request Owners to obtain other vetting approvals as/when required, and Owners shall do so.

The above is always subject to the vessel's trading pattern, ports accessibility, the oil company's interest in the vessel and the availability of inspectors at the time, all of which Owners will keep a record of and keep Charterers advised.

Charterers shall keep Owners fully informed of the vessels forward schedule in order to facilitate vetting inspections.

If the vessel, during the period of this charter, fails to obtain a minimum of four approvals because of Owners fault/negligence, or fails a physical inspection by any company listed above, or loses a vetting approval required to maintain the vessels' trading pattern, then, Owners shall have a period of forty five (45) days from the date Owners are notified of such non-acceptance to have the vessel obtain such minimum number of approvals or reinstate such approval, subject always to the vessel's trading pattern, ports accessibility, the oil company's interest in the vessel and the availability of inspectors at the time, all of which Owners will keep a record of and keep Charterers advised.

If the Owners do not obtain the minimum number of vetting approvals or the necessary vetting approval is not reinstated as provided for in the preceding paragraphs, and the lack of vettings affect the vessel's trading pattern, then the Charterer shall have the right (i) to terminate this charter party without penalty to either party, or, (ii) to place the Vessel off-hire for any loss of time (whether by way of interruption in the Vessel's service,

including time necessary for re-positioning to an alternate trading pattern or otherwise)(a) resulting from the vessel being placed off hire by a pool in which it is entered due to such lack of vetting, or (b) otherwise due to such lack of vetting.

In the event the preceding paragraph is invoked, and the Charterer does not terminate the Charter, it shall use commercially reasonable efforts to employ the Vessel in an alternate trading pattern to maximize its earning capacity on commercially reasonable terms provided that the terms of the pool it is entered into or the time charter it is operating under permit the Charterer to do so. For each day the Vessel is operating under a subcharter on such alternate trading pattern, and not otherwise off hire, if the Basic Hire rate otherwise applicable pursuant to this Charter exceeds the time charter rate or equivalent rate obtained by the Charterer on its sub-charters in the alternate trading pattern, then the Basic Hire payable hereunder shall be reduced by an amount equal to the difference between (a) the Basic Hire rate and (b) the time charter rate or equivalent rate obtained by the Charterer on its sub-charters in the alternate trading pattern until the later of (i) the date the Vessel has re-obtained the minimum number of vetting approvals or the necessary vetting approval has been reinstated, and (ii) the last day of the applicable sub-charter.

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**58) Adherence to Voyage Instructions**

- A. Owners shall be responsible to and will indemnify Charterer for any time, costs, delays or loss suffered by Charterer due to underlift, overlift or other failure to comply fully with Charterer's lawful instructions as long as such failure was solely due to Owners'/vessel's proven negligence.
- B. If a conflict arises between terminal orders and Charterers' instructions, master is to stop cargo operations and to contact Charterer at once. Terminal orders shall never supersede Charterer's instructions and any conflict shall be resolved prior to resumption of cargo operations.

Vessel is not to resume cargo operations until Charterers has directed vessel to do so.

**59) Traffic Separation and Routing**

Owners shall instruct the master to observe recommendations as to traffic separation and routing as issued from time to time by authorities (national or local) and comply with federal, state or local regulations of the United States. Voluntary and mandatory traffic separation schemes shall be adhered to while the vessel is in the United States or international waters.

**60) ETA Notice**

Master shall give both Charterer and load/discharge port(s)/place(s) agents notices of estimated time of arrival (ETA) to load/discharge port(s)/place(s) or any other port/place where Charterers order vessel to proceed on a daily basis or as required by Charterers voyage orders.

Any delay incurred to the vessel at any load or discharge port(s) resulting from master's failure to comply with the above requirements, shall be deducted from the monthly hire. The foregoing is without prejudice to Charterer's right to recover for any damages incurred as a result of such breach by Owners of the obligations herein defined. Notices of ETA to be sent to Charterer as instructed. This Clause only applies where the Charterer cannot claim demurrage or any other claim and incur a loss due to the master's failure to follow Charterers instructions.

**61) Watchmen**

Compulsory shore gangway watchmen shall be servants of the Charterer and the cost for such watchmen shall be borne by Charterer throughout the currency of this charter party.

**62) Bunkers**

On every occasion where the bunkers are taken, the ship will participate in either the DNV VQFT, Lloyds FOBAS or ABS scheme (line samples). As between Owners and Charterers fuel shall be deemed delivered to the ship upon arrival at the ship's manifold, which shall be the point of custody transfer. Three samples will be taken at the ship's manifold, using an approved in line drip sampler. One sample shall be provided to the surveyor and analysed, a second shall be given to the suppliers, and third shall be retained on board for independent joint testing, in the event of disputes about the quality of the bunkers supplied.

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In the event of dispute about the quality of the fuel the third sample left on board shall be jointly analysed at a mutually acceptable independent laboratory, and the results shall be binding on the parties

The quantity of fuel shall be finally determined using the density determined in the sample analysed. Owners undertake to provide Charterers with a copy of each off specification analysis report, to enable Charterers to notify suppliers promptly in the event of a quality or quantity dispute.

The supplier and Charterers shall at all times be entitled to witness the extraction and division of the sample at the ship's manifold and shall be entitled to employ a bunker surveyor.

Charterers shall not cause or permit any lien or other rights to be created against the ship, her crew, Owners, etc., by any fuel suppliers, or otherwise bind the ship, her Owners in crew in any way whatsoever, arising out of the supply of fuels.

Should analysis confirm that bunkers are off specification, (as per specification detailed in Clause 29). Charterers will be notified regarding Owners intentions. Should Owners decide to use the bunkers supplied then Charterers are not entitled to present Owners with a speed or consumption claim for any period during which vessel is using bunkers that do not reasonably meet the specified requirements. Charterers reserve the right to discuss analysis results with Owners to ensure an equitable resolution of any problems. Owners shall not be obliged to use fuel that is injurious to the engine/auxiliaries and associated equipment.

Owners warrant that the vessel shall comply with the emission control and other requirements of Regulation 14 and 18 of MARPOL Annex VI and any other laws or regulations relating to bunker content and bunkering procedures applicable in any areas to which the vessel is ordered.

Charterers warrant that they will supply bunkers:

- A. of sufficient quantity and quality to enable the vessel to meet the emission control and other requirements of Regulation 14 and 18 of MARPOL Annex VI and any other laws or regulations relating to bunker content and bunkering procedures applicable in any areas to which the vessel is ordered, and
- B. in accordance with the specifications in ISO 8217 as in force at the time of supply and any other specifications contained elsewhere in this charterparty.

Charterers further warrant that all bunker suppliers and bunkers supplied hereunder shall with respect to all areas in which the vessel may trade comply with the current and future requirements of MARPOL Annex VI and MEPC96(47) in respect of sampling and the provision of a bunker delivery notes and, where bunkers are supplied in a state where MARPOL Annex VI is in force, that suppliers shall be registered in accordance therewith.

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### 63) Heating

Owners warrant that the vessel is capable of maintaining cargo loaded temperature, or, if time permits, raising same up to a maximum temperature of 150 degrees Fahrenheit. Maximum temperature of cargo loaded at 165 degrees Fahrenheit.

Master to report daily to Charterers average cargo temperature of all tanks and to keep voyage heating records for Charterers inspection.

If vessel fails to maintain the loaded temperature, or to increase and maintain the temperature of the cargo, as requested by Charterer, all delays incurred will be considered off hire and all expenses and damages shall be for Owners' account.

Failure to follow Charterers heating instructions shall be considered off hire until such time as the cargo is heated to Charterers instruction. If vessel fails to follow Charterers heating instructions on a consistent basis it shall be considered a breach of this contract and Charterers shall have the right to cancel this charter without penalty.

### 64) Pumping Clause

Owners warrant that the vessel is fitted with and will use the main cargo pumps and the stripping pumps as per Charterers instructions.

Owners further guarantees that vessel will discharge the full cargo in twenty four (24) hours, stripping excluded or maintain an average pressure of 100 PSI at the vessel's manifold during discharge, provided shore facilities permit. It is agreed that time lost as a result of vessel being unable to discharge the cargo in accordance with the guarantee stated herein will be deducted from monthly hire.

In the event of the vessel failing to maintain average discharge pressure of 100 PSI or to discharge the cargo within 24 hours, Charterers are entitled to deduct all time over and above 24 hours taken to discharge cargo from hire.

Discharge terminal shall have the right to gauge line pressure. Should the vessel fail to comply with the guarantee herein stipulated should terminal request, Charterer shall have the right to order the vessel to be withdrawn from the berth and all time and expenses incurred to leave the berth and return later to complete discharge will be for Owners' account with the proven lost time and/or expenses being deductible from the monthly hire. In any event, Owners shall provide Charterer with a detailed hourly pumping record showing the pressure maintained at the vessel's manifold throughout the discharge. Such record shall be duly counter signed by a terminal representative and/or independent surveyor, if possible.

If the vessel discharges at more than one port or discharges a partial cargo, then time to be prorated relative to the vessel's full cargo capacity for the nominated cargo(es).

Should the discharge terminal(s) restrict in any way the vessel's performance indicated in this charter party, the master shall immediately issue a letter of protest to the terminal indicating the nature of the restriction and any details he may consider relevant. The vessel to obtain terminals signature on the letter of protest.

Notwithstanding the above, vessel is to make best efforts to utilize full capabilities (safety permitting) when discharging at Portland, Maine.

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For discharge in Punta Palenque, Dominican Republic, vessel to maintain 150 PSI at vessel's manifold.

### 65) STS Clause

Charterers shall have the right to require the vessel to perform lighterage operations and or ship to ship transfer operations at anchor or underway at a safe anchorage or place and these ship to ship transfer operations shall be conducted in accordance with the provisions of the latest ICS/OCIMF transfer guide (petroleum) always to master's acceptance which not to be unreasonably withheld.

It is understood and agreed that the crew of the vessel will be required to assist in handling the fenders and cargo hoses as well as mooring and unmooring of the vessel as designated by the mooring master at the STS transfer site at no additional cost to the Charterer.

All extra equipment required for such transfer operations shall be provided by Charterer at its expense.

**66) Pressure Gauges**

Vessel to be equipped with pressure gauges at each discharge manifold which will be maintained in a proper working condition and each gauge shall have a valid test certificate.

**67) Bilge Liquids**

Vessel shall have efficient and safe means of transferring engine room/pump room bilge to designated holding tanks onboard for disposal in accordance with international regulations.

**68) Previous Cargoes**

(Deleted)

**69) Condition of Cargo Spaces on Delivery and Redelivery**

Vessel will be redelivered with tanks free of liquid slops.

**70) Tanks, Lines, Pumps Suitability**

Owners warrant that vessel will arrive at each load port with all cargo tanks, pumps and lines suitable to load the intended cargo as per Charterer's representative and/or independent surveyor's satisfaction, subject to Charterers voyage orders and vessels time to comply. All damages, time lost and costs incurred due to noncompliance will be for Owners' account and deducted from monthly hire.

**71) Inert Gas System**

Owners warrant that vessel has a good working inert gas system and that the officers and crew are experienced in the operation of the system. Owners further warrant that the vessel will arrive at the load port with cargo tanks inerted and that tanks will remain inerted throughout the loading, voyage and discharge operations. Any delay, cost and expense due to improper operation of the inert gas system shall be for Owners' account and shall be deducted from monthly hire.

The master may be required by terminal personnel or independent surveyor(s) before and/or after discharge to breach the inert gas system for the purpose of gauging, sampling, temperature determination and/or determining the quantity of cargo remaining on board (ROB). The master shall comply with these requests consistent with the safe operation of the vessel. Vessel to remain on hire for such periods.

**72) Crude Oil Washing (COW)**

Owners warrant that the vessel is capable of crude oil washing (COW) of all cargo tanks.

If requested by Charterer, Owners agrees to conduct crude oil washing of cargo tanks at discharge port(s) simultaneously with the discharge of the cargo to shore. Under no circumstance shall the vessel utilize more than eight (8) hours to effect COW or prorata on the basis of the number of tanks washed to the total number of tanks unless authorized by Charterer.

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The vessel will comply with the requirements of the Pumping Clause during simultaneous discharge to shore and the COW operation. If the vessel fails to comply, all additional time to discharge the cargo will be deducted from the monthly hire.

Owners agrees to comply with applicable port and terminal regulations and, if necessary, to submit any advance information or technical data that may be required by local authorities relative to the COW operations.

**73) Fittings, Equipment and Dimensions**

- A. Owners warrant that all piping, valves, spools, reducers and other fittings comprising that portion of the vessel's manifold system outboard of the last fixed rigid support to the vessel's deck and used in the transfer of cargo, bunkers or ballast, are made of steel or nodular iron; and the fixed rigid support for the manifold system is designed to prevent both lateral and vertical movement of the manifold. Owners further warrant that no more than one reducer or spool piece (each ANSI standard) will be used between the vessel's manifold valve and the terminal hose or loading arm connection.
- B. Owners are responsible for providing safety equipment to persons aboard the vessel when the cargo is high sulfur or otherwise dangerous to the health of the crew.
- C. Owners warrant that the vessel is capable of discharging more than one grade simultaneously.
- D. Owners warrant that throughout the charter vessel will have on board the calibration tables for its tanks calculated by the builder or by a reputable independent international surveyor.
- E. Charterers, subject to Owners' approval (which shall not be unreasonably withheld) and class approval, shall be at liberty to fit any additional pumps and/or other vessel gear beyond what is on board at the commencement of the charter, and to make the necessary connections with hydraulic, steam or water pipes, such work to be done at Charterers time and their expense, and such pumps and/or gear so

fitted to be considered their property, and Charterers shall be at liberty to remove it at their time and expense and time during or at the expiry of this charter, with the vessel to be left in her original condition.

- F. Vessel is fitted with 95 percent and 98 percent high level alarms. Any delays due to breakdown of these high level alarms will be considered off hire and will be deducted from the charter hire.

**74) Cargo Transference**

Owners shall notify Charterer of any transfer of cargo within the vessel that takes place after loading and before discharge for purposes of trimming, stress or any other similar purposes.

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**75) Prohibited Detergent Washing**

Owners warrant that vessel will not perform cargo tanks washing utilizing detergents with organic chloride contents throughout the duration of the charter period. Owners to be held responsible for all damages and consequences including but not limited to all cargo claims if Owners/master fails to adhere to this Clause.

**76) Cargo Retention**

- A. In the event that liquid cargo remains on board upon completion of discharge Charterers shall have the right to deduct from hire an amount equal to the fob port of loading cost of such cargo plus its pro rata cost of freight and insurance unless such cargo is unpumpable or unreachable by the vessel's fixed pumps.
- B. Nothing in this Clause deprives Owners of any defenses they have to counterclaims for cargo shortloading or damage but it is agreed that such counterclaims will not be time barred if asserted in any proceedings commenced by Owners for hire deducted under this Clause provided that the deduction was proper.
- C. Any action or lack of action in accordance with this provision shall be without prejudice to any rights or obligations of the parties.
- D. All slops throughout the charter term shall belong to Charterer.

**77) Loss of Carrying Capacity**

In the event cargo is shut out by the fault of the master, officers, crew or mechanical deficiency of the vessel, then Charterer shall be entitled to claim compensation for the transportation cost of the cargo shut out on a round voyage basis by reference to the rate of hire or the current market level (whichever is greater). Any additional port costs and/or bunker consumed due to the loss of carrying capacity shall for Owners account.

**78) Speed and Fuel Warranties**

The Owners warrant that the vessel is capable of maintaining and shall maintain, consistent with safety throughout the period of this charter party on all sea passages, from seabuoy to seabuoy, unless otherwise ordered by Charterer, an average speed under weather conditions up to and including Beaufort Force 5 of about 15 knots laden on a daily consumption of about 60 metric tons IFO 380 CST plus 0 metric tons MDO at sea and about 15 knots ballast on a daily consumption of about 60 metric tons IFO 380 CST 0 metric tons MDO at sea for all purposes excluding tank cleaning, cargo heating and IGS plus about 20 mts IFO for loading and about 20 mts IFO for discharging, based on single port loading and discharging excluding Laguna and Boscan crude and similar cargoes.

The above speed and consumption rates shall be adjusted in accordance with, and always be subject to any changes made to the Aframax International pool key, provided the vessel continues to trade in the Aframax International pool.

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**79) Slow Steaming/Speed Up**

Weather and safe navigation permitting, Charterer shall have the right to order the vessel to proceed at any speed greater than/less than normal full speed.

**80) Adjustment of Hire**

The speed and fuel consumption guaranteed by the Owners in Part 1 will be reviewed by the Charterer 30 days after every six (6) months. If at the end of the period, if it is found that the vessel has failed to maintain, as an average during the period, the speed and/or fuel consumption warranted, the Charterer shall be retroactively compensated in respect of such failings, as per Clause 24.

No bonus shall be payable to Owners under any circumstances.

The Charterer shall provide Owners with an opportunity to review any claim submitted by Charterer under this Clause, and the Owners shall complete such review and provide Charterer with the results thereof within thirty (30) days from the date such claim was received by Owners. In the absence of such response, Charterer may deduct from hire any amount to which it is entitled under this Clause.

In the event of Charterer having a claim in respect of vessel's performance during the final year of the charter period and any extension thereof, the amount of such claim shall be withheld from hire in accordance with Charterer's estimate made two months before the end of the charter period and any necessary adjustment after the end of the charter shall be made by the Owners to the Charterer.

## 81) Additional Offhire

- A. The vessel shall be offhire whenever there is loss of time if:
- 1) due to the boycott of the vessel due to the terms or conditions of employment of Owners' servants; or employment, trades, or cargoes of vessels other than under this charter.
  - 2) due to restraint or interference in the vessel's operation by any governmental authority in connection with the ownership, registration, or obligations of Owners or the vessel, or stowaways, or in connection with smuggling or other prohibited activities.
  - 3) due to cargo contamination or damage caused by unseaworthiness of the vessel or negligence of Owners' servants.
- B. In addition, if during offhire the vessel loses its turn to berth, it shall remain offhire until it regains the same berthing position. If the vessel goes offhire while in berth, extra expenses thereby incurred by Charterers in connection with the vessel remaining at the berth shall be for Owners' account and Charterers shall also have the option to order the vessel out of berth, so as to avoid delay to other vessels waiting to use the berth, with the cost of unberthing and reberthing for this purpose to be for Owners' account. The vessel shall remain offhire during time lost in between berths.
- C. In the event of detention of vessel by any governmental authority, or by any legal action against vessel or Owners, or by any strike or boycott by the vessel's officers or crew, whereby vessel is rendered unavailable for Charterers' service
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for a period of thirty (30) days or more, Charterers may, by written notice given before vessel is free and ready to resume service, elect to terminate this charter, without prejudice to any other rights Charterers may have under this charter or to any claim it may have for damages.

## 82) Off Hire Survey

A joint off hire bunker survey shall be conducted by Charterers and Owners representatives at the place of redelivery. The time and cost for the offhire bunker survey at redelivery shall be split equally between Owner and Charterer.

## 83) Access

The Charterer shall have the right and privilege of having their representatives visit the vessel while in port or at sea. Charterer's representatives shall have access to the entire vessel (excluding accommodation spaces) and the master, officers and crew of the vessel shall cooperate with and render any reasonable assistance that Charterer's representatives may require.

Charterer shall be entitled, from time to time during the period of this charter, to cause their representative(s) to take samples of the cargo and to inspect the vessel in order to ascertain whether Owners is reasonably complying in all respects with their obligations under this charter party.

In the case of inspection of the vessel, Charterer shall give Owners appropriate notice of their intention to inspect the vessel and any such inspection may include, but shall not be limited to: examination of the vessel's hull, machinery, boilers, auxiliaries and equipment, examination of the vessel's deck and engine, rough and official log books, certificates, investigation of the vessel's operating procedures both in port and at sea, examination of the qualifications and conduct of the vessel's master, officers and crew. Any inspections carried out by Charterer under this sub-Clause shall be without prejudice to any other rights of inspection or investigation allowed to Charterer in accordance with the provisions of this charter.

In the event of Owners' failing, at any time during the period of this charter, to comply with their obligations under this Clause, Charterer shall be entitled to give Owners notice in writing, whether or not an inspection under the terms of this Clause has taken place, requiring Owners to take immediate steps to remedy their default.

In the event the Owners fails forthwith, or within such period as may be agreed to remedy such default to Charterer's satisfaction, Charterer shall be entitled at their absolute discretion, to place the vessel off-hire, until such default shall have been satisfactorily remedied. Any exercise of, or failure to exercise, their discretion under the terms hereof by Charterer shall be without prejudice to any other remedy available to Charterer.

## 84) Change of Flag, Management, Ownership

Owners rights and obligations under this charter are not transferable and except as provided in this Clause Owners undertake not to change the vessel's management nor flag nor to sell the vessel or stock in the ownership company without Charterer's consent which consent shall not be unreasonably withheld.

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In the event that the Owners desire to hire a manager other than Tanker Management Ltd., Owners shall provide written notice (the "New Manager Notice") to the Charterer at least 10 business days prior to the proposed date of hire, which notice shall seek the Charterer's consent to the new manager. The Charterer's shall have the right, within 5 business days of receipt of the New Manager Notice, to object to the new manager in writing. Such objection must be based on reasonable grounds, and must be accompanied by a list of two comparable managers (other than any affiliates of Charterer) to which the Charterer would have no objection, and which Owners may then hire without any further requirement for consent from Charterer.

If written notice of objection together with the accompanying list of acceptable managers is not provided by the Charterer within 10 business days of receiving the New Manager Notice, the Charterer shall be deemed to consent to the new manager.

Owners shall have the right to transfer the vessel and Charterer agrees that stock in the Owners may also be transferred (either of which, for purposes of this Clause, a "Transfer"), subject to the Charterer's right of first offer as described in this Clause:

Prior to and in order to effect a Transfer, the Owners shall first give written notice (a "Sale Notice") to the Charterer stating (i) the Owners (or its parent's) intention to make a Transfer, (ii) the name of a broker who Owners have selected to be a member of the three member panel described below (the "Panel") that will determine the fair market price of the vessel (on the basis that it is sold subject to this charter) and (iii) the material terms other than price upon which the Owners (or its parent) intends to make the Transfer.

The Charterer shall select a member of the Panel within 5 business days after receipt of the Sale Notice by delivery of written notice to Owners. If Charterer does not make such selection within such 5 business day period, then the Panel shall consist solely of the broker selected by Owners. If Charterer makes such selection, then the two members selected by Owners and Charterer shall select together a third member of the Panel within 10 business days after delivery of Charterer's written notice to Owners. If the members selected by Owners and Charterer do not select a third member of the Panel within such 10 business day period, then the third member of the Panel shall be selected by the President of the Society of Marine Arbitrators, Inc. New York. No broker is eligible to be selected as a member of the Panel unless it is listed in Appendix B of approved ship brokers to this charter.

After all the members of the Panel have been selected in accordance with the preceding paragraph, the Panel shall determine the fair market price of the vessel, taking into account that any sale would be made subject to this charter. The market price determined by the Panel (the "Price") shall be the price determined by the sole member of the Panel if there is only one member and shall be the average of the two closest prices determined by members of the Panel if there are three members. The sole member, or, the member of the Panel selected by the other two members shall notify in writing the Owners and Charterer of the Price (the "Price Notice"). Owners and Charterer shall each pay one-half of the fees and expenses of the members of the Panel in performing their services under this Clause 84. Such Price shall be considered the price of the vessel, if Owners elect to proceed with the sale of the vessel after receiving the Price Notice. Owners shall not be obligated to proceed with the sale of the vessel if it, in its sole discretion, deems the Price to be inadequate. If the parent of Owners seeks to sell the stock of the Owners, then the Panel, in addition to determining the Price of the vessel as aforesaid, shall determine the fair market price of the assets of the Owners

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(other than the vessel) and the fair market value of the liabilities of the Owners in accordance with the foregoing methodology. The sum of the Price of the vessel in the Price Notice and the price of the other assets of the Owners determined as aforesaid reduced by the value of the liabilities of Owners determined as aforesaid shall be considered the price for the stock (the "Stock Price") and the Stock Price shall be set forth in the Price Notice.

In the event that the Owners elect to proceed with the sale of the vessel upon its review of the Price Notice, Charterer shall have an irrevocable and non-transferable option to effect Transfer to it of the vessel or stock in the Owners at the Price or at the Stock Price, as the case may be, set forth in the Price Notice and on materially the same terms as set forth in the Sale Notice. Such option may be exercisable during the period (the "Purchase Option Period") commencing on receipt of the Price Notice and ending (a) if Tanker Management Ltd. is the manager at the time of the Price Notice, 30 days after Charterer's receipt of the Price Notice or (b) if Tanker Management Ltd. is not the manager at the time of the Price Notice, 30 days after the later of (i) the date (the "Inspection Date"), set forth in a notice from Owners to Charterer that the vessel and the records of the vessel may be inspected by Charterer, which notice shall be given after the Sale Notice and at least 5 business days prior to the Inspection Date and (ii) Charterer's receipt of the Price Notice. In order to exercise its option, the Charterer shall, within the Purchase Option Period, send an irrevocable written acceptance notice to the Owners (the "Purchase Notice"). The Charterer shall then be obligated to consummate the purchase of the vessel or stock at the Price or at the Stock Price, as the case may be, set forth in the Price Notice and on materially the same terms as set forth in the Sale Notice within thirty (30) days after the Purchase Notice. If Charterer does not exercise its option within the Purchase Option Period or, if such option is exercised, Charterer fails to consummate the purchase of the vessel or stock within the time period set forth above, then, in addition to any other remedies available, the Owners may during the period set forth in the next sentence (the "Sale Option Period") sign a legally binding agreement for the Transfer of the vessel or stock to a third party at a price not less than the Price or the Stock Price, as the case may be, set forth in the Price Notice, minus up to 2.5% of the Price of the vessel, and on materially the same terms as set forth in the Sale Notice. The Sale Option Period shall commence on the earlier of (i) the date Charterer notifies Owners that Charterer will not exercise its option and (ii) the expiration of the Purchase Option Period (such earlier date referred to as the "Start Date") and end on the later of 90 days after (i) the Start Date and (ii) the date after the Start Date when the vessel and the records of the vessel are first made available at a port for inspection at the request of potential third party purchasers of the vessel or stock. If an agreement for the Transfer of the vessel or stock is not signed during the Sale Option Period or the Transfer of the vessel or stock is not completed under such agreement, then Charterer's right of first offer as described in this Clause 84 shall begin again and a new Price determined in accordance with the provisions of this Clause 84. Any Transfer of the vessel or stock to a third party shall be subject to (x) Charterer's prior approval, which shall not be unreasonably withheld, and (y) Charterer's right to purchase at par any loan obtained by the third party purchaser of the vessel to finance such purchase if such purchaser defaults under the credit agreement for such loan or this charter provided the third party can obtain such right from its lenders on, in the sole good faith opinion of the Owners, commercially reasonable terms. This charter, including all options to extend it, shall continue in full force and effect notwithstanding any Transfer of the vessel or stock in the ownership company of the vessel.

If the Owners fail to comply with the terms of this Clause, Charterer may, in its absolute discretion, terminate this charter, whereupon Owners shall reimburse Charterer for any

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hire paid in advance and not earned, the cost of bunker fuel on board the vessel and for any amount for which the Owners are liable to Charterer under the terms of this charter. Charterer's rights of termination shall, whether or not it is exercised, be without prejudice to any other rights available to Charterer.

The managers shall be responsible for the day to day technical operations of the vessel however Owners always to be held responsible for the overall management of the vessel.

If Charterer is not satisfied with the performance of the manager, Charterer may request a meeting within 7 business days with Owners and manager to discuss the deficiencies in the management which deficiencies shall be presented in writing by Charterer. If after thirty days, the management deficiencies are evidently still unresolved in Charterer's determination (which deficiencies and determination will be delivered to Owners and

manager in writing), then the management company may be changed provided that the new management company shall be selected by the Owners subject to the consent of the Charterer, such consent not to be unreasonably withheld.

## 85) Ownership

Owners will not effect any mortgage, encumbrance or other lien on the vessel, other than liens that are not material in amount and that arise in the ordinary course of business or by operation of law, without the prior written consent of the Charterer, such consent not to be unreasonably withheld. In the case of the initial financing by Royal Bank of Scotland for the purchase of the vessel (the "Initial Financing"), the Charterer hereby consents. In the case of any refinancing of the vessel, Owners shall negotiate in good faith and use their best efforts to have the refinancing mortgagee agree on, in the sole good faith opinion of the Owners, commercially reasonable terms that are no less favorable to the Charterer than the terms contained in the Initial Financing in terms of the mortgagee's rights to enforce its mortgage in the event and so long as the Charterer continues to pay the charter hire under this charter. If the Owners, after negotiating in good faith and using their best efforts, are unable to obtain such provisions from the refinancing mortgagee on, in the sole good faith opinion of the Owners, commercially reasonable terms, Charterer or its affiliates may seek such provisions on behalf of Owners and Owners shall consider in good faith all refinancing proposals obtained by Charterer or its affiliates which have, in the sole good faith opinion of Owners, commercially reasonable terms. In addition, Owners shall use their best efforts to have the refinancing lenders agree on, in the sole good faith opinion of the Owners, commercially reasonable terms, that Charterer or its affiliates may purchase at par the loan made by such lenders and related mortgage and other security interests if Owners breach any provision of this charter, including this Clause 85, or if Owners or any of their affiliates default under the loan agreement for such loan.

## 86) Requirements of Special Trades

- A. Charterer may blend cargo on board. If original Bills of Lading are issued for one or more of the parcels which are blended, upon return of all such Original Bills of Lading and at Charterers' request, Owners will issue new Bills of Lading for the blended cargo. New Bills of Lading can only be issued for the blend as a whole. Owners are hereby indemnified against all claims for contamination or quality deterioration or off specification whatsoever due to cargo blending on board.
- B. Extra insurance on freight and/or cargo, if any, due to vessel's age shall be for Owners' account and Charterer shall have the right to deduct such extra

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insurance cost from hire due Owners. Charterer will provide supporting invoice for extra insurance cost deducted from charter hire.

- C. Whenever requested by Charterer, Owners shall arrange for war risk underwriters to advise Charterer via Owners about actual net 'additional premium' then in effect. If requested by Charterer, Owners shall arrange in advance for war risk underwriters to furnish such information to Charterer via Owners 48 hours before vessel enters 'additional premium' zone, weekend and local holidays are excluded, at Charterers expense.
- D. Any 'additional premiums' due from Charterer shall be documented by underwriters and Charterer shall pay only the net premium charged to Owners -- i.e. gross premium less rebate, if any.
- E. Charterer shall not be responsible for any time lost due to officers and/or crew refusing to proceed to an actual war zone, or for any time lost as a result of the vessel remaining in an "additional premium" zone due to action by vessel's officers and/or crew and/or breakdown and/or accident to vessel or her equipment not caused by fault of the Charterer, or as a result of an occurrence of a war risk.
- F. Pollution insurance. Owners warrant that they will have in place the maximum cover for pollution offered by members of the International Group of P&I Clubs (currently USD 1 billion) and that this cover from underwriters approved by Charterer (such approval not to be unreasonably withheld) will remain in place throughout the period of this charter. Owners shall provide Charterers within five business days after the fixture is concluded, written evidence from the vessel's P&I club or insurance broker of such pollution cover.

Any additional premiums or surcharges payable by Owners in relation to the vessel calling to United States of America ports to be for Charterers account.

- G. Vessel to be able to comply with the following Clause for occasional cargoes loading in Venezuela:

The vessel to arrive at the loadport fully cleaned for wax free stowage, including all waxy residues and sediments to be removed by hand lifting. Owners to allow Charterers representative to board the vessel at the last discharge port to supervise the cleaning operations en route to loadport.

Vessel shall arrive loadport with all cargo tanks, pumps and pipes suitably clean for Laguna crude, at Owners time and expense, and the Charterers inspectors satisfaction and delays, as a result of the vessel arriving at the loadport and not being clean to Charterers inspectors satisfaction, shall be considered off hire. The cargo is intended to be used in the production of lube oil and transformer oils, etc. and is especially sensitive to wax and salt.

Vessel to be capable of hot machine washing and flushing all cargo tanks, pumps and pipes (water used to be 80 degrees C. and not less than 65 degrees C. at any time) for at least four hours. All wax deposits to be lifted. All tank washings to be discharged and collected in slop tanks. Vessel to discharge slops from cargo tanks at minimum 65 degrees C. Vessel to arrive loadport fully

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cleaned for wax free stowage including all waxy residues and sediments to be removed by hand lifting. After the hot water wash, vessel to perform a quick cold lake water flush of all tanks and pipes and tank system to be well drained. No slops to be discharged ashore. Slops to be kept fully segregated from cargo at all times. Vessel to be clean to Charterer's inspector's satisfaction before loading.



Charterer's expeditor will board the vessel at last discharge port at Charterers expense to supervise the cleaning operation en route to the loadport. If the cleaning required is carried out to the expeditor's satisfaction then Charterers not to require vessel to be gas free on arrival loadport.

- H. Owners warrant that vessel is fully capable of carrying 'Orimulsion' and Owners/operators are fully aware of the requirements for carrying this type of cargo. Normally, crude oil washing nor inert gas system never to be utilized while Orimulsion is onboard.
  - I. It is understood that the vessel shall not be required to force ice but to follow ice breakers from time to time always subject to master's approval.
  - J. (Deleted)
  - K. Grades and comingling. Charterer shall be at liberty to ship three grades of cargo. Grades and quantities of petroleum products shall be defined by Charterer prior to each voyage. Segregated grades shall be kept within vessels natural segregations. At the option of the Charterer, loading of three or more grades of cargo in such a manner as to voluntarily mix the cargo to obtain a new grade shall be carried out by the Owners pursuant to Charterers requirements. Any such mixture or admixture shall be at Charterers risk and expense and shall be considered to be one grade under the present agreement. Any new bills of lading that are issued will only be for the blended cargo as a whole.
  - L. Vessel to have a working vapour recovery system onboard.
  - M. Owners warrant that it has a policy on drug and alcohol abuse ("Policy") applicable to the vessel which meets or exceeds the standards of the OCIMF guidelines for the control of drugs and alcohol onboard ship. Under the Policy, alcohol impairment shall be defined as a blood alcohol content of 40 mg/100 ml or greater; the appropriate seafarers to be tested shall be all the vessel's officers and the drug/alcohol testing and screening shall include unannounced testing in addition to routine medical examinations. An objective of the Policy should be that the frequency of the unannounced testing be adequate to act as an effective abuse deterrent, and that the officers be tested at least once a year though a combined program of unannounced testing and routine medical examinations. Owners further warrant that the Policy will remain in effect during the term of this charter providing that the terms are in conformity with the laws of the vessel's flag state and that the Owners shall exercise due diligence to ensure that the Policy is complied with. It is understood that an actual impairment, shall not in and of itself mean Owners has failed to exercise due diligence. Persons who test positive, refuse to test, or are unfit for duty (impaired because of drug or alcohol abuse) shall be removed from the vessel and shall not be reassigned to service on the vessel.
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- N. Charterers shall have the right to convert the vessel to an FSO or FPSO or another similar use provided that the vessel is re-converted to her original condition at the end of the charter at Charterers time and expense. Owners consent is required but should not be unreasonably withheld.
- O. If requested by Charterers, vessel shall make best efforts to cool the cargo temperature by spraying the deck with water and/or taking extra ballast in ballast tanks or any other method by which the Charterers suggest provided same is deemed safe by master.
- P. Vessel shall be capable of full hot fresh water wash, as well as hot sea water wash followed by fresh water rinse, with all fresh water to be procured by Charterers over and above what vessel is capable of producing with all time and expense for the cost of the water as well as extra bunkers, and time and expense for all related operations to be for Charterers account. Owners will make best efforts to produce fresh water for Charterer's purposes, however without guaranty.
- Q. Worldwide trading always within American Institute Trade Warranties limits and any subsequent amendments thereof as permitted by U.S. and/or Marshall Island authorities.

Charter may order the vessel to Alaska, outside of American IWL, provided Owners' consent thereto and that Charterers pay for any insurance premium required by the vessel's underwriters. Charterers to give adequate prior notice to Owners and Charterer shall provide and pay for response plan and OSRO coverage for the vessel while in Alaskan waters. All costs for any breach of BIWL as well as all costs for trading to Alaska, and to comply with Charterer's orders to be for Charterer's account including any insurance premium required by the vessel's underwriters.

Costs of complying with USWC trading, with port, local and OPA 90 rules and regulations to be for Charterers account in addition to filing spill response plans.

- R. Where the vessel is required to change over to and from low sulphur fuel, the fuel consumption and any delays due to flushing the fuel system is to be for Charterers account.
- S. Owners warrant that the vessel will perform ballast change in deep water in open sea prior to arrival Primorsk, whenever time and circumstances permit, and will ensure that ballast water content complies with Primorsk requirements so far as possible. However, if Primorsk lab analysis of ballast indicates the hydrocarbon contents exceed 0.05 ppm and source hydrocarbon is not from within the vessel and vessel is consequently ordered to discharge ballast outside port limits, then any unberthing and reberthing costs incurred as a consequence will be for Charterers account.

## 87) Agency

Owners can appoint their own agents or have the right to use and pay Charterer's agents for Owners' matters.

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## 88) Hull And Machinery Value

(Deleted)

**89) War Risk Premium**

Owners to be responsible only for the basic annual contributions payable to obtain war risk cover. Charterer shall be responsible for the full amount of any sums payable by way of additional premiums to maintain that full cover as a result of the vessel proceeding any areas designated as additional war risk premium areas.

**90) Histories**

Owners shall provide a work history to Charterer prior to any change of the master, chief engineer and chief officer serving onboard vessel. The history which shall show the extent of tanker experience in rank. Similar histories shall be furnished for any new master, chief engineer and chief officers prior to assignment to the vessel. After reviewing same, Charterers have the right to reasonably reject any of the above in which case Owners will nominate a substitute which shall be subject to Charterers approval as well.

**91) Personnel**

Conversational English language proficiency is required for the master and officers in charge of cargo or bunker oil handling.

**92) Reduction or Increase in Deadweight**

(Deleted)

**93) Confidentiality**

(Deleted)

**94) General Average**

- A. In addition to any other rights Charterer may have, and if requested by Charterer, Owners will release one or more cargoes to Charterer for transshipment from a port of refuge by and at the expense of Charterer in exchange for a nonseparation of interest agreement, general average bond, and a general average undertaking from cargo underwriters in the customary forms. Charterer's transshipment expenses, up to the general average expenses saved, are to be treated like the general average expenses saved, as if those expenses had actually been incurred and paid for by Charterer. If a subcharter is involved and freight is at risk, subcharterer shall be credited for the vessel's daily manning, bunkers, insurance costs as well as port expenses saved for any part of the voyage not required to be made by reason of transshipment. Bills of lading for such transshipped cargoes are deemed to be accomplished on completion of transfer to the transshipping vessel, and port of refuge where transfer is made shall be treated as a discharge port.
- B. Any amounts allowable in general average for wages, provisions and stores shall be credited to Charterer insofar as such amounts are in respect of a period when the vessel is on hire.

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**95)** (Deleted)

**96) Hydrogen Sulphide (H2S) Clause:**

Owners shall comply with the requirements in ISGOTT (as amended from time to time) concerning Hydrogen Sulphide and ensuring that the Hydrogen Sulphide level is always below the threshold limit value (TLV).

If on arrival at the loading terminal, the loading authorities, inspectors or other authorised and qualified personnel declare that the Hydrogen Sulphide levels exceed the TLV and request the vessel to reduce the said level to within the TLV, provided that the duration of the voyage between the last discharge port and such loading terminal permits such reduction, then the delay shall be considered off hire and any additional expenses incurred by Charterer to be for Owners account.

**97) Yugoslavia Clause**

(Deleted)

**98) BIMCO ISPS Clause for Time Charter Parties 2005**

- (A) (i) The Owners shall comply with the requirements of the International Code for the Security of Ships and of Port Facilities and the relevant amendments to Chapter XI of SOLAS (ISPS Code) relating to the vessel and "the company" (as defined by the ISPS Code). If trading to or from the United States or passing through United States waters, the Owners shall also comply with the requirements of the U.S. Maritime Transportation Security Act 2002 (MTSA) relating to the vessel and the "owner" (as defined by the MTSA).
- (ii) Upon request the Owners shall provide the Charterers with a copy of the relevant International Ship Security Certificate (or the interim international ship security certificate) and the full style contact details of the Company Security Officer (CSO).
- (iii) Loss, damages, expense or delay (excluding consequential loss, damages, expense or delay) caused by failure on the part of the Owners or "the company"/"owner" to comply with the requirements of the ISPS Code/MTSA or this Clause shall be for the Owners' account, except as otherwise provided in this charter party.

(B) (i) The Charterers shall provide the Owners and the master with their full style contact details and, upon request, any other information the Owners require to comply with the ISPS Code/MTSA. Where sub-letting is permitted under the terms of this charter party, the Charterers shall ensure that the contact details of all sub-charterers are likewise provided to the Owners and the master. Furthermore, the Charterers shall ensure that all sub-charter parties they enter into during the period of this charter party contain the following provision:

“The Charterers shall provide the Owners with their full style contact details and, where sub-letting is permitted under the terms of the charter party, shall ensure that the contact details of all sub-charterers are likewise provided to the Owners”.

(ii) Loss, damages, expense or delay (excluding consequential loss, damages, expense or delay) caused by failure on the part of the Charterers to comply with this Clause shall be for the Charterers’ account, except as otherwise provided in this charter party.

(C) Notwithstanding anything else contained in this charter party all delay, costs or expenses whatsoever arising out of or related to security regulations or measures required by the port facility or any relevant authority in accordance with the ISPS Code/MTSA including, but not limited to, security guards, launch services, vessel escorts, security fees or taxes and inspections, shall be for the Charterers’ account, unless such costs or expenses result solely from the negligence of the Owners, master or crew. All measures required by the Owners to comply with the ship security plan shall be for the Owners’ account.

(D) If either party makes any payment which is for the other party’s account according to this Clause, the other party shall indemnify the paying party.

99) **Period / Charter Hire**

Owner and Charterer agree that the initial charter period shall be the period commencing on October 17, 2005 and ending on July 16, 2011 (the “Initial Expiration Date”). Until the Initial Expiration Date, the Charterer shall pay to the Owner, charter hire (“Basic Hire”) monthly in advance by the due date set forth in Clause 9. Each payment of Basic Hire (“Basic Hire Amount”) shall equal the basic hire rate set forth in the initial charter rate table below that corresponds to the time period for which payment is being made multiplied by the actual number of days in the month for which the Basic Hire Amount is being calculated.

**INITIAL CHARTER RATE TABLE**

CHARTER YEAR	COMMENCING (0001 GMT)	ENDING (2400 GMT)	BASIC HIRE RATE
1	October 17, 2005	October 16, 2006	USD 24,500 per day
2	October 17, 2006	October 16, 2007	USD 24,700 per day
3	October 17, 2007	October 16, 2008	USD 24,800 per day
4	October 17, 2008	October 16, 2009	USD 24,900 per day
5	October 17, 2009	October 16, 2010	USD 25,100 per day
To 5 ¾	October 17, 2010	July 16, 2011	USD 25,400 per day

The Charterer may, at its option, extend the charter on one or more occasions (provided that the charter is still in effect at the time of extension) by giving written notice (the “Extension Notice”) to the Owner at least 90 days prior to the expiration date of the charter then in effect. The Extension Notice shall specify the new expiration date of this charter, which shall be the first, second or third anniversary of the existing expiration date; provided, however, that in no event shall the expiration date be subsequent to July 16, 2019. The Extension Notice shall also specify the Basic Hire Amount for the selected extension period, which shall be calculated in the same manner as the Basic Hire

Amount for the initial charter period, and shall, at the option of the Charterer, be equal to either:

- A. the one-, two- or three-year time charter rate for VLCCs, which rate corresponds to the selected extension period, established by the Association of Shipbrokers Agents and Agents Tanker Broker Panel (the “Broker Panel”), plus five percent, or
- B. the basic hire rate for the corresponding time period(s) set forth in the option period rate table below.

Upon receipt of the Extension Notice by the Owner, the charter shall be extended to the new expiration date on the same terms and conditions (other than as expressly set forth herein). If, at the time of the exercise of any extension period, the Broker Panel is no longer quoting one-, two- or three-year time charter rates, then a mutually acceptable replacement Broker Panel shall be selected by the Owner and Charterer. The following broker panels shall be deemed mutually acceptable by the Owner and Charterer:

London Tanker Broker Panel

**OPTION PERIOD RATE TABLE**

OPTION YEAR	COMMENCING (0001 GMT)	ENDING (2400 GMT)	BASIC HIRE RATE
1	July 17, 2011	October 16, 2011	USD 25,400 per day
	October 17, 2011	July 16, 2012	USD 25,700 per day
2	July 17, 2012	October 16, 2012	USD 25,700 per day
	October 17, 2012	July 16, 2013	USD 26,000 per day
3	July 17, 2013	October 16, 2013	USD 26,000 per day
	October 17, 2013	July 16, 2014	USD 26,200 per day
4	July 17, 2014	October 16, 2014	USD 26,200 per day

	October 17, 2014	July 16, 2015	USD 26,400 per day
5	July 17, 2015	October 16, 2015	USD 26,400 per day
	October 17, 2015	July 16, 2016	USD 26,600 per day
6	July 17, 2016	October 16, 2016	USD 26,600 per day
	October 17, 2016	July 16, 2017	USD 26,800 per day
7	July 17, 2017	October 16, 2017	USD 26,800 per day
	October 17, 2017	July 16, 2018	USD 27,000 per day
8	July 17, 2018	October 16, 2018	USD 27,000 per day
	October 17, 2018	July 16, 2019	USD 27,200 per day

## ADDITIONAL HIRE

Charterer agrees that Additional Hire Payment Amount (as defined in the Charter Framework Agreement, dated October 6, 2005, by and among the Owners, the Charterer and the other parties thereto), if any, shall be calculated and paid in accordance with such Charter Framework Agreement.

### 100) AMS Clause

U.S. Customs Clearance – if cargo is to be discharged in a U.S. port or territory subject to control by the U.S. Customs and Border Protection (CBP), Charterers warrant that all necessary details required by CBP for clearance of the cargo, inclusive of but not limited to, shipper consignee and notify party full name, address and phone number or telex number, will be included on each bill of lading or alternatively supplied to Owners in writing a minimum of 24 hours prior to the vessel's arrival at the first designated U.S. port of discharge. For voyages less than 24 hours in duration this information must be included on the bill of lading or advised to Owners prior to the vessel departure from the loading place or port. Any delays, fines or penalties incurred due to Charterers' failure to comply with the above will be for Charterers' account.

Effective March 4, 2004, all imported cargoes into the U.S. must be electronically reported via the Bureau of U.S. Customs and Border Protection AMS system. This requires the Owner to have a Type 3 International Carriers Bond as well as a Standard Carriers Alpha Code (SCAC). It is the responsibility of the Owner to ensure that his reporting requirement occurs 24 hours prior to the vessel's arrival at the first U.S. port. Should the international voyage be less than 24 hours in duration, the Owner shall electronically file the manifest via the automated manifest system at the time of the loading in the foreign port. Owners and/or vessel master or their designated agent will provide a copy of the electronically filed manifest to the Charterers or their designated agent at the time of filing with CBP.

Owners warrant that it is aware of the requirements of the U.S. Customs and Border Protection regulation issued on December 5, 2003 under Federal Register Part II Department of Homeland Security 19 CFP Parts 4, 103, et al. and will comply fully with these requirements for entering U.S. ports. Any delays, fines or penalties incurred due to Owners failure to comply with the above will be for Owners account.

The cost of filing to be for Charterers account. Charterers to be responsible for any delay and/or fines related to late filing by their agents.

### 101) House Flag/Charterers Markings

At any time during the period of this charter, Charterers shall have the privilege of flying their house flag, to paint the funnel and bow crest in their house colors and to paint their markings on ships sides and put/change the name of the vessel. Upon vessels redelivery, Owners shall be obliged to rename the vessel and remove Charterers markings on ships sides and repaint ships name and funnel. The cost of such paintings and/or repaintings and/or name change to be for Charterers account unless otherwise agreed with Owners. Upon Charterers request, crew to perform the work and payment to be settled directly between Charterers and master.

In the event of a change in the technical management of the vessel, Charterers shall have the option to change the markings on the vessel and/or the name of the vessel at Owners time and expense.

### 102) Green Award Clause

Rebates in port dues, etc. obtained via the green award certificate to be refunded to Charterers, provided that Charterers have paid for the green award audit fees in full, or prorated for the period covered under this charter party.

### 103) Remeasure Clause

Charterers have the option to re-measure the vessel for the purpose of satisfying certain port/terminal regulations. All cost and time to be for Charterers' account. The vessel is to be redelivered non-measured at Owners' option if Charterers exercised their option to re-measure in the first place.

### 104) Exxon Mooring

(Deleted)

### 105) Storage Clause

Charterers shall have the option of requesting the vessel to remain idle, at a safe place, at anchor/or drifting.

### 106) Breach Of Warranty Clause

(Deleted)

**107) Tracking System Clause**

It is agreed that Charterers may from the time of fixing until completion of the charter period employ an INMARSAT tracking system on the vessel. Such tracking system works on data provided from the vessel's onboard INMARSAT C system and can be installed simply, either remotely, or on some older systems with minimal set up input from the vessel. All registration/communication costs relating to this tracking system will be for Charterers' account. Charterers will advise when the system is operative and confirm termination on completion of charter.

**108) Q88.Com Clause**

Owners to provide, free of charge, a copy of the OCIMF VPQ in the required electronic form so that the vessel can be included in Charterers' subscription to the website "q88.com". Owners are furthermore required to update the system with vessel approval status, certification and any other information as required on a regular basis.

**109) Changes/Improvements Necessary for the Operation of the Vessel or Imposed by Legislation, Class or Oil Company Vetting Requirements**

- A. In the event any improvement, structural change or the installation of new equipment is imposed by compulsory legislation and/or Class rules and/or oil company vetting requirements, Charterers shall have the right to require that the

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Owners effect such improvement, changes or installations. The Charterers shall fully reimburse the Owners for the total cost of all such improvements, structural changes or installations up to USD 50,000 in any calendar year. To the extent that the total cost of all such improvements, structural changes or installations exceed USD 50,000 in any calendar year, the Charterers shall reimburse the Owners in an amount equal to 50 percent of the product of (i) the cost of such improvements, structural changes or installations over USD 50,000 and (ii) a fraction, the numerator of which shall be the number of whole months remaining in the charter period at the time of completion of such improvement, structural change or installation (the "Remaining Charter Period") and the denominator of which shall be the number of whole months remaining in the depreciation period of the vessel (calculated as 25 years from the year the vessel was built) at the time of completion of such improvement, structural change or installation (such product, the "Reimbursement Payment") and the balance of the cost of such improvement, structural change or installation over USD 50,000 shall be paid by the Owners. In the event the charter period is extended for any reason, included but not limited to any extension under Clause 99, the Charterers shall pay additional reimbursement to the Owners in an amount equal to the difference between the reimbursement calculated under the preceding sentence (plus any additional reimbursement calculated for any other extension period if applicable) and the amount that would have been due from the Charterers had the Remaining Charter Period used to calculate the Reimbursement Payment including the number of whole months in the extension period as the numerator of the relevant fraction.

- B. In the event any improvement, structural change or the installation of new equipment, not falling under (A) above, is deemed necessary by the Charterers for the continued operation of the vessel, Charterers shall have the right at their own cost to effect such improvement, structural changes or installation, with the Owners' consent which shall not unreasonably be withheld.
- C. The Owners shall be notified in writing in advance by the Charterers about any changes and/or improvements as afore mentioned.
- D. Any change, improvement or installation made pursuant to this Clause shall be the property of Owners.

**110) Third Party Clause**

Except as may be otherwise agreed in writing by the parties with any third party, a person who is not party to this agreement/charter may not enforce, or otherwise have the benefit of, any provision of this agreement/charter under the contract.

**111) Optional Termination**

In the event the vessel is not delivered under this charter by [IPO closing], 2005 both the Owners and the Charterers shall have the right to terminate this charter and neither the Owners nor the Charterers shall be entitled to damages or to any other compensation or reimbursement of expenses.

**112) Damages Clause**

In subchartering to its customers, Charterer shall endeavor to avoid or limit any liability to

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such customers for consequential damages. Owners shall not be liable for any consequential damages or losses unless the Charterer's sub-charter provides for such consequential damages or losses to such customers.

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**APPENDIX A**

**QUESTIONNAIRE 88 FOR M/T OVERSEAS SOPHIE**

**INTERTANKO'S STANDARD TANKER VOYAGE CHARTERING QUESTIONNAIRE 1988 (Version 2)**

*(Metric system to be applied, HVPQ reference specified where applicable)*

**GENERAL INFORMATION**

Date Updated:	Jun 10, 2005	
Vessel's name:	Overseas Sophie	1.2
IMO number:	9248837	1.3
Vessel's previous name(s):	Not Applicable	1.4-1.7
Flag:	Marshall Island	1.8
Port of Registry:		1.9
Call sign:	V7EM8	1.11
Inmarsat phone number:	353846468	1.12
Fax number:	353846469	1.13
Email address:	ovsophie_thirdyparty@osgship.com	1.16
Type of vessel:	Oil Tanker	1.17
Type of hull:	Double Hull	1.19

**OWNERSHIP & OPERATION**

Registered owner - Full Style:	NINTH AFRAMAX TANKER CORP. C/O THE TRUST COMPANY OF THE MARSHALL ISLANDS, Inc. c/o OSG UK	1.20
Technical operator - Full Style:	OSG SHIP MANAGEMENT (UK) LTD. HORSLEY HOUSE, REGENT CENTRE 44-191-2850621 OSG@OSG.COM	1.22
Commercial operator - Full Style:	OSG Ship Management, Inc 511 Fifth Avenue New York, NY 10017 212-578-1667 operations@osg.com	1.25
Disponent owner / Bareboat charterer - Full Style:	NA NA NA NA	
Number of vessels in disponent owner's fleet:		

**BUILDER**

Where Built :	HYUNDAI SAMHO HEAVY INDUSTRIES CO. LTD.	1.26
Date Delivered:	Oct 17, 2003	1.31

**CLASSIFICATION**

Vessel's classification society:	American Bureau of Shipping	1.34
Class notation:	+A1 (E), Oil Carrier, +AMS, +ACCU	1.35
If Classification society changed, name of previous society?	N/A	1.36
If Classification society changed, date of change?		1.37
Last dry-dock:	Not Applicable	1.38
Last special survey:	Oct 01, 2003	1.41
Latest CAP Rating (if applicable)	0	1.44
Last annual survey:	Dec 18, 2004	1.45
Does the vessel have a statement of compliance issued under the provisions of the Condition Assessment Scheme (CAS)?	N/A	

**DIMENSIONS**

LOA (Length Over All):	250.17 Metres	1.49
Extreme breadth:	44 Metres	1.51
KTM (Keel to Masthead):	48.495 Metres	1.54
BCM (Bow to Center Manifold):	123.52 Metres	1.57.1
Lightship parallel body length:	62.4 Metres	1.57.3
Normal ballast parallel body length:	111 Metres	1.57.6
Parallel body length at Summer DWT:	128 Metres	1.57.9

**TONNAGES**

Net Tonnage:	33924 Tonnes	1.59
Gross Tonnage:	62371 Tonnes	1.60
Suez Net Tonnage:	63134.9 Tonnes	1.61
Panama Net Tonnage:	Tonnes	1.62

**LOADLINE INFORMATION**

	Freeboard	Draft	Deadweight	Displacement	
Summer:	6417 Metres	14.618 Metres	112044.6 Tonnes	131060.4 Tonnes	1.63
Winter:	6721 Metres	14314 Metres	109053.4 Tonnes	128069.2 Tonnes	1.64
Tropical:	6113 Metres	14922 Metres	115036 Tonnes	134051.8 Tonnes	1.65
Lightship:	650 Metres	2.375 Metres	4100 Tonnes	19015.8 Tonnes	1.66
Normal Ballast Condition:	6720 Metres	7.55 Metres	8380 Tonnes	Tonnes	1.67

TPC on summer draft:	98.47 Tonnes	1.70
Does vessel have Multiple SDWT?	No	1.72
If yes what is the maximum assigned Deadweight?	Tonnes	1.73
Air draft (sea level to top of mast/highest point) in normal SBT condition?	40.945 Metres	1.74

## RECENT OPERATIONAL HISTORY

Has vessel been involved in any collision, grounding or pollution incident the past 12 months, full description:	Pollution: No Grounding: No Collision: No	1.77-1.79
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## CERTIFICATION

Owners warrant following certificates to be valid throughout the Charter Party period:

SOLAS Safety Equipment:	Oct 15, 2008	2.2
SOLAS Safety Radio:	Oct 15, 2008	2.3
SOLAS Safety Construction:	Oct 15, 2005	2.4
Load line:	Oct 16, 2005	2.5
IOPPC:	Oct 15, 2005	2.6
Safety Management (ISM):	Apr 10, 2009	2.8
USCG COC:	Dec 16, 2005	2.11
CLC:	Dec 16, 2005	2.13
US COFR:	Oct 16, 2005	2.15
Certificate of Fitness (Gas/Chemicals):	Gas: Chem:	2.16 & 2.17
Certificate of Class:	Dec 16, 2006	
ISPS ISSC:	Apr 10, 2009	

## DOCUMENTATION

Does the vessel have the following documents on board?

International Safety Guide for Oil Tankers & Terminals (ISGOTT):	Yes	2.28
OCIMF/ICS Ship to Ship Transfer Guide (Petroleum):	Yes	2.31
Is the vessel entered with ITOPF?	Yes	

## CREW MANAGEMENT

Nationality of Master	SPAIN	
Nationality of Officers:	Filipino/ Spanish	3.1
Nationality of Crew:	FILIPINO	3.2
If Officers/Crew employed by a Manning Agency - Full Style:	Officers: FRATELLI COSULICH SPA Crew: CF SHARP CREW MANAGEMENT, INC.	3.1 & 3.2
What is the common working language onboard?	ENGLISH	3.1
Do key officers understand English?	Yes	
In case of Flag Of Convenience (FOC), is the ITF Special Agreement on board?	N/A	

## STRUCTURAL CONDITION

Are cargo tanks coated?	Yes	7.1
If Yes, specify type of coating:	TAR EPOXY	7.1.1
If cargo tanks are coated, specify to what extent:	Bottom Only/DECK HEAD	7.1.3
Are slop tanks coated?	Yes	
If slop tanks are coated, specify to what extent:	Whole Tank	

## CARGO & BALLAST SYSTEMS

If double hull, is vessel fitted with centreline bulkhead in all cargo tanks?	No	8.2
Groups / Tank Capacities	1: Cu. Metres - 42110 , 2: Cu. Metres -43225 3: Cu. Metres -42232 4: Cu. Metres - 5: Cu. Metres - 6: Cu. Metres - 7: Cu. Metres - 8: Cu. Metres - 9: Cu. Metres -	8.3
Total cubic capacity 98% ex slop tank:	124725 Cu. Metres	8.4 & 8.6
Slop tank(s) capacity 98%:	2841.8 Cu. Metres	8.5 & 8.7
SBT or CBT?	SBT	
If SBT, what percentage of SDWT can vessel maintain with SBT only?	39%	8.14.2
If SBT, does vessel meet the requirements of MARPOL Reg 13(2)?	Yes	8.14.3
Number of natural segregations with double valve:	3	8.15

## CARGO PUMPS

Number / Capacity / Type:	3 x 3000 Cu. Metres/Hour (Centrifugal)	8.18-8.25
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## GAUGING AND SAMPLING

Can tank innage/ullage be read from the CCR?	Yes	8.48
Can vessel operate under closed conditions in accordance with ISGOTT 7.6.3?	Yes	8.51

Type of tank gauging system (radar / floating / other)	Radar	8.51.1
Are high level alarms fitted and operational in cargo tanks?	Yes	8.54

### VAPOUR EMISSION CONTROL AND VENTING

Is a vapour return system fitted?	Yes	8.65
State what type of venting system is fitted:	HIGH VELOCITY VENTS	8.67
Max loading rate per midships connection for homogenous cargo?	Cu. Metres/Hour	8.79

### CARGO MANIFOLDS

Does vessel comply with the latest edition of the OCIMF 'Recommendations for Oil Tanker Manifolds and Associated Equipment'?	Yes	8.80
What is the number of cargo connections per side?	3	8.83
What is the size of cargo connections?	16 Millimetres	8.84
What is the material of the manifold?	STEEL	8.86
Distance between cargo manifold centres:	2500 Millimetres	8.93
Distance ships rail to manifold:	4600 Millimetres	8.95
Distance main deck to centre of manifold:	2100 Millimetres	8.97
Height of manifold connections above the waterline at loaded (Summer Deadweight) condition?	8.48 Metres	8.101
Height of manifold connections above the waterline in normal ballast?	15.55 Metres	8.102
Is vessel fitted with a stern manifold?	No	8.104
Number / size reducers:	6 x 500/400 Millimetres 6 x 500/300 Millimetres 6 x 500/250 Millimetres 1 x 300/200 Millimetres 1 x 250/200 Millimetres	8.106-8.110

### CARGO HEATING

Type of cargo heating system?	Coils	8.120
Material of heating system?	Mild Steel	8.128
Max load temp:	160.0 °C / 320.0 °F	
Max temp maintain:	145.0 °C / 293.0 °F	

### IGS & COW

Is an Inert Gas System (IGS) fitted?	Yes	9.1
Is IGS supplied by flue gas, inert gas (IG) generator and/or nitrogen?	Flue Gas	9.3
Is a Crude Oil Washing (COW) installation fitted?	Yes	9.17

### MOORING ARRANGEMENTS

Number / length / diameter of wires:	Forecastle: 4 / 220 / 35 Fwd main deck: 4 / 220 / 35 Aft main deck: 2 / 220 / 35 Poop: 6 / 220 / 35	10.2-5
Breaking strength of wires:	Forecastle: 79.7 Fwd main deck: 79.7 Aft main deck: 79.7 Poop: 79.7	10.2-5

Number / length / diameter of ropes:	Other Lines Forecastle: 2 / 220 / 68 Poop: 2 / 220 / 68	10.11-18
Breaking strength of ropes:	None	10.11-18
Number and brake holding power of winches:	Forecastle: 2 / 63.8 Fwd main deck: 2 / 63.8 Aft main deck: 1 / 63.8 Poop: 3 / 63.8	10.22-10.25

How many closed chocks and/or fairleads of enclosed type are fitted on:

Focsle:

Main deck fwd:

Main deck aft:

Poop:

### SINGLE POINT MOORING (SPM) EQUIPMENT

Fairlead size:	600 X 450	10.48
Does vessel comply with the latest edition of OCIMF 'Recommendations for Equipment Employed in the Mooring of Vessels at Single Point Moorings (SPM)'?	Yes	10.60
Is vessel fitted with chain stopper(s)?	Yes	10.61
Number:	2	10.61.1
Type:	TONGUE TYPE	10.61.2



SWL:	200 Tonnes	<b>10.61.3</b>
Max diameter chain size:	760 Millimetres	<b>10.62</b>

#### LIFTING EQUIPMENT

Derrick(s) - Number / SWL:	0 / 0 Tonnes	<b>10.75</b>
Crane(s) - Number / SWL:	1 / 15 Tonnes	<b>10.76</b>

#### ENGINE ROOM

What type of fuel is used for main propulsion?	380 CST	<b>12.5</b>
What type of fuel is used in the generating plant?	IFO 380	<b>12.14</b>

#### MISCELLANEOUS

P & I Club name:	GARD
Last three cargoes (Last / 2 <sup>nd</sup> Last / 3 <sup>rd</sup> Last):	Contact owner for details.
Last three charterers (Last / 2 <sup>nd</sup> Last / 3 <sup>rd</sup> Last):	Contact owner for details.
Last three voyages (Last / 2 <sup>nd</sup> Last / 3 <sup>rd</sup> Last):	Contact owner for details.
Date of last SIRE Inspection:	
Date of last CDI Inspection:	
Current Oil Major Company Acceptances (TBOOK):	DREYFUS / STATOIL / SHELL / BP / EXXONMOBIL
Date and place of last Port State Control:	Jan 06, 2005 / BELLE CHASE
Any outstanding deficiencies as reported by any Port State Control?	No

If yes, provide details:

#### FOR USA CALLS ONLY

Qualified individual (QI) - Full Style:	STEVE MCCALL 511 FIFTH AVE., NEW YORK, NY, 10017 212-578-1892
Oil Spill Response Organization (OSRO) -Full Style:	MSRC-  1-800-633-6772
Has owner, manager, or operator signed the Sea Carrier Initiative agreement with US customs concerning drug smuggling?	Yes

Revised: July 2004 (INTERTANKO.com / Q88.com)

#### APPENDIX B

#### APPROVED SHIP BROKERS

P.F. Bassoe A/S (Norway)  
Platou (Norway)  
Fearnleys (Norway)  
H. Clarkson (U.K.)  
E.A. Gibson (U.K.)  
Simpson Spence & Young Ltd.  
Jacq. Pierot Jr. & Sons, Inc. (USA)  
Compass Maritime Services LLC  
Galbraith's Limited

**Code word for this Charter Party**  
**“SHELLTIME 4”**

Issued December 1984 amended December 2003

**Time Charter Party**  
**New York**  
**October 6, 2005**

IT IS THIS DAY AGREED between REBECCA TANKER CORPORATION of MAJURO, MARSHALL ISLANDS (hereinafter referred to as “Owners”), being owners of the good motor vessel called “REBECCA” (hereinafter referred to as “the vessel”) described as per Clause 1 hereof and DHT REBECCA AFRAMAX CORP. of MAJURO, MARSHALL ISLANDS (hereinafter referred to as “Charterers”):

**Description and Condition of Vessel**

1. At the date of delivery of the vessel under this charter and throughout the charter period:
  - (a) she shall be classed by a Classification Society which is a member of the International Association of Classification Societies;
  - (b) she shall be in every way fit to carry crude petroleum and/or its dirty products; such as Fuel Oil, Light Cycle Oil, Orimulsion, LSWR, Carbon Black Feedstock, Decant Oil and VGO in accordance with vessel’s class certificates, coating manufacturers resistance list and in accordance with the vessels stability trim and stress requirements.
  - (c) she shall be tight, staunch, strong, in good order and condition, and in every way fit for the service, with her machinery, boilers, hull and other equipment (including but not limited to hull stress calculator, radar, computers and computer systems) in a good and efficient state;
  - (d) her tanks, valves and pipelines shall be oil-tight;
  - (e) she shall be in every way fitted for burning IFO and MDO (if applicable), in accordance with the grades specified in Clause 29 hereof;
  - (f) she shall comply with the regulations in force so as to enable her to pass through the Suez Canal by day and night without delay;
  - (g) she shall have on board all certificates, documents and equipment required from time to time by any applicable law to enable her to perform the charter service without delay;
  - (h) she shall comply with the description in the Questionnaire 88, appended hereto provided however that if there is any conflict between the provisions of this questionnaire and any other provision, including this Clause 1, of this charter such other provisions shall govern;
  - (i) her flag, registry, and classification society shall not be changed;
  - (j) Owners will operate:
    - (i) a safety management system certified to comply with the International Safety Management Code (“ISM Code”) for the Safe Operation of Ships and for Pollution Prevention;
    - (ii) a documented safe working procedures system (including procedures for the identification and mitigation of risks);
    - (iii) a documented environmental management system;

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  - (iv) documented accident/incident reporting system compliant with flag state requirements;
  - (k) Owners shall maintain Health Safety Environmental (“HSE”) records sufficient to demonstrate compliance with the requirements of their HSE system and of this charter. Charterers reserve the right to confirm compliance with HSE requirements by audit of Owners.

**Shipboard Personnel and their Duties**

2. (a) At the date of delivery of the vessel under this charter and throughout the charter period:
  - (i) she shall have a full and efficient complement of master, officers and crew for a vessel of her tonnage, who shall in any event be not less than the number required by the laws of the flag state and who shall be trained to operate the vessel and her equipment competently and safely;
  - (ii) all shipboard personnel shall hold valid certificates of competence in accordance with the requirements of the law of the flag state;
  - (iii) all shipboard personnel shall be trained in accordance with the relevant provisions of the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1995 or any additions, modifications or subsequent versions thereof;
  - (iv) (See Clause 91).
  - (v) the terms of employment of the vessel’s staff and crew will always remain acceptable to The International Transport Worker’s Federation and the vessel will at all times carry a Blue Card; (See Clause 50e).

- (vi) the nationality of the vessel's officers will not change without Charterers' prior agreement.
- (b) Owners guarantee that throughout the charter service the master shall with the vessel's officers and crew, unless otherwise ordered by Charterers;
  - (i) prosecute all voyages with the utmost despatch;
  - (ii) render all customary assistance; and
  - (iii) load and discharge cargo as rapidly as possible when required by Charterers or their agents to do so, by night or by day, but always in accordance with the laws of the place of loading or discharging (as the case may be) and in each case in accordance with any applicable laws of the flag state.

### **Duty to Maintain**

- 3. (a) Throughout the charter service Owners shall, whenever the passage of time, wear and tear or any event (whether or not coming within Clause 27 hereof) requires steps to be taken to maintain or restore the conditions stipulated in Clauses 1 and 2(a), exercise due diligence so to maintain or restore the vessel.
- (b) If at any time whilst the vessel is on hire under this charter the vessel fails to comply with the requirements of Clauses 1, 2(a) or 10 then hire shall be reduced to the extent necessary to indemnify Charterers for such failure. If and to the extent that such failure affects the time taken by the vessel to perform any services under this charter, hire shall be reduced by an amount equal to the value, calculated at the rate of hire, of the time so lost.

Any reduction of hire under this sub-Clause (b) shall be without prejudice to any other remedy available to Charterers, but where such reduction of hire is in respect of time lost, such time shall be excluded from any calculation under Clause 24.

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- (c) If Owners are in breach of their obligations under Clause 3(a), Charterers may so notify Owners in writing and if, after the expiry of 30 days following the receipt by Owners of any such notice, Owners have failed to demonstrate to Charterers' reasonable satisfaction the exercise of due diligence as required in Clause 3(a), the vessel shall be off-hire, and no further hire payments shall be due, until Owners have so demonstrated that they are exercising such due diligence.
  - (d) Owners shall advise Charterers immediately, in writing, should the vessel fail an inspection by, but not limited to, a governmental and/or port state authority, and/or terminal and/or major charterer of similar tonnage. Owners shall simultaneously advise Charterers of their proposed course of action to remedy the defects which have caused the failure of such inspection (see clause 57).
  - (e) If, in Charterers reasonably held view:
    - (i) failure of an inspection, or,
    - (ii) any finding of an inspection,

referred to in Clause 3(d), prevents normal commercial operations then Charterers have the option to place the vessel off-hire from the date and time that the vessel fails such inspection, or becomes commercially inoperable, until the date and time that the vessel passes a re-inspection by the same organisation, or becomes commercially operable, which shall be in a position no less favourable to Charterers than at which she went off-hire.

- (f) Furthermore, at any time while the vessel is off-hire under this Clause 3 (with the exception of Clause 3(e)(ii)), Charterers have the option to terminate this charter by giving notice in writing with effect from the date on which such notice of termination is received by Owners or from any Later date stated in such notice. This sub-Clause (f) is without prejudice to any rights of Charterers or obligations of Owners under this charter or otherwise (including without limitation Charterers' rights under Clause 21 hereof).

### **Period, Trading Limits and Safe Places**

- 4. (a) Owners agree to let and Charterers agree to hire the vessel for a period of (See clause 93). The last firm period shall having a tolerance of plus or minus 30 days in Charterers' option commencing from the time and date of delivery of the vessel under the Memorandum of Agreement (the "MOA") dated , 2005, for the purpose of carrying all lawful merchandise (subject always to Clause 28) including in particular:

Crude petroleum and/or its dirty products; such as Fuel Oil, Light Cycle Oil, Orimulsion, LSWR, Carbon Black Feedstock, Decant Oil and VGO in any part of the world, as Charterers shall direct, subject to the limits of the current British Institute Warranties and any subsequent amendments thereof excluding countries under U.N. and/or U.S. sanctions/embargoes. The vessel may trade to war zones, with Owners consent which not to be unreasonably withheld, in which case, Charterers to pay for the additional premium. Notwithstanding the foregoing, but subject to Clause 35, Charterers may order the vessel to ice-bound waters or to any part of the world outside such limits provided that Owner's consent thereto (such consent not to be unreasonably withheld) and that Charterers pay for any insurance premium required by the vessel's underwriters as a consequence of such order.
- (b) Any time during which the vessel is off-hire under this charter may be added to the last firm charter period in Charterers' option up to the total amount of time spent off-hire. In such cases the rate of hire will be that prevailing at the time the vessel would, but for the provisions of this Clause, have been redelivered.
- (c) Charterers shall use due diligence to ensure that the vessel is only employed between and at safe places (which expression when used in this charter shall include ports, berths, wharves, docks, anchorages, submarine lines, alongside vessels or lighters, and other locations including locations at sea) where she can safely lie always afloat. Notwithstanding anything contained in this or any other clause of this charter,

Charterers do not warrant the safety of any place to which they order the vessel and shall be under no liability in respect thereof except for loss or damage caused by their failure to exercise due diligence as aforesaid. Subject as above, the vessel shall be loaded and discharged at any places as Charterers may direct, provided that Charterers shall exercise due diligence to ensure that any ship-to-ship transfer operations shall conform to standards not less than those set out in the latest published edition of the ICS/OCIMF Ship-to-Ship Transfer Guide.

- (d) The vessel shall be delivered by Owners at a safe port or at sea in Charterer's option and redelivered to Owners at one safe port or at sea, worldwide at Charterer's option.
- (e) The vessel will deliver with last cargo of crude petroleum and/or its dirty products, such as Fuel Oil, Light Cycle Oil, Orimulsion, LSWR, Carbon Black Feedstock, Decant Oil and VGO. and will redeliver with last cargo of crude petroleum and/or its dirty products; such as Fuel Oil, Light Cycle Oil, Orimulsion, LSWR, Carbon Black Feedstock, Decant Oil and VGO
- (f) Charterers are required to give Owners 30 days prior approximate notice of redelivery and 5/3/2/1 day(s) definite notice of redelivery and place.

#### **Laydays/Canceling**

- 5. The delivery of the vessel under this charter shall be deemed to have occurred and this Charter shall be effective as of the date of the delivery of the vessel from the Sellers to the Buyers (Owners) under the terms of the MOA between Third Aframax Tanker Corporation and Rebecca Tanker Corporation dated September 20, 2005.

The vessel may be on a voyage or time charter at the time of delivery. Charterers accept this Charter subject to such charters (which become sub-charters to this time charter) upon delivery. Furthermore, notwithstanding anything to the contrary contained in this charter, including but not limited to Clause 1 hereof, the Charterers accept the vessel in the condition it is in at the time of delivery, including the vetting status, and agrees that at such time the vessel satisfies the standard set forth in Clause 1.

#### **Owners to Provide**

- 6. Owners undertake to provide and to pay for all provisions, wages (including but not limited to all overtime payments), and shipping and discharging fees and all other expenses of the master, officers and crew; also, except as provided in Clauses 4 and 34 hereof, for all insurance on the vessel, for all Deck, cabin and engine-room stores, and for water (limited to crew only); for all drydocking, overhaul, maintenance and repairs to the vessel. Owners' obligations under this Clause 6 extend to all liabilities for customs or import duties arising at any time during the performance of this charter in relation to the personal effects of the master, officers and crew, and in relation to the stores, provisions and other matters aforesaid which Owners are to provide and pay for and Owners shall refund to Charterers any sums Charterers or their agents may have paid or been compelled to pay in respect of any such liability. Any amounts allowable in general average for wages and provisions and stores shall be credited to Charterers insofar as such amounts are in respect of a Period when the vessel is on-hire.

#### **Charterers to Provide**

- 7. (a) Charterers shall provide and pay for all fuel (except for fuel used for domestic services), towage and pilotage and shall pay agency fees, port charges, commissions, expenses of loading and unloading cargoes, canal dues, and tax/dues on cargo/freight and all charges other than those payable by Owners in accordance with Clause 6 hereof, provided that all charges for the said items shall be for Owners' account when such items are consumed, employed or incurred for Owners' purposes or while the vessel is off-hire (unless such items reasonably relate to any service given or distance made good and taken into account under Clause 21 or 22); and provided further that any fuel used in connection with a general average sacrifice or expenditure shall be paid for by Owners. OPA charges to be paid by Charterers, COFR to be arranged and paid for by Owners.

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- (b) In respect of bunkers consumed for Owners' purposes these will be charged on each occasion by Charterers on a "first-in-first-out" basis valued on the prices actually paid by Charterers.
  - (c) If the trading limits of this charter include ports in the United States of America and/or its protectorates then Charterers shall reimburse Owners for port specific charges relating to additional premiums charged by providers of oil pollution cover, when incurred by the vessel calling at ports in the United States of America and/or its protectorates in accordance with Charterers orders. The liability to reimburse Owners shall not apply where the OPA charges has arisen through the actions of the Owner.

#### **Rate of Hire**

- 8. (See Clause 99).

#### **Payment of Hire**

- 9. Subject to Clause 3(c) and 3(e), payment of hire shall be made in immediately available funds to:

Wachovia Bank, NA New York  
ABA # 031-201-467  
Account: The Royal Bank of Scotland International Limited  
Account Number: 2000193009149 (CHIPS:155424)  
SWIFT: PNBUS3NNYC  
For further credit to: Double Hull Tankers, Inc.  
Account Number: 1028 – 50440694

in United States Dollars per calendar month in advance, less:

- (i) any hire paid which Charterers reasonably estimate to relate to off-hire periods, and,
- (ii) any amounts disbursed on Owners' behalf, any advances and commission therein, and charges which are for Owners' account pursuant to any provision hereof, and;
- (iii) any amounts due or reasonably estimated to become due to Charterers under Clause 3(c) or 24 hereof,

any such adjustments to be made at the due date, which shall be the 27<sup>th</sup> day of the preceding month for which payment is being made, for the next monthly payment after the facts have been ascertained. Charterers shall not be responsible for any delay or error by Owners' bank in crediting Owners' account provided that Charterers have made proper and timely payment.

In default of such proper and timely payment:

- (a) Owners shall notify Charterers of such default and Charterers shall within seven days of receipt of such notice pay to Owners the amount due, including interest, failing which Owners may withdraw the vessel from the service of Charterers without prejudice to any other rights Owners may have under this charter or otherwise; and;
- (b) Interest on any amount due but not paid on the due date shall accrue from the day after that date up to and including the day when payment is made, at a rate per annum which shall be 1% above the U.S. Prime Rate as published in the Wall Street Journal as effective for each day the amount is outstanding, or, if no such interest rate is published for a given day, the interest rate published for the next preceding day for which such a rate was so published, computed on an actual/365 basis.

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### **Space Available to Charterers**

10. The whole reach, burthen and decks on the vessel and any passenger accommodation (including Owners' suite) shall be at Charterers' disposal, reserving only proper and sufficient space for the vessel's master, officers, crew, tackle, apparel, furniture, provisions and stores.

### **Segregated Ballast**

11. In connection with the Council of the European Union Regulation on the Implementation of IMO Resolution A747(18) Owners will ensure that the following entry is made on the International Tonnage Certificate (1969) under the section headed "Remarks".

"The segregated ballast tanks comply with the Regulation 13 of Annex 1 of the International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 relating thereto".

### **Instructions and Logs**

12. Charterers shall from time to time give the master all requisite instructions and sailing directions, and the master shall keep a full and correct log of the voyage or voyages, which Charterers or their agents may inspect as required. The master shall when required furnish Charterers or their agents with a true copy of such log and with properly completed loading and discharging port sheets and voyage reports for each voyage and other returns as Charterers may require. Charterers shall be entitled to take copies at Owners' expense of any such documents which are not provided by the master. Owner's crew to be trained to operate and to utilize Charter Operations System (CHOPS) as directed by Charterer.

### **Bills of Lading**

13. (a) The master (although appointed by Owners) shall be under the orders and direction of Charterers as regards employment of the vessel, agency and other arrangements, and shall sign Bills of Lading as Charterers or their agents may direct (subject always to Clauses 35(a) and 40) without prejudice to this charter. Charterers hereby indemnify Owners against all consequences or liabilities that may arise;
- (i) from signing Bills of Lading in accordance with the directions of Charterers or their agents, to the extent that the terms of such Bills of Lading fail to conform to the requirements of this charter, or (except as provided in Clause 13(b)) from the master otherwise complying with Charterers' or their agents' orders;
  - (ii) from any irregularities in papers supplied by Charterers or their agents.
- (b) Notwithstanding the foregoing, Owners shall not be obliged to comply with any orders from Charterers to discharge all or part of the cargo:
- (i) at any place other than shown on the Bill of Lading and/or
  - (ii) without presentation of an original Bill of Lading
- unless they receive from Charterers both written confirmation of such orders and an indemnity in a form acceptable to Owners (See Clause 49).

### **Conduct of Vessel's Personnel**

14. If Charterers complain of the conduct of the master or any of the officers or crew, Owners shall immediately investigate the complaint. If the complaint proves to be well founded, Owners shall, without delay, make a change in the appointments and Owners shall in any event communicate the result of their investigations to Charterers as soon as possible.

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### **Bunkers at Delivery and Redelivery**

15. There shall be no physical payment for bunkers on board at the time of delivery. Owners shall on redelivery (whether it occurs at the end of the charter or on the earlier termination of this charter) accept and pay for all bunkers remaining on board, at the price actually paid, on a "first-in-first-out" basis. Such prices are to be supported by paid invoices.

Vessel to be delivered to and redelivered from the charter with, at least, a quantity of bunkers on board sufficient to reach the nearest main bunkering port.

Notwithstanding anything contained in this charter all bunkers on board the vessel shall, throughout the duration of this charter, remain the property of Charterers and can only be purchased on the terms specified in the charter at the end of the charter period or, if earlier, at the termination of the charter.

### **Stevedores, Pilots, Tugs**

16. Stevedores, when required, shall be employed and paid by Charterers, but this shall not relieve Owners from responsibility at all times for proper stowage, which must be controlled by the master who shall keep a strict account of all cargo loaded and discharged. Owners hereby indemnify Charterers, their servants and agents against all losses, claims, responsibilities and liabilities arising in any way whatsoever from the employment of pilots, tugboats or stevedores, who although employed by Charterers shall be deemed to be the servants of and in the service of Owners and under their instructions (even if such pilots, tugboat personnel or stevedores are in fact the servants of Charterers their agents or any affiliated company); provided, however, that:
- (a) the foregoing indemnity shall not exceed the amount to which Owners would have been entitled to limit their liability if they had themselves employed such pilots, tugboats or stevedores, and;
  - (b) Charterers shall be liable for any damage to the vessel caused by or arising out of the use of stevedores, fair wear and tear excepted, to the extent that Owners are unable by the exercise of due diligence to obtain redress therefor from stevedores.

### **Super-Numeraries**

17. Charterers may send representatives in the vessel's available accommodation upon any voyage made under this charter, Owners finding provisions and all requisites as supplied to officers, except alcohol. Charterers paying at the rate of United States Dollars 20 (twenty) per day for each representative while on board the vessel.

### **Sub-letting/Assignment/Novation**

18. Charterers may sub-let the vessel, but shall always remain responsible to Owners for due fulfilment of this charter.

### **Final Voyage**

19. If when a payment of hire is due hereunder Charterers reasonably expect to redeliver the vessel before the next payment of hire would fall due, the hire to be paid shall be assessed on Charterers' reasonable estimate of the time necessary to complete Charterers' programme up to redelivery, and from which estimate Charterers may deduct amounts due or reasonably expected to become due for:
- (a) disbursements on Owners' behalf or charges for Owners' account pursuant to any provision hereof, and;
  - (b) bunkers on board at redelivery pursuant to Clause 15.

Promptly after redelivery any overpayment shall be refunded by Owners or any underpayment made good by Charterers.

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If at the time this charter would otherwise terminate in accordance with Clause 4 the vessel is on a ballast voyage to a port of redelivery or is upon a laden voyage, Charterers shall continue to have the use of the vessel at the same rate and conditions as stand herein for as long as necessary to complete such ballast voyage, or to complete such laden voyage and return to a port of redelivery as provided by this charter, as the case may be.

### **Loss of Vessel**

20. Should the vessel be lost, this charter shall terminate and hire shall cease at noon (GMT) on the day of her loss; should the vessel be a constructive total loss, this charter shall terminate and hire shall cease at noon (GMT) on the day on which the vessel's underwriters agree that the vessel is a constructive total loss; should the vessel be missing, this charter shall terminate and hire shall cease at noon (GMT) on the day on which she was last heard of. Any hire paid in advance and not earned shall be returned to Charterers and Owners shall reimburse Charterers for the value of the estimated quantity of bunkers on board at the time of termination, at the price paid by Charterers at the last bunkering port.

### **Off-hire**

21. (a) On each and every occasion that there is loss of time (whether by way of interruption in the vessel's service or, from reduction in the vessel's performance, or in any other manner):
- (i) due to deficiency of personnel or stores; repairs; gas-freeing for repairs; time in and waiting to enter dry dock for repairs; breakdown (whether partial or total) of machinery, boilers or other parts of the vessel or her equipment (including without limitation tank coatings); overhaul, maintenance or survey; collision, stranding, accident or damage to the vessel; or any other similar cause preventing the efficient working of the vessel; and such loss continues for more than three consecutive hours (if resulting from interruption in the vessel's service) or cumulates to more than three hours (if resulting from partial loss of service); or;
  - (ii) due to industrial action, refusal to sail, breach of orders or neglect of duty on the part of the master, officers or crew; or;

- (iii) for the purpose of obtaining medical advice or treatment for or landing any sick or injured person (other than a Charterers' representative carried under Clause 17 hereof) or for the purpose of landing the body of any person (other than a Charterers' representative), and such loss continues for more than three consecutive hours; or;
  - (iv) due to any delay in quarantine arising from the master, officers or crew having had communication with the shore at any infected area without the written consent or instructions of Charterers or their agents, or to any detention by customs or other authorities caused by smuggling or other infraction of local law on the part of the master, officers, or crew; or;
  - (v) due to detention of the vessel by authorities at home or abroad attributable to legal action against or breach of regulations by the vessel, the vessel's owners, or Owners (unless brought about by the act or neglect of Charterers); then; without prejudice to Charterers' rights under Clause 3 or to any other rights of Charterers hereunder, or otherwise, the vessel shall be off-hire from the commencement of such loss of time until she is again ready and in an efficient state to resume her service from a position not less favourable to Charterers than that at which such loss of time commenced; provided, however, that any service given or distance made good by the vessel whilst off-hire shall be taken into account in assessing the amount to be deducted from hire.
  - (vi) Charterers shall keep owners/master advised of vessels schedule to allow Owners the opportunity to make use of any idle time for the purpose of maintenance during the charter. Such idle time not to count as off-hire.
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- (b) If the vessel fails to proceed at any guaranteed speed pursuant to Clause 24, and such failure arises wholly or partly from any of the causes set out in Clause 21(a) above, then the period for which the vessel shall be off-hire under this Clause 21 shall be the difference between:
  - (i) the time the vessel would have required to perform the relevant service at such guaranteed speed, and;
  - (ii) the time actually taken to perform such service (including any loss of time arising from interruption in the performance of such service).

For the avoidance of doubt, all time included under (ii) above shall be excluded from any computation under Clause 24.

- (c) Further and without prejudice to the foregoing, in the event of the vessel deviating (which expression includes without limitation putting back, or putting into any port other than that to which she is bound under the instructions of Charterers) for any cause or purpose mentioned in Clause 21(a), the vessel shall be off-hire from the commencement of such deviation until the time when she is again ready and in an efficient state to resume her service from a position not less favourable to Charterers than that at which the deviation commenced, provided, however, that any service given or distance made good by the vessel whilst so off-hire shall be taken into account in assessing the amount to be deducted from hire. If the vessel, for any cause or purpose mentioned in Clause 21(a), puts into any port other than the port to which she is bound on the instructions of Charterers, the port charges, pilotage and other expenses at such port shall be borne by Owners. Should the vessel be driven into any port or anchorage by stress of weather hire shall continue to be due and payable during any time lost thereby.
- (d) If the vessel's flag state becomes engaged in hostilities, and Charterers in consequence of such hostilities find it commercially impracticable to employ the vessel and have given Owners written notice thereof then from the date of receipt by Owners of such notice until the termination of such commercial impracticability the vessel shall be off-hire and Owners shall have the right to employ the vessel on their own account.
- (e) Time during which the vessel is off-hire under this charter shall count as part of the charter period except where Charterers declare their option to add off-hire periods under Clause 4(b).
- (f) All references to "time" in this charter party shall be references to GMT except where otherwise stated.
- (g) During any time that the vessel is off-hire under this charter, Basic Hire shall not accrue. Any additional hire that may be due for periods that the Vessel is off-hire shall be determined in accordance with the terms of the Charter Framework Agreement.

### **Periodical Drydocking**

- 22. (a) Owners have the right and obligation to drydock the vessel at regular intervals not exceeding 5 years. On each occasion Owners shall propose to Charterers a date on which they wish to drydock the vessel, not less than 90 days before such date and Charterers shall offer a port for such periodical drydocking and shall take all reasonable steps to make the vessel available as near to such date as practicable.

Owners shall put the vessel in drydock at their expense as soon as practicable after Charterers place the vessel at Owners' disposal clear of cargo other than tank washings and residues. Owners shall be responsible for and pay for the disposal into reception facilities of such tank washings and residues and shall have the right to retain any monies received therefor, without prejudice to any claim for loss of cargo under any Bill of Lading or this charter.

- (b) If a periodical drydocking is carried out in the port offered by Charterers (which must have suitable accommodation for the purpose and reception facilities for tank washings and residues), the vessel shall

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be off-hire from the time she arrives at such port until drydocking is completed and she is in every way ready to resume Charterers' service and is at the position at which she went off-hire or a position no less favourable to Charterers, whichever she first attains. However:

- (i) provided that Owners exercise due diligence in gas-freeing, any time lost in gas-freeing to the standard required for entry into drydock for cleaning and painting the hull shall not count as off-hire, whether lost on passage to the drydocking port or after arrival there (notwithstanding Clause 21), and;

- (ii) any additional time lost in further gas-freeing to meet the standard required for hot work or entry to cargo tanks shall count as off-hire, whether lost on passage to the drydocking port or after arrival there.

Any time which, but for sub-Clause (i) above, would be off-hire, shall not be included in any calculation under Clause 24.

The expenses of gas-freeing, including without limitation the cost of bunkers, shall be for Owners account.

- (c) If Owners require the vessel, instead of proceeding to the offered port, to carry out periodical drydocking at a special port selected by them, the vessel shall be off-hire from the time when she is released to proceed to the special port until she next presents for loading in accordance with Charterers' instructions, provided, however, that Charterers shall credit Owners with the time which would have been taken on passage at the service speed had the vessel not proceeded to drydock. All fuel consumed shall be paid for by Owners but Charterers shall credit Owners with the value of the fuel which would have been used on such notional passage calculated at the guaranteed daily consumption for the service speed, and shall further credit Owners with any benefit they may gain in purchasing bunkers at the special port.
- (d) Charterers shall, insofar as cleaning for periodical drydocking may have reduced the amount of tank-cleaning necessary to meet Charterers' requirements, credit Owners with the value of any bunkers which Charterers calculate to have been saved thereby, whether the vessel drydocks at an offered or a special port.

### Ship Inspection

23. (See Clause 83).

### Detailed Description and Performance

24. Owners guarantee that the speed and consumption of the vessel shall be as follows: (see Clause 78).

The bunker consumptions are for all purposes except cargo heating, purging and tank cleaning and shall be pro-rated between the speeds shown.

Charterer may order the vessel to proceed at any speed above/below the guaranteed speed, weather and safe navigation permitting.

If the vessel is ordered to proceed at any speed other than the highest speed and the average speed actually attained by the vessel during the currency of such order exceeds such ordered speed plus 0.5 knots (the "maximum recognised speed"), then for the purpose of calculating a decrease of hire under this Clause 24 the maximum recognised speed shall be used in place of the average speed actually attained.

For the purposes of this charter the "guaranteed speed" at any time shall be the then-current ordered speed or the service speed, as the case may be.

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The average speeds and bunker consumptions shall for the purposes of this Clause 24 be calculated by reference to the observed distance from pilot station to pilot station on all sea passages during each period stipulated in Clause 24(c), but excluding any time during which the vessel is (or but for Clause 22(b)(i) would be) off-hire and also excluding "Adverse Weather Periods", being:

- (i) any periods during which reduction of speed is necessary for safety in congested waters or in poor visibility;
  - (ii) any days, noon to noon, when winds exceed force 5 on the Beaufort Scale for more than 12 hours.
- (b) If during any half year (i.e., 6 calendar months) period from the date on which the vessel enters service and continuing for each succeeding 6 calendar month period thereafter, the vessel falls below the performance guaranteed in Clause 24(a) then if such shortfall results:
    - (i) from a reduction in the average speed of the vessel, compared to the speed guaranteed in Clause 24(a), then an amount equal to the value at the hire rate of the time so lost shall be included in the performance calculation;
    - (ii) from an increase in the total bunkers consumed, compared to the total bunkers which would have been consumed had the vessel performed as guaranteed in Clause 24(a), an amount equivalent to the value of the additional bunkers consumed or based on the average price paid by Charterers for the vessel's bunkers in such period, shall be included in the performance calculation.

The results of the performance calculation for laden and ballast mileage respectively shall be adjusted to take into account the mileage steamed in each such condition during Adverse Weather Periods, by dividing such deduction by the number of miles over which the performance has been calculated and multiplying by the same number of miles plus the miles steamed during the Adverse Weather Periods, in order to establish the total performance calculation for such period.

Reduction of hire under the foregoing sub-Clause (b) shall be without prejudice to any other remedy available to Charterers.

- (c) Calculations under this Clause 24 shall be made every 6 months terminating on each successive anniversary of the date on which the vessel enters service, and for the period between the last such anniversary and the date of termination of this charter if less than a year. Claims in respect of reduction of hire arising under this Clause during the final year or part year of the charter period shall in the first instance be settled in accordance with Charterers' estimate made two months before the end of the charter period. Any necessary adjustment after this charter terminates shall be made by payment by Owners to Charterers.
- (d) Owners and Charterers agree that this Clause 24 is assessed on the basis that Owners are not entitled to additional hire for performance in excess of the speeds and consumptions given in this Clause 24.

It is understood between Owner and Charterers that any speed over performance and/or fuel under consumption are to be credited to any under performance/over consumption during the (6) months review period, but no over performance and/or under consumption bonus shall be paid to owners.



## **Salvage**

25. Subject to the provisions of Clause 21 hereof, all loss of time and all expenses (excluding any damage to or loss of the vessel or tortious liabilities to third parties) incurred in saving or attempting to save life or in successful or unsuccessful attempts at salvage shall be borne equally by Owners and Charterers provided that Charterers shall not be liable to contribute towards any salvage payable by Owners arising in any way out of services rendered under this Clause 25.
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All salvage and all proceeds from derelicts shall be divided equally between Owners and Charterers after deducting the master's, officers' and crew's share.

## **Lien**

26. Owners shall have a lien upon all cargoes and all freights, sub-freights and demurrage for any amounts due under this charter; and Charterers shall have a lien on the vessel for all monies paid in advance and not earned, and for all claims for damages arising from any breach by Owners of this charter.

## **Exceptions**

27. (a) The vessel, her master and Owners shall not, unless otherwise in this charter expressly provided, be liable for any loss or damage or delay or failure arising or resulting from any act, neglect or default of the master, pilots, mariners or other servants of Owners in the navigation or management of the vessel; fire, unless caused by the actual fault or privity of Owners; collision or stranding; dangers and accidents of the sea; explosion, bursting of boilers, breakage of shafts or any latent defect in hull, equipment or machinery; provided, however, that Clauses 1, 2, 3, and 24 hereof shall be unaffected by the foregoing. Further, neither the vessel, her master or Owners, nor Charterers shall, unless otherwise in this charter expressly provided, be liable for any loss or damage or delay or failure in performance hereunder arising or resulting from act of God, act of war, seizure under legal process, quarantine restrictions, strikes, lock-outs, riots, restraints of labour, civil commotions or arrest or restraint of princes, rulers or people.
- (b) The vessel shall have liberty to sail with or without pilots, to tow or go to the assistance of vessels in distress and to deviate for the purpose of saving life or property.
- (c) Clause 27(a) shall not apply to, or affect any liability of Owners or the vessel or any other relevant person in respect of:
- (i) loss or damage caused to any berth, jetty, dock, dolphin, buoy, mooring line, pipe or crane or other works or equipment whatsoever at or near any place to which the vessel may proceed under this charter, whether or not such works or equipment belong to Charterers, or;
- (ii) any claim (whether brought by Charterers or any other person) arising out of any loss of or damage to or in connection with cargo. Any such claim shall be subject to the Hague-Visby Rules or the Hague Rules or the Hamburg Rules, as the case may be, which ought pursuant to Clause 38 hereof to have been incorporated in the relevant Bill of Lading (whether or not such Rules were so incorporated) or, if no such Bill of Lading is issued, to the Hague-Visby Rules unless the Hamburg Rules compulsorily apply in which case to the Hamburg Rules.
- (d) In particular and without limitation, the foregoing subsections (a) and (b) of this Clause shall not apply to or in any way affect any provision in this charter relating to off-hire or to reduction of hire.

## **Injurious Cargoes**

28. No acids, explosives or cargoes injurious to the vessel shall be shipped and without prejudice to the foregoing any damage to the vessel caused by the shipment of any such cargo, and the time taken to repair such damage, shall be for Charterers' account. No voyage shall be undertaken, nor any goods or cargoes loaded, that would expose the vessel to capture or seizure by rulers or governments.

## **Grade of Bunkers**

29. Charterers shall supply the vessel with IFO 380 CST RMG 35 as per ISO 8217:1996 (E) requirements for Marine residual fuels and MDO (if applicable) DMB distillate diesel as per ISO 8217:1996 (E) requirements for Marine distillate fuels. Specifications are subject to any revisions of the ISO standards over the term of this charter (See Clause 62).
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## **Disbursements**

30. Should the master require advances for ordinary disbursements at any port, Charterers or their agents shall make such advances to him, in consideration of which Owners shall pay a commission of two and a half per cent, and all such advances and commission shall be deducted from hire.

## **Laying-up**

31. Charterers shall have the option, after consultation with Owners, of requiring Owners to lay up the vessel at a safe place nominated by Charterers, in which case the hire provided for under this charter shall be adjusted to reflect any net increases in expenditure reasonably incurred or any net saving which should reasonably be made by Owners as a result of such lay up. Charterers may exercise the said option any number of times during the charter period.

## **Requisition**

32. Should the vessel be requisitioned by any government, de facto or de jure, during the period of this charter, the vessel shall be off-hire during the period of such requisition, and any hire paid by such governments in respect of such requisition period shall be for Owners' account. Any such requisition period shall not count as part of the charter period and the cumulative requisition time may, at the sole discretion of the Charterer, be added to the end of the firm charter period at a rate in effect at the time the off hire was incurred.

### **Outbreak of War**

33. If war or hostilities break out between any two or more of the following countries: U.S.A., the countries or republics having been part of the former U.S.S.R. (except that declaration of war or hostilities solely between any two or more of the countries or republics having been part of the former USSR shall be exempted), P.R.C., U.K., Netherlands, then both Owners and Charterers shall have the right to cancel this charter provided that the hostilities directly interfere with the vessels trading under Clause 4.

### **Additional War Expenses**

34. If the vessel is ordered to trade in areas where there is war (de facto or de jure) or threat of war, Charterers shall reimburse Owners for any additional insurance premia, crew bonuses and other expenses which are reasonably incurred by Owners as a consequence of such orders, provided that Charterers are given notice of such expenses as soon as practicable and in any event before such expenses are incurred, and provided further that Owners obtain from their insurers a waiver of any subrogated rights against Charterers in respect of any claims by Owners under their war risk insurance arising out of compliance with such orders.

Any payments by Charterers under this Clause will only be made against proven documentation. Any discount or rebate refunded to Owners, for whatever reason, in respect of additional war risk premium shall be passed on to Charterers.

### **War Risks**

35. (a) The master shall not be required or bound to sign Bills of Lading for any place which in his or Owners' reasonable opinion is dangerous or impossible for the vessel to enter or reach owing to any blockade, war, hostilities, warlike operations, civil war, civil commotions or revolutions.
- (b) If in the reasonable opinion of the master or Owners it becomes, for any of the reasons set out in Clause 35(a) or by the operation of international law, dangerous, impossible or prohibited for the vessel to reach or enter, or to load or discharge cargo at, any place to which the vessel has been ordered pursuant to this charter (a "place of peril"), then Charterers or their agents shall be immediately notified in writing or by radio messages, and Charterers shall thereupon have the right to order the cargo, or such part of it as may be affected, to be loaded or discharged, as the case may be, at any other place within the trading

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limits of this charter (provided such other place is not itself a place of peril). If any place of discharge is or becomes a place of peril, and no orders have been received from Charterers or their agents within 48 hours after dispatch of such messages, then Owners shall be at liberty to discharge the cargo or such part of it as may be affected at any place which they or the master may in their or his discretion select within the trading limits of this charter and such discharge shall be deemed to be due fulfilment of Owners' obligations under this charter so far as cargo so discharged is concerned.

- (c) The vessel shall have liberty to comply with any directions or recommendations as to departure, arrival, routes, ports of call, stoppages, destinations, zones, waters, delivery or in any other wise whatsoever given by the government of the state under whose flag the vessel sails or any other government or local authority or by any person or body acting or purporting to act as or with the authority of any such government or local authority including any de facto government or local authority or by any person or body acting or purporting to act as or with the authority of any such government or local authority or by any committee or person having under the terms of the war risks insurance on the vessel the right to give any such directions or recommendations. If by reason of or in compliance with any such directions or recommendations anything is done or is not done, such shall not be deemed a deviation. If by reason of or in compliance with any such direction or recommendation the vessel does not proceed to any place of discharge to which she has been ordered pursuant to this charter, the vessel may proceed to any place which the master or Owners in his or their discretion select and there discharge the cargo or such part of it as may be affected. Such discharge shall be deemed to be due fulfilment of Owners' obligations under this charter so far as cargo so discharged is concerned.

Charterers shall procure that all Bills of Lading issued under this charter shall contain the Chamber of Shipping War Risks Clause 1952.

### **Both to Blame Collision Clause**

36. If the liability for any collision in which the vessel is involved while performing this charter fails to be determined in accordance with the laws of the United States of America, the following provision shall apply:

"If the ship comes into collision with another ship as a result of the negligence of the other ship and any act, neglect or default of the master, mariner, pilot or the servants of the carrier in the navigation or in the management of the ship, the owners of the cargo carried hereunder will indemnify the carrier against all loss, or liability to the other or non-carrying ship or her owners in so far as such loss or liability represents loss of, or damage to, or any claim whatsoever of the owners of the said cargo, paid or payable by the other or non-carrying ship or her owners to the owners of the said cargo and set off, recouped or recovered by the other or non-carrying ship or her owners as part of their claim against the carrying ship or carrier."

"The foregoing provisions shall also apply where the owners, operators or those in charge of any ship or ships or objects other than, or in addition to, the colliding ships or objects are at fault in respect of a collision or contact."

Charterers shall procure that all Bills of Lading issued under this charter shall contain a provision in the foregoing terms to be applicable where the liability for any collision in which the vessel is involved fails to be determined in accordance with the laws of the United States of America.

### **New Jason Clause**

37. General average contributions shall be payable according to York/Antwerp Rules, 2000 as amended from time to time, and shall be adjusted in New York in accordance with New York law and practice.

In the event of accident, danger, damage or disaster before or after the commencement of the voyage, resulting from any cause whatsoever, whether due to negligence or not, for which, or for the consequence of which, the carrier is not responsible by statute, contract or otherwise, the cargo, shippers, consignees or owners of the cargo shall contribute with the carrier in general average to the payment of any sacrifices, losses or expenses of

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a general average nature that may be made or incurred and shall pay salvage and special charges incurred in respect of the cargo.

If a salving ship is owned or operated by the carrier, salvage shall be paid for as fully as if the said salving ship or ships belonged to strangers. Such deposit as the carrier or his agents may deem sufficient to cover the estimated contribution of the cargo and any salvage and special charges thereon shall, if required, be made by the cargo, shippers, consignees or owners of the cargo to the carrier before delivery.

Charterers shall procure that all Bills of Lading issued under this charter shall contain a provision in the foregoing terms, to be applicable where adjustment of general average is made in accordance with the laws and practice of the United States of America.

#### **Clause Paramount**

38. Charterers shall procure that all Bills of Lading issued pursuant to this charter shall contain the following:

“(1) Subject to sub-Clause (2) or (3) hereof, this Bill of Lading shall be governed by, and have effect subject to, the rules contained in the International Convention for the Unification of Certain Rules relating to Bills of Lading signed at Brussels on 25th August 1924 (hereafter the “Hague Rules”) as amended by the Protocol signed at Brussels on 23rd February 1968 (hereafter the “Hague-Visby Rules”). Nothing contained herein shall be deemed to be either a surrender by the carrier of any of his rights or immunities or any increase of any of his responsibilities or liabilities under the Hague-Visby Rules.”

“(2) If there is governing legislation which applies the Hague Rules compulsorily to this Bill of Lading, to the exclusion of the Hague-Visby Rules, then this Bill of Lading shall have effect subject to the Hague Rules. Nothing therein contained shall be deemed to be either a surrender by the carrier of any of his rights or immunities or an increase of any of his responsibilities or liabilities under the Hague Rules.”

“(3) If there is governing legislation which applies the United Nations Convention on the Carriage of Goods by Sea 1978 (hereafter the “Hamburg Rules”) compulsorily to this Bill of Lading, to the exclusion of the Hague-Visby Rules, then this Bill of Lading shall have effect subject to the Hamburg Rules. Nothing therein contained shall be deemed to be either a surrender by the carrier of any of his rights or immunities or an increase of any of his responsibilities or liabilities under the Hamburg Rules.”

“(4) If any term of this Bill of Lading is repugnant to the Hague-Visby Rules, or Hague Rules, or Hamburg Rules, as applicable, such term shall be void to that extent but no further.”

“(5) Nothing in this Bill of Lading shall be construed as in any way restricting, excluding or waiving the right of any relevant party or person to limit his liability under any available legislation and/or law.”

#### **Insurance/ITOPF**

39. Owners warrant that the vessel is now, and will, throughout the duration of the charter:

- (a) be owned or demise chartered by a member of the International Tanker Owners Pollution Federation Limited;
- (b) be properly entered in U.K. or GARD P & I Club, being a member of the International Group of P & I Clubs;
- (c) have in place insurance cover for oil pollution for the maximum on offer through the International Group of P & I Clubs but always a minimum of United States Dollars 1,000,000,000 (one thousand million);
- (d) have in full force and effect Hull and Machinery insurance placed through reputable brokers on Institute Time Clauses or equivalent for the market value of the vessel plus twenty (20) percent as from time to time

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may be amended with Charterers' approval, which shall not be unreasonably withheld. Insurance amount always to comply with loan covenants.

Owners will provide, within a reasonable time following a request from Charterers to do so, documented evidence of compliance with the warranties given in this Clause 39.

#### **Export Restrictions**

40. The master shall not be required or bound to sign Bills of Lading for the carriage of cargo to any place to which export of such cargo is prohibited under the laws, rules or regulations of the country in which the cargo was produced and/or shipped.

Charterers shall procure that all Bills of Lading issued under this charter shall contain the following clause:

“If any laws rules or regulations applied by the government of the country in which the cargo was produced and/or shipped, or any relevant agency thereof, impose a prohibition on export of the cargo to the place of discharge designated in or ordered under this Bill of Lading, carriers shall be entitled to require cargo owners forthwith to nominate an alternative discharge place for the discharge of the cargo, or such part of it as may be affected, which

alternative place shall not be subject to the prohibition, and carriers shall be entitled to accept orders from cargo owners to proceed to and discharge at such alternative place. If cargo owners fail to nominate an alternative place within 72 hours after they or their agents have received from carriers notice of such prohibition, carriers shall be at liberty to discharge the cargo or such part of it as may be affected by the prohibition at any safe place on which they or the master may in their or his absolute discretion decide and which is not subject to the prohibition, and such discharge shall constitute due performance of the contract contained in this Bill of Lading so far as the cargo so discharged is concerned”.

The foregoing provision shall apply mutatis mutandis to this charter, the references to a Bill of Lading being deemed to be references to this charter.

### **Business Principles**

41. (Deleted)

### **Drugs and Alcohol**

42. (Deleted)

### **Oil Major Acceptability**

43. (See Clause 57)

### **Pollution and Emergency Response**

44. Owners are to advise Charterers of organisational details and names of Owners personnel together with their relevant telephone/facsimile/e-mail/telex numbers, including the names and contact details of Qualified Individuals for OPA 90 response, who may be contacted on a 24 hour basis in the event of oil spills or emergencies.

### **ISPS Code/US MTSA 2002**

45. (See Clause 98).

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### **Law and Litigation**

46. (a) This charter shall be construed and the relations between the parties determined in accordance with the laws of the State of New York, U.S.A.

(b) All disputes arising out of this charter shall be referred to Arbitration in New York in accordance with the Rules of the Society of Marine Arbitrators, Inc. New York (SMA).

(i) Any Award of the arbitrator(s) shall be final and binding and not subject to appeal.

(ii) For the purposes of this Clause 46(b) any requests or notices in writing shall be sent by fax, e-mail or telex and shall be deemed received on the day of transmission.

(c) It shall be a condition precedent to the right of any party to a stay of any legal proceedings in which maritime property has been, or may be, arrested in connection with a dispute under this charter, that that party furnishes to the other party security to which that other party would have been entitled in such legal proceedings in the absence of a stay.

### **Confidentiality**

47. (Deleted)

### **Construction**

48. The side headings have been included in this charter for convenience of reference and shall in no way affect the construction hereof.

Additional Clauses: Special clauses to Shelltime 4 CP form, 49 through 112 shall be fully incorporated into the terms of this Charter Party.

Appendix A: Questionnaire 88 for the vessel, as attached, shall be incorporated herein.

Appendix B: List of Approved Ship Brokers, as attached, shall be incorporated herein.

For the Owners  
REBECCA TANKER CORPORATION

For the Charterers  
DHT REBECCA AFRAMAX CORP.

By: /s/ Ole Jacob Diesen

By: /s/ Myles R. Itkin

Ole Jacob Diesen  
Chief Executive Officer

Myles R. Itkin

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**TIME CHARTER  
SPECIAL CLAUSES  
MT REBECCA**

**IF THERE IS ANY CONFLICT BETWEEN THE FOLLOWING CLAUSES AND THE PRINTED CLAUSES OF THE CHARTER PARTY FORM AS ADJUSTED, THE FOLLOWING CLAUSES SHALL PREVAIL.**

**49) Bill of Lading Indemnification**

The standard form of letter of indemnity to be given in the case of delivery of cargo (a) without production of the original Bill of Lading, or (b) at a port other than stated in the Bill of Lading, or (c) both of the foregoing, in each case without bank guarantee, in revised form as recommended by the International Group of P&I Clubs in 2001, shall be used in all cases, provided that the reference to English law and jurisdiction shall be revised to read New York law and the jurisdiction of any court of competent jurisdiction sitting in New York County.

**50) Certificates/Regulations Compliance**

The Owners warrant that during the term of this charter party the vessel fully complies with the following:

- A. all governmental laws, regulations, protocols and directives promulgated by the authoritative body or any of its legally constituted agencies charged with the application of the same laws/regulations/protocols and directives applicable to the countries and ports within the trading limits defined in the charter party.
- B. that it has secured and maintains aboard the vessel all Certificates of Financial Responsibility issued and required by the competent authorities of the countries within the trading limits defined in the charter party.
- C. (Deleted)
- D. that the vessel shall have on board for inspection by the appropriate port authorities all certificates, records, compliance letters and other documents required.
- E. The vessel shall be approved by the international transport workers federation and carry a valid ITF 'Blue Certificate' on board at all times. Any losses, expenses or damages arising as a result of failure to comply with ITF regulations, as interpreted by local union, shall be for Owners account.
- F. COFR — Owners to provide the vessel, at their cost, with a valid Certification of Financial Responsibility which is acceptable to U.S. authorities at Owners' cost. Compliance with state laws during the currency of this charter to be Owners' responsibility and cost. COFR to be in place prior to the vessels arrival at first U.S. or Canadian port.

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Owners will pay for the initial cost of issuing and maintaining the certificate. Any additional premiums or surcharges payable by Owners in relation to the vessel calling at U.S. ports to be for Charterers account.

- G. Owners shall have a program covering oil pollution avoidance, including compliance with latest international maritime organization and port state regulations and SOLAS and MARPOL conventions and the adoption of vessel response plans and qualified individuals for OPA response.

**51) IMO Clause**

Owners warrant that during the term of this charter party and any extension thereof the vessel will be in full compliance with: the requirements of the United States Port and Tanker Safety Act of 1978 and applicable regulations promulgated thereunder (hereinafter called "U.S. Regulations") the International Convention for the Prevention of Pollution from Ships (MARPOL 1973) and the 1978 Protocol thereto as applicable: and the International Convention for Safety of Lives at Sea (SOLAS 1974) and the 1978 Protocol thereto as applicable (the foregoing conventions and protocols hereinafter called "IMO Regulations"). Owners warrant that it will carry onboard certifications evidencing compliance with U.S. Regulations, compliance with IMO Regulations and any other records or documentation as may be required by the U.S. government authorities the vessel is currently ISM certified and will remain so during the duration of this charter (see ISM Clause).

**52) Pollution Financial Responsibility**

Owners warrant that at the date of the charter that Owners complies with all financial capability, responsibility, security or like laws, regulations and/or other requirements of whatsoever kind with respect to oil or other pollution damage applicable to the vessel entering, leaving, remaining at or passing through any ports or places or waters to perform this charter.

Owners further warrant that it shall continue to comply with these requirements throughout the period of the charter at the levels and in amounts in effect at the date of this charter.

Owners, at its sole risk and expense, shall make all arrangements by bond, insurance or otherwise and obtain all certificates or other documentary evidence and take all such other action, as may be necessary, to satisfy such laws, regulations and/or other requirements.

**53) OPA**

It is mutually understood that Oil Pollution Act of 1990 (OPA) surcharges for trading to the United States ports/territories shall be for Charterer's account.

**54) Contingency Plans Clause**

Owners warrant at the date of the charter that Owners complies with and satisfies existing U.S. federal, state and local rules, regulations and requirements for contingency plans applicable to the vessel entering, leaving, remaining at or passing through any ports or places or waters in performance of the charter, including having under contract

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the services of a catastrophic spill contractor (e.g., Marine Spill Response Corporation (MSRC) or National Response Corporation (NRC)).

Owners further warrant that it shall continue to comply with these requirements throughout the period of the charter at the levels in effect at the date of this charter.

The Owners shall be responsible for obtaining and maintaining all necessary and future approvals and satisfying existing and future federal, state, and local rules, regulations or requirements for contingency plans. Costs incurred shall be for Owners' account.

Qualified individual: Mr. Steven McCall  
212 578 1892 office  
646 327 7206 mobile

## 55) Documentation

Owners undertake that throughout the term of this charter, the vessel shall have on board all such valid documentation as may, from time to time, be required to enable the vessel to enter and carry out all required operations at loading or discharging ports or places and leave, without hindrance, all ports or places to which the vessel may be directed under the terms of this charter.

In addition, the vessel shall be off-hire and Owners shall be held responsible for any losses, costs or damages for any period during which she is not fully and freely available to Charterer as a result of action taken against her by any government, government organization, competent authority, competent person or competent organization, owing to her flag, failure to have on board valid documentation as aforesaid or any dispute relating to Owners' wages or crew employment policy or to the condition of the vessel or her equipment. All cumulative off hire under this Clause may be added to the end of the charter period in the sole option of the Charterer.

Any time lost during which the vessel awaiting USCG TVEL inspection, or in the case of calls at non-U.S. ports where any similar certificate is required to be issued by a state authority at these ports prior to loading or discharging cargo, and until such time as she has secured TVEL certificate or any similar certificate, vessel will be considered off-hire.

## 56) ISM Clause

The requirements of the International Safety Management (ISM) Code are hereby incorporated in the terms of this charter party. Owners/operator warrant that a Safety Management System (SMS) in accordance with the ISM Code is in operation both on shore and on board the vessel. Owners/operator further warrant that they (or the company as defined by the ISM Code) have a valid Document of Compliance (DOC), and the vessel has a valid Safety Management Certificate (SMC). Owners/operator shall supply Charterer with a copy of the DOC and the SMC. Owners shall, when required by Charterer, provide a copy of the documents both ashore and on board the vessel evidencing the SMS and its application and when further required by Charterer, Owners/operator shall provide a report on safety audits carried out internally or by the vessel's flag administration.

Non compliance with the requirements of the ISM code resulting in loss or suspension of the ISM certificate shall be deemed a breach of condition and Charterer shall have the

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right to cancel the charter. Owners shall be responsible for any delays, costs, damages incurred for non compliance with the above conditions.

## 57) Vetting

During the period of this charter, Charterers require Owners to endeavor to arrange for at least four of the following oil company inspections/approvals at their time and expense: BP, Shell, Exxon/Mobil, Chevron Corp., Vela, PDVSA, Statoil and Dreyfus. Charterers may request Owners to obtain other vetting approvals as/when required, and Owners shall do so.

The above is always subject to the vessel's trading pattern, ports accessibility, the oil company's interest in the vessel and the availability of inspectors at the time, all of which Owners will keep a record of and keep Charterers advised.

Charterers shall keep Owners fully informed of the vessels forward schedule in order to facilitate vetting inspections.

If the vessel, during the period of this charter, fails to obtain a minimum of four approvals because of Owners fault/negligence, or fails a physical inspection by any company listed above, or loses a vetting approval required to maintain the vessels' trading pattern, then, Owners shall have a period of forty five (45) days from the date Owners are notified of such non-acceptance to have the vessel obtain such minimum number of approvals or reinstate such approval, subject always to the vessel's trading pattern, ports accessibility, the oil company's interest in the vessel and the availability of inspectors at the time, all of which Owners will keep a record of and keep Charterers advised.

If the Owners do not obtain the minimum number of vetting approvals or the necessary vetting approval is not reinstated as provided for in the preceding paragraphs, and the lack of vettings affect the vessel's trading pattern, then the Charterer shall have the right (i) to terminate this charter party without penalty to either party, or, (ii) to place the Vessel off-hire for any loss of time (whether by way of interruption in the Vessel's service, including time necessary for re-positioning to an alternate trading pattern or otherwise)(a) resulting from the vessel being placed off hire by a pool in which it is entered due to such lack of vetting, or (b) otherwise due to such lack of vetting.

In the event the preceding paragraph is invoked, and the Charterer does not terminate the Charter, it shall use commercially reasonable efforts to employ the Vessel in an alternate trading pattern to maximize its earning capacity on commercially reasonable terms provided that the terms of the pool it is entered into or the time charter it is operating under permit the Charterer to do so. For each day the Vessel is operating under a subcharter on such alternate trading pattern, and not otherwise off hire, if the Basic Hire rate otherwise applicable pursuant to this Charter exceeds the time charter rate or equivalent rate obtained by the Charterer on its sub-charters in the alternate trading pattern, then the Basic Hire payable hereunder shall be reduced by an amount equal to the difference between (a) the Basic Hire rate and (b) the time charter rate or equivalent rate obtained by the Charterer on its sub-charters in the alternate trading pattern until the later of (i) the date the Vessel has re-obtained the minimum number of vetting approvals or the necessary vetting approval has been reinstated, and (ii) the last day of the applicable sub-charter.

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**58) Adherence to Voyage Instructions**

- A. Owners shall be responsible to and will indemnify Charterer for any time, costs, delays or loss suffered by Charterer due to underlift, overlift or other failure to comply fully with Charterer's lawful instructions as long as such failure was solely due to Owners'/vessel's proven negligence.
- B. If a conflict arises between terminal orders and Charterers' instructions, master is to stop cargo operations and to contact Charterer at once. Terminal orders shall never supersede Charterer's instructions and any conflict shall be resolved prior to resumption of cargo operations.

Vessel is not to resume cargo operations until Charterers has directed vessel to do so.

**59) Traffic Separation and Routing**

Owners shall instruct the master to observe recommendations as to traffic separation and routing as issued from time to time by authorities (national or local) and comply with federal, state or local regulations of the United States. Voluntary and mandatory traffic separation schemes shall be adhered to while the vessel is in the United States or international waters.

**60) ETA Notice**

Master shall give both Charterer and load/discharge port(s)/place(s) agents notices of estimated time of arrival (ETA) to load/discharge port(s)/place(s) or any other port/place where Charterers order vessel to proceed on a daily basis or as required by Charterers voyage orders.

Any delay incurred to the vessel at any load or discharge port(s) resulting from master's failure to comply with the above requirements, shall be deducted from the monthly hire. The foregoing is without prejudice to Charterer's right to recover for any damages incurred as a result of such breach by Owners of the obligations herein defined. Notices of ETA to be sent to Charterer as instructed. This Clause only applies where the Charterer cannot claim demurrage or any other claim and incur a loss due to the master's failure to follow Charterers instructions.

**61) Watchmen**

Compulsory shore gangway watchmen shall be servants of the Charterer and the cost for such watchmen shall be borne by Charterer throughout the currency of this charter party.

**62) Bunkers**

On every occasion where the bunkers are taken, the ship will participate in either the DNV VQFT, Lloyds FOBAS or ABS scheme (line samples). As between Owners and Charterers fuel shall be deemed delivered to the ship upon arrival at the ship's manifold, which shall be the point of custody transfer. Three samples will be taken at the ship's manifold, using an approved in line drip sampler. One sample shall be provided to the surveyor and analysed, a second shall be given to the suppliers, and third shall be retained on board for independent joint testing, in the event of disputes about the quality of the bunkers supplied.

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In the event of dispute about the quality of the fuel the third sample left on board shall be jointly analysed at a mutually acceptable independent laboratory, and the results shall be binding on the parties

The quantity of fuel shall be finally determined using the density determined in the sample analysed. Owners undertake to provide Charterers with a copy of each off specification analysis report, to enable Charterers to notify suppliers promptly in the event of a quality or quantity dispute.

The supplier and Charterers shall at all times be entitled to witness the extraction and division of the sample at the ship's manifold and shall be entitled to employ a bunker surveyor.

Charterers shall not cause or permit any lien or other rights to be created against the ship, her crew, Owners, etc., by any fuel suppliers, or otherwise bind the ship, her Owners in crew in any way whatsoever, arising out of the supply of fuels.

Should analysis confirm that bunkers are off specification, (as per specification detailed in Clause 29). Charterers will be notified regarding Owners intentions. Should Owners decide to use the bunkers supplied then Charterers are not entitled to present Owners with a speed or consumption claim for any period during which vessel is using bunkers that do not reasonably meet the specified requirements. Charterers reserve the right to discuss analysis results with Owners to ensure an equitable resolution of any problems. Owners shall not be obliged to use fuel that is injurious to the engine/auxiliaries and associated equipment.

Owners warrant that the vessel shall comply with the emission control and other requirements of Regulation 14 and 18 of MARPOL Annex VI and any other laws or regulations relating to bunker content and bunkering procedures applicable in any areas to which the vessel is ordered.

Charterers warrant that they will supply bunkers:

- A. of sufficient quantity and quality to enable the vessel to meet the emission control and other requirements of Regulation 14 and 18 of MARPOL Annex VI and any other laws or regulations relating to bunker content and bunkering procedures applicable in any areas to which the vessel is ordered, and
- B. in accordance with the specifications in ISO 8217 as in force at the time of supply and any other specifications contained elsewhere in this charterparty.

Charterers further warrant that all bunker suppliers and bunkers supplied hereunder shall with respect to all areas in which the vessel may trade comply with the current and future requirements of MARPOL Annex VI and MEPC96(47) in respect of sampling and the provision of a bunker delivery notes and, where bunkers are supplied in a state where MARPOL Annex VI is in force, that suppliers shall be registered in accordance therewith.

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**63) Heating**

Owners warrant that the vessel is capable of maintaining cargo loaded temperature, or, if time permits, raising same up to a maximum temperature of 150 degrees Fahrenheit. Maximum temperature of cargo loaded at 165 degrees Fahrenheit.

Master to report daily to Charterers average cargo temperature of all tanks and to keep voyage heating records for Charterers inspection.

If vessel fails to maintain the loaded temperature, or to increase and maintain the temperature of the cargo, as requested by Charterer, all delays incurred will be considered off hire and all expenses and damages shall be for Owners' account.

Failure to follow Charterers heating instructions shall be considered off hire until such time as the cargo is heated to Charterers instruction. If vessel fails to follow Charterers heating instructions on a consistent basis it shall be considered a breach of this contract and Charterers shall have the right to cancel this charter without penalty.

**64) Pumping Clause**

Owners warrant that the vessel is fitted with and will use the main cargo pumps and the stripping pumps as per Charterers instructions.

Owners further guarantees that vessel will discharge the full cargo in twenty four (24) hours, stripping excluded or maintain an average pressure of 100 PSI at the vessel's manifold during discharge, provided shore facilities permit. It is agreed that time lost as a result of vessel being unable to discharge the cargo in accordance with the guarantee stated herein will be deducted from monthly hire.

In the event of the vessel failing to maintain average discharge pressure of 100 PSI or to discharge the cargo within 24 hours, Charterers are entitled to deduct all time over and above 24 hours taken to discharge cargo from hire.

Discharge terminal shall have the right to gauge line pressure. Should the vessel fail to comply with the guarantee herein stipulated should terminal request, Charterer shall have the right to order the vessel to be withdrawn from the berth and all time and expenses incurred to leave the berth and return later to complete discharge will be for Owners' account with the proven lost time and/or expenses being deductible from the monthly hire. In any event, Owners shall provide Charterer with a detailed hourly pumping record showing the pressure maintained at the vessel's manifold throughout the discharge. Such record shall be duly counter signed by a terminal representative and/or independent surveyor, if possible.

If the vessel discharges at more than one port or discharges a partial cargo, then time to be prorated relative to the vessel's full cargo capacity for the nominated cargo(es).

Should the discharge terminal(s) restrict in any way the vessel's performance indicated in this charter party, the master shall immediately issue a letter of protest to the terminal indicating the nature of the restriction and any details he may consider relevant. The vessel to obtain terminals signature on the letter of protest.

Notwithstanding the above, vessel is to make best efforts to utilize full capabilities (safety permitting) when discharging at Portland, Maine.

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For discharge in Punta Palenque, Dominican Republic, vessel to maintain 150 PSI at vessel's manifold.

**65) STS Clause**

Charterers shall have the right to require the vessel to perform lighterage operations and or ship to ship transfer operations at anchor or underway at a safe anchorage or place and these ship to ship transfer operations shall be conducted in accordance with the provisions of the latest ICS/OCIMF transfer guide (petroleum) always to master's acceptance which not to be unreasonably withheld.

It is understood and agreed that the crew of the vessel will be required to assist in handling the fenders and cargo hoses as well as mooring and unmooring of the vessel as designated by the mooring master at the STS transfer site at no additional cost to the Charterer.

All extra equipment required for such transfer operations shall be provided by Charterer at its expense.

Extra cost of insurance 'if any' to be for Charterers account.

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**66) Pressure Gauges**

Vessel to be equipped with pressure gauges at each discharge manifold which will be maintained in a proper working condition and each gauge shall have a valid test certificate.

**67) Bilge Liquids**

Vessel shall have efficient and safe means of transferring engine room/pump room bilge to designated holding tanks onboard for disposal in accordance with international regulations.

**68) Previous Cargoes**

(Deleted)

**69) Condition of Cargo Spaces on Delivery and Redelivery**

Vessel will be redelivered with tanks free of liquid slops.

**70) Tanks, Lines, Pumps Suitability**

Owners warrant that vessel will arrive at each load port with all cargo tanks, pumps and lines suitable to load the intended cargo as per Charterer's representative and/or independent surveyor's satisfaction, subject to Charterers voyage orders and vessels time to comply. All damages, time lost and costs incurred due to noncompliance will be for Owners' account and deducted from monthly hire.

**71) Inert Gas System**

Owners warrant that vessel has a good working inert gas system and that the officers and crew are experienced in the operation of the system. Owners further warrant that the vessel will arrive at the load port with cargo tanks inerted and that tanks will remain inerted throughout the loading, voyage and discharge operations. Any delay, cost and expense due to improper operation of the inert gas system shall be for Owners' account and shall be deducted from monthly hire.

The master may be required by terminal personnel or independent surveyor(s) before and/or after discharge to breach the inert gas system for the purpose of gauging, sampling, temperature determination and/or determining the quantity of cargo remaining on board (ROB). The master shall comply with these requests consistent with the safe operation of the vessel. Vessel to remain on hire for such periods.

**72) Crude Oil Washing (COW)**

Owners warrant that the vessel is capable of crude oil washing (COW) of all cargo tanks.

If requested by Charterer, Owners agrees to conduct crude oil washing of cargo tanks at discharge port(s) simultaneously with the discharge of the cargo to shore. Under no circumstance shall the vessel utilize more than eight (8) hours to effect COW or prorata on the basis of the number of tanks washed to the total number of tanks unless authorized by Charterer.

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The vessel will comply with the requirements of the Pumping Clause during simultaneous discharge to shore and the COW operation. If the vessel fails to comply, all additional time to discharge the cargo will be deducted from the monthly hire.

Owners agrees to comply with applicable port and terminal regulations and, if necessary, to submit any advance information or technical data that may be required by local authorities relative to the COW operations.

**73) Fittings, Equipment and Dimensions**

- A. Owners warrant that all piping, valves, spools, reducers and other fittings comprising that portion of the vessel's manifold system outboard of the last fixed rigid support to the vessel's deck and used in the transfer of cargo, bunkers or ballast, are made of steel or nodular iron; and the fixed rigid support for the manifold system is designed to prevent both lateral and vertical movement of the manifold. Owners further warrant that no more than one reducer or spool piece (each ANSI standard) will be used between the vessel's manifold valve and the terminal hose or loading arm connection.
- B. Owners are responsible for providing safety equipment to persons aboard the vessel when the cargo is high sulfur or otherwise dangerous to the health of the crew.
- C. Owners warrant that the vessel is capable of discharging more than one grade simultaneously.
- D. Owners warrant that throughout the charter vessel will have on board the calibration tables for its tanks calculated by the builder or by a reputable independent international surveyor.
- E. Charterers, subject to Owners' approval (which shall not be unreasonably withheld) and class approval, shall be at liberty to fit any additional pumps and/or other vessel gear beyond what is on board at the commencement of the charter, and to make the necessary connections with hydraulic, steam or water pipes, such work to be done at Charterers time and their expense, and such pumps and/or gear so fitted to be considered their property, and Charterers shall be at liberty to remove it at their time and expense and time during or at the expiry of this charter, with the vessel to be left in her original condition.

- F. Vessel is fitted with 95 percent and 98 percent high level alarms. Any delays due to breakdown of these high level alarms will be considered off hire and will be deducted from the charter hire.

**74) Cargo Transference**

Owners shall notify Charterer of any transfer of cargo within the vessel that takes place after loading and before discharge for purposes of trimming, stress or any other similar purposes.

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**75) Prohibited Detergent Washing**

Owners warrant that vessel will not perform cargo tanks washing utilizing detergents with organic chloride contents throughout the duration of the charter period. Owners to be held responsible for all damages and consequences including but not limited to all cargo claims if Owners/master fails to adhere to this Clause.

**76) Cargo Retention**

- A. In the event that liquid cargo remains on board upon completion of discharge Charterers shall have the right to deduct from hire an amount equal to the fob port of loading cost of such cargo plus its pro rata cost of freight and insurance unless such cargo is unpumpable or unreachable by the vessel's fixed pumps.
- B. Nothing in this Clause deprives Owners of any defenses they have to counterclaims for cargo shortloading or damage but it is agreed that such counterclaims will not be time barred if asserted in any proceedings commenced by Owners for hire deducted under this Clause provided that the deduction was proper.
- C. Any action or lack of action in accordance with this provision shall be without prejudice to any rights or obligations of the parties.
- D. All slops throughout the charter term shall belong to Charterer.

**77) Loss of Carrying Capacity**

In the event cargo is shut out by the fault of the master, officers, crew or mechanical deficiency of the vessel, then Charterer shall be entitled to claim compensation for the transportation cost of the cargo shut out on a round voyage basis by reference to the rate of hire or the current market level (whichever is greater). Any additional port costs and/or bunker consumed due to the loss of carrying capacity shall for Owners account.

**78) Speed and Fuel Warranties**

The Owners warrant that the vessel is capable of maintaining and shall maintain, consistent with safety throughout the period of this charter party on all sea passages, from seabuoy to seabuoy, unless otherwise ordered by Charterer, an average speed under weather conditions up to and including Beaufort Force 5 of about 13.3 knots laden on a daily consumption of about 37 metric tons IFO 380 CST plus 0 metric tons MDO at sea and about 13.3 knots ballast on a daily consumption of about 37 metric tons IFO 380 CST 0 metric tons MDO at sea for all purposes excluding tank cleaning, cargo heating and IGS plus about 20 mts IFO for loading and about 20 mts IFO for discharging, based on single port loading and discharging excluding Laguna and Boscan crude and similar cargoes.

The above speed and consumption rates shall be adjusted in accordance with, and always be subject to any changes made to the Aframax International pool key, provided the vessel continues to trade in the Aframax International pool.

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**79) Slow Steaming/Speed Up**

Weather and safe navigation permitting, Charterer shall have the right to order the vessel to proceed at any speed greater than/less than normal full speed.

**80) Adjustment of Hire**

The speed and fuel consumption guaranteed by the Owners in Part 1 will be reviewed by the Charterer 30 days after every six (6) months. If at the end of the period, if it is found that the vessel has failed to maintain, as an average during the period, the speed and/or fuel consumption warranted, the Charterer shall be retroactively compensated in respect of such failings, as per Clause 24.

No bonus shall be payable to Owners under any circumstances.

The Charterer shall provide Owners with an opportunity to review any claim submitted by Charterer under this Clause, and the Owners shall complete such review and provide Charterer with the results thereof within thirty (30) days from the date such claim was received by Owners. In the absence of such response, Charterer may deduct from hire any amount to which it is entitled under this Clause.

In the event of Charterer having a claim in respect of vessel's performance during the final year of the charter period and any extension thereof, the amount of such claim shall be withheld from hire in accordance with Charterer's estimate made two months before the end of the charter period and any necessary adjustment after the end of the charter shall be made by the Owners to the Charterer.

**81) Additional Offhire**

- A. The vessel shall be offhire whenever there is loss of time if:

- 1) due to the boycott of the vessel due to the terms or conditions of employment of Owners' servants; or employment, trades, or cargoes of vessels other than under this charter.
  - 2) due to restraint or interference in the vessel's operation by any governmental authority in connection with the ownership, registration, or obligations of Owners or the vessel, or stowaways, or in connection with smuggling or other prohibited activities.
  - 3) due to cargo contamination or damage caused by unseaworthiness of the vessel or negligence of Owners' servants.
- B. In addition, if during offhire the vessel loses its turn to berth, it shall remain offhire until it regains the same berthing position. If the vessel goes offhire while in berth, extra expenses thereby incurred by Charterers in connection with the vessel remaining at the berth shall be for Owners' account and Charterers shall also have the option to order the vessel out of berth, so as to avoid delay to other vessels waiting to use the berth, with the cost of unberthing and reberthing for this purpose to be for Owners' account. The vessel shall remain offhire during time lost in between berths.
- C. In the event of detention of vessel by any governmental authority, or by any legal action against vessel or Owners, or by any strike or boycott by the vessel's officers or crew, whereby vessel is rendered unavailable for Charterers' service
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for a period of thirty (30) days or more, Charterers may, by written notice given before vessel is free and ready to resume service, elect to terminate this charter, without prejudice to any other rights Charterers may have under this charter or to any claim it may have for damages.

## **82) Off Hire Survey**

A joint off hire bunker survey shall be conducted by Charterers and Owners representatives at the place of redelivery. The time and cost for the offhire bunker survey at redelivery shall be split equally between Owner and Charterer.

## **83) Access**

The Charterer shall have the right and privilege of having their representatives visit the vessel while in port or at sea. Charterer's representatives shall have access to the entire vessel (excluding accommodation spaces) and the master, officers and crew of the vessel shall cooperate with and render any reasonable assistance that Charterer's representatives may require.

Charterer shall be entitled, from time to time during the period of this charter, to cause their representative(s) to take samples of the cargo and to inspect the vessel in order to ascertain whether Owners is reasonably complying in all respects with their obligations under this charter party.

In the case of inspection of the vessel, Charterer shall give Owners appropriate notice of their intention to inspect the vessel and any such inspection may include, but shall not be limited to: examination of the vessel's hull, machinery, boilers, auxiliaries and equipment, examination of the vessel's deck and engine, rough and official log books, certificates, investigation of the vessel's operating procedures both in port and at sea, examination of the qualifications and conduct of the vessel's master, officers and crew. Any inspections carried out by Charterer under this sub-Clause shall be without prejudice to any other rights of inspection or investigation allowed to Charterer in accordance with the provisions of this charter.

In the event of Owners' failing, at any time during the period of this charter, to comply with their obligations under this Clause, Charterer shall be entitled to give Owners notice in writing, whether or not an inspection under the terms of this Clause has taken place, requiring Owners to take immediate steps to remedy their default.

In the event the Owners fails forthwith, or within such period as may be agreed to remedy such default to Charterer's satisfaction, Charterer shall be entitled at their absolute discretion, to place the vessel off-hire, until such default shall have been satisfactorily remedied. Any exercise of, or failure to exercise, their discretion under the terms hereof by Charterer shall be without prejudice to any other remedy available to Charterer.

## **84) Change of Flag, Management, Ownership**

Owners rights and obligations under this charter are not transferable and except as provided in this Clause Owners undertake not to change the vessel's management nor flag nor to sell the vessel or stock in the ownership company without Charterer's consent which consent shall not be unreasonably withheld.

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In the event that the Owners desire to hire a manager other than Tanker Management Ltd., Owners shall provide written notice (the "New Manager Notice") to the Charterer at least 10 business days prior to the proposed date of hire, which notice shall seek the Charterer's consent to the new manager. The Charterer shall have the right, within 5 business days of receipt of the New Manager Notice, to object to the new manager in writing. Such objection must be based on reasonable grounds, and must be accompanied by a list of two comparable managers (other than any affiliates of Charterer) to which the Charterer would have no objection, and which Owners may then hire without any further requirement for consent from Charterer.

If written notice of objection together with the accompanying list of acceptable managers is not provided by the Charterer within 10 business days of receiving the New Manager Notice, the Charterer shall be deemed to consent to the new manager.

Owners shall have the right to transfer the vessel and Charterer agrees that stock in the Owners may also be transferred (either of which, for purposes of this Clause, a "Transfer"), subject to the Charterer's right of first offer as described in this Clause:

Prior to and in order to effect a Transfer, the Owners shall first give written notice (a "Sale Notice") to the Charterer stating (i) the Owners (or its parent's) intention to make a Transfer, (ii) the name of a broker who Owners have selected to be a member of the three member panel described

below (the "Panel") that will determine the fair market price of the vessel (on the basis that it is sold subject to this charter) and (iii) the material terms other than price upon which the Owners (or its parent) intends to make the Transfer.

The Charterer shall select a member of the Panel within 5 business days after receipt of the Sale Notice by delivery of written notice to Owners. If Charterer does not make such selection within such 5 business day period, then the Panel shall consist solely of the broker selected by Owners. If Charterer makes such selection, then the two members selected by Owners and Charterer shall select together a third member of the Panel within 10 business days after delivery of Charterer's written notice to Owners. If the members selected by Owners and Charterer do not select a third member of the Panel within such 10 business day period, then the third member of the Panel shall be selected by the President of the Society of Marine Arbitrators, Inc. New York. No broker is eligible to be selected as a member of the Panel unless it is listed in Appendix B of approved ship brokers to this charter.

After all the members of the Panel have been selected in accordance with the preceding paragraph, the Panel shall determine the fair market price of the vessel, taking into account that any sale would be made subject to this charter. The market price determined by the Panel (the "Price") shall be the price determined by the sole member of the Panel if there is only one member and shall be the average of the two closest prices determined by members of the Panel if there are three members. The sole member, or, the member of the Panel selected by the other two members shall notify in writing the Owners and Charterer of the Price (the "Price Notice"). Owners and Charterer shall each pay one-half of the fees and expenses of the members of the Panel in performing their services under this Clause 84. Such Price shall be considered the price of the vessel, if Owners elect to proceed with the sale of the vessel after receiving the Price Notice. Owners shall not be obligated to proceed with the sale of the vessel if it, in its sole discretion, deems the Price to be inadequate. If the parent of Owners seeks to sell the stock of the Owners, then the Panel, in addition to determining the Price of the vessel as aforesaid, shall determine the fair market price of the assets of the Owners

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(other than the vessel) and the fair market value of the liabilities of the Owners in accordance with the foregoing methodology. The sum of the Price of the vessel in the Price Notice and the price of the other assets of the Owners determined as aforesaid reduced by the value of the liabilities of Owners determined as aforesaid shall be considered the price for the stock (the "Stock Price") and the Stock Price shall be set forth in the Price Notice.

In the event that the Owners elect to proceed with the sale of the vessel upon its review of the Price Notice, Charterer shall have an irrevocable and non-transferable option to effect Transfer to it of the vessel or stock in the Owners at the Price or at the Stock Price, as the case may be, set forth in the Price Notice and on materially the same terms as set forth in the Sale Notice. Such option may be exercisable during the period (the "Purchase Option Period") commencing on receipt of the Price Notice and ending (a) if Tanker Management Ltd. is the manager at the time of the Price Notice, 30 days after Charterer's receipt of the Price Notice or (b) if Tanker Management Ltd. is not the manager at the time of the Price Notice, 30 days after the later of (i) the date (the "Inspection Date"), set forth in a notice from Owners to Charterer that the vessel and the records of the vessel may be inspected by Charterer, which notice shall be given after the Sale Notice and at least 5 business days prior to the Inspection Date and (ii) Charterer's receipt of the Price Notice. In order to exercise its option, the Charterer shall, within the Purchase Option Period, send an irrevocable written acceptance notice to the Owners (the "Purchase Notice"). The Charterer shall then be obligated to consummate the purchase of the vessel or stock at the Price or at the Stock Price, as the case may be, set forth in the Price Notice and on materially the same terms as set forth in the Sale Notice within thirty (30) days after the Purchase Notice. If Charterer does not exercise its option within the Purchase Option Period or, if such option is exercised, Charterer fails to consummate the purchase of the vessel or stock within the time period set forth above, then, in addition to any other remedies available, the Owners may during the period set forth in the next sentence (the "Sale Option Period") sign a legally binding agreement for the Transfer of the vessel or stock to a third party at a price not less than the Price or the Stock Price, as the case may be, set forth in the Price Notice, minus up to 2.5% of the Price of the vessel, and on materially the same terms as set forth in the Sale Notice. The Sale Option Period shall commence on the earlier of (i) the date Charterer notifies Owners that Charterer will not exercise its option and (ii) the expiration of the Purchase Option Period (such earlier date referred to as the "Start Date") and end on the later of 90 days after (i) the Start Date and (ii) the date after the Start Date when the vessel and the records of the vessel are first made available at a port for inspection at the request of potential third party purchasers of the vessel or stock. If an agreement for the Transfer of the vessel or stock is not signed during the Sale Option Period or the Transfer of the vessel or stock is not completed under such agreement, then Charterer's right of first offer as described in this Clause 84 shall begin again and a new Price determined in accordance with the provisions of this Clause 84. Any Transfer of the vessel or stock to a third party shall be subject to (x) Charterer's prior approval, which shall not be unreasonably withheld, and (y) Charterer's right to purchase at par any loan obtained by the third party purchaser of the vessel to finance such purchase if such purchaser defaults under the credit agreement for such loan or this charter provided the third party can obtain such right from its lenders on, in the sole good faith opinion of the Owners, commercially reasonable terms. This charter, including all options to extend it, shall continue in full force and effect notwithstanding any Transfer of the vessel or stock in the ownership company of the vessel.

If the Owners fail to comply with the terms of this Clause, Charterer may, in its absolute discretion, terminate this charter, whereupon Owners shall reimburse Charterer for any

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hire paid in advance and not earned, the cost of bunker fuel on board the vessel and for any amount for which the Owners are liable to Charterer under the terms of this charter. Charterer's rights of termination shall, whether or not it is exercised, be without prejudice to any other rights available to Charterer.

The managers shall be responsible for the day to day technical operations of the vessel however Owners always to be held responsible for the overall management of the vessel.

If Charterer is not satisfied with the performance of the manager, Charterer may request a meeting within 7 business days with Owners and manager to discuss the deficiencies in the management which deficiencies shall be presented in writing by Charterer. If after thirty days, the management deficiencies are evidently still unresolved in Charterer's determination (which deficiencies and determination will be delivered to Owners and manager in writing), then the management company may be changed provided that the new management company shall be selected by the Owners subject to the consent of the Charterer, such consent not to be unreasonably withheld.

Owners will not effect any mortgage, encumbrance or other lien on the vessel, other than liens that are not material in amount and that arise in the ordinary course of business or by operation of law, without the prior written consent of the Charterer, such consent not to be unreasonably withheld. In the case of the initial financing by Royal Bank of Scotland for the purchase of the vessel (the "Initial Financing"), the Charterer hereby consents. In the case of any refinancing of the vessel, Owners shall negotiate in good faith and use their best efforts to have the refinancing mortgagee agree on, in the sole good faith opinion of the Owners, commercially reasonable terms that are no less favorable to the Charterer than the terms contained in the Initial Financing in terms of the mortgagee's rights to enforce its mortgage in the event and so long as the Charterer continues to pay the charter hire under this charter. If the Owners, after negotiating in good faith and using their best efforts, are unable to obtain such provisions from the refinancing mortgagee on, in the sole good faith opinion of the Owners, commercially reasonable terms, Charterer or its affiliates may seek such provisions on behalf of Owners and Owners shall consider in good faith all refinancing proposals obtained by Charterer or its affiliates which have, in the sole good faith opinion of Owners, commercially reasonable terms. In addition, Owners shall use their best efforts to have the refinancing lenders agree on, in the sole good faith opinion of the Owners, commercially reasonable terms, that Charterer or its affiliates may purchase at par the loan made by such lenders and related mortgage and other security interests if Owners breach any provision of this charter, including this Clause 85, or if Owners or any of their affiliates default under the loan agreement for such loan.

## 86) Requirements of Special Trades

- A. Charterer may blend cargo on board. If original Bills of Lading are issued for one or more of the parcels which are blended, upon return of all such Original Bills of Lading and at Charterers' request, Owners will issue new Bills of Lading for the blended cargo. New Bills of Lading can only be issued for the blend as a whole. Owners are hereby indemnified against all claims for contamination or quality deterioration or off specification whatsoever due to cargo blending on board.
- B. Extra insurance on freight and/or cargo, if any, due to vessel's age shall be for Owners' account and Charterer shall have the right to deduct such extra

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insurance cost from hire due Owners. Charterer will provide supporting invoice for extra insurance cost deducted from charter hire.

- C. Whenever requested by Charterer, Owners shall arrange for war risk underwriters to advise Charterer via Owners about actual net 'additional premium' then in effect. If requested by Charterer, Owners shall arrange in advance for war risk underwriters to furnish such information to Charterer via Owners 48 hours before vessel enters 'additional premium' zone, weekend and local holidays are excluded, at Charterers expense.
- D. Any 'additional premiums' due from Charterer shall be documented by underwriters and Charterer shall pay only the net premium charged to Owners – i.e. gross premium less rebate, if any.
- E. Charterer shall not be responsible for any time lost due to officers and/or crew refusing to proceed to an actual war zone, or for any time lost as a result of the vessel remaining in an "additional premium" zone due to action by vessel's officers and/or crew and/or breakdown and/or accident to vessel or her equipment not caused by fault of the Charterer, or as a result of an occurrence of a war risk.
- F. Pollution insurance. Owners warrant that they will have in place the maximum cover for pollution offered by members of the International Group of P&I Clubs (currently USD 1 billion) and that this cover from underwriters approved by Charterer (such approval not to be unreasonably withheld) will remain in place throughout the period of this charter. Owners shall provide Charterers within five business days after the fixture is concluded, written evidence from the vessel's P&I club or insurance broker of such pollution cover.

Any additional premiums or surcharges payable by Owners in relation to the vessel calling to United States of America ports to be for Charterers account.

- G. Vessel to be able to comply with the following Clause for occasional cargoes loading in Venezuela:

The vessel to arrive at the loadport fully cleaned for wax free stowage, including all waxy residues and sediments to be removed by hand lifting. Owners to allow Charterers representative to board the vessel at the last discharge port to supervise the cleaning operations en route to loadport.

Vessel shall arrive loadport with all cargo tanks, pumps and pipes suitably clean for Laguna crude, at Owners time and expense, and the Charterers inspectors satisfaction and delays, as a result of the vessel arriving at the loadport and not being clean to Charterers inspectors satisfaction, shall be considered off hire. The cargo is intended to be used in the production of lube oil and transformer oils, etc. and is especially sensitive to wax and salt.

Vessel to be capable of hot machine washing and flushing all cargo tanks, pumps and pipes (water used to be 80 degrees C. and not less than 65 degrees C. at any time) for at least four hours. All wax deposits to be lifted. All tank washings to be discharged and collected in slop tanks. Vessel to discharge slops from cargo tanks at minimum 65 degrees C. Vessel to arrive loadport fully

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cleaned for wax free stowage including all waxy residues and sediments to be removed by hand lifting. After the hot water wash, vessel to perform a quick cold lake water flush of all tanks and pipes and tank system to be well drained. No slops to be discharged ashore. Slops to be kept fully segregated from cargo at all times. Vessel to be clean to Charterer's inspector's satisfaction before loading.

Charterer's expeditor will board the vessel at last discharge port at Charterers expense to supervise the cleaning operation en route to the loadport. If the cleaning required is carried out to the expeditor's satisfaction then Charterers not to require vessel to be gas free on arrival loadport.

- H. Owners warrant that vessel is fully capable of carrying 'Orimulsion' and Owners/operators are fully aware of the requirements for carrying this type of cargo. Normally, crude oil washing nor inert gas system never to be utilized while Orimulsion is onboard.
  - I. It is understood that the vessel shall not be required to force ice but to follow ice breakers from time to time always subject to master's approval.
  - J. (Deleted)
  - K. Grades and comingling. Charterer shall be at liberty to ship three grades of cargo. Grades and quantities of petroleum products shall be defined by Charterer prior to each voyage. Segregated grades shall be kept within vessels natural segregations. At the option of the Charterer, loading of three or more grades of cargo in such a manner as to voluntarily mix the cargo to obtain a new grade shall be carried out by the Owners pursuant to Charterers requirements. Any such mixture or admixture shall be at Charterers risk and expense and shall be considered to be one grade under the present agreement. Any new bills of lading that are issued will only be for the blended cargo as a whole.
  - L. Vessel to have a working vapour recovery system onboard.
  - M. Owners warrant that it has a policy on drug and alcohol abuse ("Policy") applicable to the vessel which meets or exceeds the standards of the OCIMF guidelines for the control of drugs and alcohol onboard ship. Under the Policy, alcohol impairment shall be defined as a blood alcohol content of 40 mg/100 ml or greater; the appropriate seafarers to be tested shall be all the vessel's officers and the drug/alcohol testing and screening shall include unannounced testing in addition to routine medical examinations. An objective of the Policy should be that the frequency of the unannounced testing be adequate to act as an effective abuse deterrent, and that the officers be tested at least once a year though a combined program of unannounced testing and routine medical examinations. Owners further warrant that the Policy will remain in effect during the term of this charter providing that the terms are in conformity with the laws of the vessel's flag state and that the Owners shall exercise due diligence to ensure that the Policy is complied with. It is understood that an actual impairment, shall not in and of itself mean Owners has failed to exercise due diligence. Persons who test positive, refuse to test, or are unfit for duty (impaired because of drug or alcohol abuse) shall be removed from the vessel and shall not be reassigned to service on the vessel.
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- N. Charterers shall have the right to convert the vessel to an FSO or FPSO or another similar use provided that the vessel is re-converted to her original condition at the end of the charter at Charterers time and expense. Owners consent is required but should not be unreasonably withheld.
- O. If requested by Charterers, vessel shall make best efforts to cool the cargo temperature by spraying the deck with water and/or taking extra ballast in ballast tanks or any other method by which the Charterers suggest provided same is deemed safe by master.
- P. Vessel shall be capable of full hot fresh water wash, as well as hot sea water wash followed by fresh water rinse, with all fresh water to be procured by Charterers over and above what vessel is capable of producing with all time and expense for the cost of the water as well as extra bunkers, and time and expense for all related operations to be for Charterers account. Owners will make best efforts to produce fresh water for Charterer's purposes, however without guaranty.
- Q. Worldwide trading always within American Institute Trade Warranties limits and any subsequent amendments thereof as permitted by U.S. and/or Marshall Island authorities.

Charter may order the vessel to Alaska, outside of American IWL, provided Owners' consent thereto and that Charterers pay for any insurance premium required by the vessel's underwriters. Charterers to give adequate prior notice to Owners and Charterer shall provide and pay for response plan and OSRO coverage for the vessel while in Alaskan waters. All costs for any breach of BIWL as well as all costs for trading to Alaska, and to comply with Charterer's orders to be for Charterer's account including any insurance premium required by the vessel's underwriters.

Costs of complying with USWC trading, with port, local and OPA 90 rules and regulations to be for Charterers account in addition to filing spill response plans.

- R. Where the vessel is required to change over to and from low sulphur fuel, the fuel consumption and any delays due to flushing the fuel system is to be for Charterers account.
- S. Owners warrant that the vessel will perform ballast change in deep water in open sea prior to arrival Primorsk, whenever time and circumstances permit, and will ensure that ballast water content complies with Primorsk requirements so far as possible. However, if Primorsk lab analysis of ballast indicates the hydrocarbon contents exceed 0.05 ppm and source hydrocarbon is not from within the vessel and vessel is consequently ordered to discharge ballast outside port limits, then any unberthing and reberthing costs incurred as a consequence will be for Charterers account.

## 87) Agency

Owners can appoint their own agents or have the right to use and pay Charterer's agents for Owners' matters.

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## 88) Hull And Machinery Value

(Deleted)

## 89) War Risk Premium

Owners to be responsible only for the basic annual contributions payable to obtain war risk cover. Charterer shall be responsible for the full amount of any sums payable by way of additional premiums to maintain that full cover as a result of the vessel proceeding any areas designated as additional war risk premium areas.

**90) Histories**

Owners shall provide a work history to Charterer prior to any change of the master, chief engineer and chief officer serving onboard vessel. The history which shall show the extent of tanker experience in rank. Similar histories shall be furnished for any new master, chief engineer and chief officers prior to assignment to the vessel. After reviewing same, Charterers have the right to reasonably reject any of the above in which case Owners will nominate a substitute which shall be subject to Charterers approval as well.

**91) Personnel**

Conversational English language proficiency is required for the master and officers in charge of cargo or bunker oil handling.

**92) Reduction or Increase in Deadweight**

(Deleted)

**93) Confidentiality**

(Deleted)

**94) General Average**

- A. In addition to any other rights Charterer may have, and if requested by Charterer, Owners will release one or more cargoes to Charterer for transshipment from a port of refuge by and at the expense of Charterer in exchange for a nonseparation of interest agreement, general average bond, and a general average undertaking from cargo underwriters in the customary forms. Charterer's transshipment expenses, up to the general average expenses saved, are to be treated like the general average expenses saved, as if those expenses had actually been incurred and paid for by Charterer. If a subcharter is involved and freight is at risk, subcharterer shall be credited for the vessel's daily manning, bunkers, insurance costs as well as port expenses saved for any part of the voyage not required to be made by reason of transshipment. Bills of lading for such transhipped cargoes are deemed to be accomplished on completion of transfer to the transshipping vessel, and port of refuge where transfer is made shall be treated as a discharge port.
- B. Any amounts allowable in general average for wages, provisions and stores shall be credited to Charterer insofar as such amounts are in respect of a period when the vessel is on hire.

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95) (Deleted)

**96) Hydrogen Sulphide (H2S) Clause:**

Owners shall comply with the requirements in ISGOTT (as amended from time to time) concerning Hydrogen Sulphide and ensuring that the Hydrogen Sulphide level is always below the threshold limit value (TLV).

If on arrival at the loading terminal, the loading authorities, inspectors or other authorised and qualified personnel declare that the Hydrogen Sulphide levels exceed the TLV and request the vessel to reduce the said level to within the TLV, provided that the duration of the voyage between the last discharge port and such loading terminal permits such reduction, then the delay shall be considered off hire and any additional expenses incurred by Charterer to be for Owners account.

**97) Yugoslavia Clause**

(Deleted)

**98) BIMCO ISPS Clause for Time Charter Parties 2005**

- (A) (i) The Owners shall comply with the requirements of the International Code for the Security of Ships and of Port Facilities and the relevant amendments to Chapter XI of SOLAS (ISPS Code) relating to the vessel and "the company" (as defined by the ISPS Code). If trading to or from the United States or passing through United States waters, the Owners shall also comply with the requirements of the U.S. Maritime Transportation Security Act 2002 (MTSA) relating to the vessel and the "owner" (as defined by the MTSA).
- (ii) Upon request the Owners shall provide the Charterers with a copy of the relevant International Ship Security Certificate (or the interim international ship security certificate) and the full style contact details of the Company Security Officer (CSO).
- (iii) Loss, damages, expense or delay (excluding consequential loss, damages, expense or delay) caused by failure on the part of the Owners or "the company"/"owner" to comply with the requirements of the ISPS Code/MTSA or this Clause shall be for the Owners' account, except as otherwise provided in this charter party.
- (B) (i) The Charterers shall provide the Owners and the master with their full style contact details and, upon request, any other information the Owners require to comply with the ISPS Code/MTSA. Where sub-letting is permitted under the terms of this charter party, the Charterers shall ensure that the contact details of all sub-charterers are likewise provided to the Owners and the master. Furthermore, the Charterers shall ensure that all sub-charter parties they enter into during the period of this charter party contain the following provision:

“The Charterers shall provide the Owners with their full style contact details and, where sub-letting is permitted under the terms of the charter party, shall ensure that the contact details of all sub-charterers are likewise provided to the Owners”.

(ii) Loss, damages, expense or delay (excluding consequential loss, damages, expense or delay) caused by failure on the part of the Charterers to comply with this Clause shall be for the Charterers’ account, except as otherwise provided in this charter party.

(C) Notwithstanding anything else contained in this charter party all delay, costs or expenses whatsoever arising out of or related to security regulations or measures required by the port facility or any relevant authority in accordance with the ISPS Code/MTSA including, but not limited to, security guards, launch services, vessel escorts, security fees or taxes and inspections, shall be for the Charterers’ account, unless such costs or expenses result solely from the negligence of the Owners, master or crew. All measures required by the Owners to comply with the ship security plan shall be for the Owners’ account.

(D) If either party makes any payment which is for the other party’s account according to this Clause, the other party shall indemnify the paying party.

99) **Period / Charter Hire**

Owner and Charterer agree that the initial charter period shall be the period commencing on October 17, 2005 and ending on October 16, 2011 (the “Initial Expiration Date”). Until the Initial Expiration Date, the Charterer shall pay to the Owner, charter hire (“Basic Hire”) monthly in advance by the due date set forth in Clause 9. Each payment of Basic Hire (“Basic Hire Amount”) shall equal the basic hire rate set forth in the initial charter rate table below that corresponds to the time period for which payment is being made multiplied by the actual number of days in the month for which the Basic Hire Amount is being calculated.

**INITIAL CHARTER RATE TABLE**

CHARTER YEAR	COMMENCING (0001 GMT)	ENDING (2400 GMT)	BASIC HIRE RATE
1	October 17, 2005	October 16, 2006	USD 18,500 per day
2	October 17, 2006	October 16, 2007	USD 18,700 per day
3	October 17, 2007	October 16, 2008	USD 18,800 per day
4	October 17, 2008	October 16, 2009	USD 18,900 per day
5	October 17, 2009	October 16, 2010	USD 19,100 per day

The Charterer may, at its option, extend the charter on one or more occasions (provided that the charter is still in effect at the time of extension) by giving written notice (the “Extension Notice”) to the Owner at least 90 days prior to the expiration date of the charter then in effect. The Extension Notice shall specify the new expiration date of this charter, which shall be the first, second or third anniversary of the existing expiration date; provided, however, that in no event shall the expiration date be subsequent to October 16, 2015. The Extension Notice shall also specify the Basic Hire Amount for the selected extension period, which shall be calculated in the same manner as the Basic Hire Amount for the initial charter period, and shall, at the option of the Charterer, be equal to either:

- A. the one-, two- or three-year time charter rate for VLCCs, which rate corresponds to the selected extension period, established by the Association of Shipbrokers Agents and Agents Tanker Broker Panel (the “Broker Panel”), plus five percent, or
- B. the basic hire rate for the corresponding time period(s) set forth in the option period rate table below.

Upon receipt of the Extension Notice by the Owner, the charter shall be extended to the new expiration date on the same terms and conditions (other than as expressly set forth herein). If, at the time of the exercise of any extension period, the Broker Panel is no longer quoting one-, two- or three-year time charter rates, then a mutually acceptable replacement Broker Panel shall be selected by the Owner and Charterer. The following broker panels shall be deemed mutually acceptable by the Owner and Charterer:

London Tanker Broker Panel

**OPTION PERIOD RATE TABLE**

OPTION YEAR	COMMENCING (0001 GMT)	ENDING (2400 GMT)	BASIC HIRE RATE
1	October 17, 2010	October 16, 2011	USD 19,400 per day
2	October 17, 2011	October 16, 2012	USD 19,700 per day
3	October 17, 2012	October 16, 2013	USD 20,000 per day
4	October 17, 2013	October 16, 2014	USD 20,200 per day
5	October 17, 2014	October 16, 2015	USD 20,400 per day

**ADDITIONAL HIRE**

Charterer agrees that Additional Hire Payment Amount (as defined in the Charter Framework Agreement, dated October 6, 2005, by and among the Owners, the Charterer and the other parties thereto), if any, shall be calculated and paid in accordance with such Charter Framework Agreement.



U.S. Customs Clearance – if cargo is to be discharged in a U.S. port or territory subject to control by the U.S. Customs and Border Protection (CBP), Charterers warrant that all necessary details required by CBP for clearance of the cargo, inclusive of but not limited to, shipper consignee and notify party full name, address and phone number or telex number, will be included on each bill of lading or alternatively supplied to Owners in writing a minimum of 24 hours prior to the vessel's arrival at the first designated U.S. port of discharge. For voyages less than 24 hours in duration this information must be included on the bill of lading or advised to Owners prior to the vessel departure from the loading place or port. Any delays, fines or penalties incurred due to Charterers' failure to comply with the above will be for Charterers' account.

Effective March 4, 2004, all imported cargoes into the U.S. must be electronically reported via the Bureau of U.S. Customs and Border Protection AMS system. This

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requires the Owner to have a Type 3 International Carriers Bond as well as a Standard Carriers Alpha Code (SCAC). It is the responsibility of the Owner to ensure that his reporting requirement occurs 24 hours prior to the vessel's arrival at the first U.S. port. Should the international voyage be less than 24 hours in duration, the Owner shall electronically file the manifest via the automated manifest system at the time of the loading in the foreign port. Owners and/or vessel master or their designated agent will provide a copy of the electronically filed manifest to the Charterers or their designated agent at the time of filing with CBP.

Owners warrant that it is aware of the requirements of the U.S. Customs and Border Protection regulation issued on December 5, 2003 under Federal Register Part II Department of Homeland Security 19 CFP Parts 4, 103, et al. and will comply fully with these requirements for entering U.S. ports. Any delays, fines or penalties incurred due to Owners failure to comply with the above will be for Owners account.

The cost of filing to be for Charterers account. Charterers to be responsible for any delay and/or fines related to late filing by their agents.

**101) House Flag/Charterers Markings**

At any time during the period of this charter, Charterers shall have the privilege of flying their house flag, to paint the funnel and bow crest in their house colors and to paint their markings on ships sides and put/change the name of the vessel. Upon vessels redelivery, Owners shall be obliged to rename the vessel and remove Charterers markings on ships sides and repaint ships name and funnel. The cost of such paintings and/or repaintings and/or name change to be for Charterers account unless otherwise agreed with Owners. Upon Charterers request, crew to perform the work and payment to be settled directly between Charterers and master.

In the event of a change in the technical management of the vessel, Charterers shall have the option to change the markings on the vessel and/or the name of the vessel at Owners time and expense.

**102) Green Award Clause**

Rebates in port dues, etc. obtained via the green award certificate to be refunded to Charterers, provided that Charterers have paid for the green award audit fees in full, or prorated for the period covered under this charter party.

**103) Remeasure Clause**

Charterers have the option to re-measure the vessel for the purpose of satisfying certain port/terminal regulations. All cost and time to be for Charterers' account. The vessel is to be redelivered non-measured at Owners' option if Charterers exercised their option to re-measure in the first place.

**104) Exxon Mooring**

(Deleted)

**105) Storage Clause**

Charterers shall have the option of requesting the vessel to remain idle, at a safe place, at anchor/or drifting.

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**106) Breach Of Warranty Clause**

(Deleted)

**107) Tracking System Clause**

It is agreed that Charterers may from the time of fixing until completion of the charter period employ an INMARSAT tracking system on the vessel. Such tracking system works on data provided from the vessel's onboard INMARSAT C system and can be installed simply, either remotely, or on some older systems with minimal set up input from the vessel. All registration/communication costs relating to this tracking system will be for Charterers' account. Charterers will advise when the system is operative and confirm termination on completion of charter.

**108) Q88.Com Clause**

Owners to provide, free of charge, a copy of the OCIMF VPQ in the required electronic form so that the vessel can be included in Charterers' subscription to the website "q88.com". Owners are furthermore required to update the system with vessel approval status, certification and any other information as required on a regular basis.

**109) Changes/Improvements Necessary for the Operation of the Vessel or Imposed by Legislation, Class or Oil Company Vetting Requirements**

A. In the event any improvement, structural change or the installation of new equipment is imposed by compulsory legislation and/or Class rules and/or oil company vetting requirements, Charterers shall have the right to require that the Owners effect such improvement, changes or installations. The Charterers shall fully reimburse the Owners for the total cost of all such improvements, structural changes or installations up to USD 50,000 in any calendar year. To the extent that the total cost of all such improvements, structural changes or installations exceed USD 50,000 in any calendar year, the Charterers shall reimburse the Owners in an amount equal to 50 percent of the product of (i) the cost of such improvements, structural changes or installations over USD 50,000 and (ii) a fraction, the numerator of which shall be the number of whole months remaining in the charter period at the time of completion of such improvement, structural change or installation (the "Remaining Charter Period") and the denominator of which shall be the number of whole months remaining in the depreciation period of the vessel (calculated as 25 years from the year the vessel was built) at the time of completion of such improvement, structural change or installation (such product, the "Reimbursement Payment") and the balance of the cost of such improvement, structural change or installation over USD 50,000 shall be paid by the Owners. In the event the charter period is extended for any reason, included but not limited to any extension under Clause 99, the Charterers shall pay additional reimbursement to the Owners in an amount equal to the difference between the reimbursement calculated under the preceding sentence (plus any additional reimbursement calculated for any other extension period if applicable) and the amount that would have been due from the Charterers had the Remaining Charter Period used to calculate the Reimbursement Payment including the number of whole months in the extension period as the numerator of the relevant fraction.

B. In the event any improvement, structural change or the installation of new equipment, not falling under (A) above, is deemed necessary by the Charterers for the continued operation of the vessel, Charterers shall have the right at their own cost to effect such improvement, structural changes or installation, with the Owners' consent which shall not unreasonably be withheld.

C. The Owners shall be notified in writing in advance by the Charterers about any changes and/or improvements as afore mentioned.

D. Any change, improvement or installation made pursuant to this Clause shall be the property of Owners.

#### 110) Third Party Clause

Except as may be otherwise agreed in writing by the parties with any third party, a person who is not party to this agreement/charter may not enforce, or otherwise have the benefit of, any provision of this agreement/charter under the contract.

#### 111) Optional Termination

In the event the vessel is not delivered under this charter by [IPO closing], 2005 both the Owners and the Charterers shall have the right to terminate this charter and neither the Owners nor the Charterers shall be entitled to damages or to any other compensation or reimbursement of expenses.

#### 112) Damages Clause

In subchartering to its customers, Charterer shall endeavor to avoid or limit any liability to such customers for consequential damages. Owners shall not be liable for any consequential damages or losses unless the Charterer's sub-charter provides for such consequential damages or losses to such customers.

### APPENDIX A

#### QUESTIONNAIRE 88 FOR M/T REBECCA

#### INTERTANKO'S STANDARD TANKER VOYAGE CHARTERING QUESTIONNAIRE 1988 (Version 2)

(Metric system to be applied, HVPQ reference specified where applicable)

<b>GENERAL INFORMATION</b>		<u>HVPQ Ref</u>
Date Updated:	May 26, 2005	
Vessel's name:	Rebecca	1.2
IMO number:	9043031	1.3
Vessel's previous name(s):	Not Applicable	1.4-1.7
Flag:	Marshall Island	1.8
Port of Registry:	Maduro	1.9
Call sign:	V7AX3	1.11
Inmarsat phone number:	1554363	1.12
Fax number:	1554364	1.13
Email address:	V7AX3@globeemail.com	1.16
Type of vessel:	Other	1.17
Type of hull:	Double Hull	1.19
<b>OWNERSHIP &amp; OPERATION</b>		
Registered owner - Full Style:	THIRD AFRAMAX TANKER CORPERATION HORSLEY HOUSE, REGENT CENTRE, GOSFORTH, NEWCASTLE UPON TYNE NE3 3HW U.K.	1.20

011-(44)-191-285-0621  
osguk@osgship.com

Technical operator - Full Style:	OSG SHIP MANAGEMENT(UK) LIMITED HORSLEY HOUSE, REGENT CENTRE 011-(44)-191-285-0621 osguk@osgship.com	1.22
Commercial operator - Full Style:	OSG SHIP MAANGEMENT INC. 511 5TH AVE NEW YORK, NY 10017 212-578-1667 OPERATIONS@OSG.COM	1.25
Disponent owner / Bareboat charterer - Full Style:	NA NA NA NA	
Number of vessels in disponent owner's fleet:	1	

<b>BUILDER</b>		
Where Built :	HYUNDAI HEAVY INDUSTRY CO., LTD.	1.26
Date Delivered:	Mar 10, 1994	1.31

<b>CLASSIFICATION</b>		
Vessel's classification society:	American Bureau of Shipping	1.34
Class notation:	+A1(E), +AMS, OIL CARRIER, +ACCU, SBT, IGS, COW	1.35
If Classification society changed, name of previous society?	Not Applicable	1.36
If Classification society changed, date of change?	Not Applicable	1.37
Last dry-dock:	Apr 14, 2004	1.38
Last special survey:	Mar 31, 2004	1.41
Latest CAP Rating (if applicable)		1.44
Last annual survey:	Mar 31, 2004	1.45
Does the vessel have a statement of compliance issued under the provisions of the Condition Assessment Scheme (CAS)?	No	

<b>DIMENSIONS</b>		
LOA (Length Over All):	244.81 Metres	1.49
Extreme breadth:	42 Metres	1.51
KTM (Keel to Masthead):	50.35 Metres	1.54
BCM (Bow to Center Manifold):	121.93 Metres	1.57.1
Lightship parallel body length:	75 Metres	1.57.3
Normal ballast parallel body length:	104 Metres	1.57.6
Parallel body length at Summer DWT:	118.8 Metres	1.57.9

<b>TONNAGES</b>		
Net Tonnage:	28328 Tonnes	1.59
Gross Tonnage:	53341 Tonnes	1.60
Suez Net Tonnage:	Tonnes	1.61
Panama Net Tonnage:	Tonnes	1.62

	Freeboard	Draft	Deadweight	Displacement	
<b>LOADLINE INFORMATION</b>					
Summer:	5917 Metres	13.616 Metres	94872.5 Tonnes	111893 Tonnes	1.63
Winter:	6200 Metres	13.333 Metres	92289.8 Tonnes	109310.3 Tonnes	1.64
Tropical:	5633 Metres	13.9 Metres	97473.5 Tonnes	114494 Tonnes	1.65
Lightship:	16983 Metres	2.55 Metres	Tonnes	17020.5 Tonnes	1.66
Normal Ballast Condition:	12223 Metres	7.31 Metres	39235.1 Tonnes	56255.6 Tonnes	1.67
TPC on summer draft:			91.45 Tonnes		1.70
Does vessel have Multiple SDWT?			Yes		1.72
If yes what is the maximum assigned Deadweight?			94872.5 Tonnes		1.73

Air draft (sea level to top of mast/highest point) in normal SBT condition?	43.040 Metres	1.74
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<b>RECENT OPERATIONAL HISTORY</b>		
Has vessel been involved in any collision, grounding or pollution incident the past 12 months, full description:	Pollution: No Grounding: No Collision: No	1.77-1.79

**CERTIFICATION**

Owners warrant following certificates to be valid throughout the Charter

Party period:		
SOLAS Safety Equipment:	Mar 31, 2009	2.2
SOLAS Safety Radio:	Mar 31, 2009	2.3
SOLAS Safety Construction:	Mar 31, 2009	2.4
Load line:	Mar 31, 2009	2.5
IOPPC:	Mar 31, 2009	2.6
Safety Management (ISM):	Feb 10, 2007	2.8
USCG COC:	Jan 16, 2006	2.11
CLC:	Feb 20, 2006	2.13
US COFR:	Aug 17, 2007	2.15
Certificate of Fitness (Gas/Chemicals):	Gas: Not Applicable Chem: Not Applicable	2.16 & 2.17
Certificate of Class:	Mar 31, 2009	
ISPS ISSC:	May 13, 2009	

**DOCUMENTATION**

Does the vessel have the following documents on board?

International Safety Guide for Oil Tankers & Terminals (ISGOTT):	Yes	2.28
OCIMF/ICS Ship to Ship Transfer Guide (Petroleum):	Yes	2.31
Is the vessel entered with ITOFP?	Yes	

**CREW MANAGEMENT**

Nationality of Master	KOREA	
Nationality of Officers:	KOREAN	3.1
Nationality of Crew:	PHILIPPINES	3.2
If Officers/Crew employed by a Manning Agency - Full Style:	Officers: OVERSEAS SHIPPING CORPERATION Crew: C.F.SHARP CREW MANAGEMENT INC.	3.1 & 3.2
What is the common working language onboard?	ENGLISH	3.1
Do key officers understand English?	Yes	
In case of Flag Of Convenience (FOC), is the ITF Special Agreement on board?	Yes	

**STRUCTURAL CONDITION**

Are cargo tanks coated?	Yes	7.1
If Yes, specify type of coating:	TAR EPOXY	7.1.1
If cargo tanks are coated, specify to what extent:	Bottom Only & Deckhead only	7.1.3
Are slop tanks coated?	Yes	
If slop tanks are coated, specify to what extent:	Whole Tank	

**CARGO & BALLAST SYSTEMS**

If double hull, is vessel fitted with centreline bulkhead in all cargo tanks?	Yes	8.2
Groups / Tank Capacities	1: Cu. Metres - , 2: Cu. Metres - 3: Cu. Metres - 4: Cu. Metres - 5: Cu. Metres - 6: Cu. Metres - 7: Cu. Metres - 8: Cu. Metres - 9: Cu. Metres -	8.3
Total cubic capacity 98% ex slop tank:	103269 Cu. Metres	8.4 & 8.6
Slop tank(s) capacity 98%:	2667.5 Cu. Metres	8.5 & 8.7
SBT or CBT?	SBT	
If SBT, what percentage of SDWT can vessel maintain with SBT only?	41.6%	8.14.2
If SBT, does vessel meet the requirements of MARPOL Reg 13(2)?	Yes	8.14.3
Number of natural segregations with double valve:	3	8.15

**CARGO PUMPS**

Number / Capacity / Type:	3 x 2500 Cu. Metres/Hour (Centrifugal)	8.18-8.25
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**GAUGING AND SAMPLING**

Can tank innage/ullage be read from the CCR?	Yes	8.48
Can vessel operate under closed conditions in accordance with ISGOTT 7.6.3?	Yes	8.51
Type of tank gauging system (radar / floating / other)	Floating	8.51.1
Are high level alarms fitted and operational in cargo tanks?	Yes	8.54

**VAPOUR EMISSION CONTROL AND VENTING**

Is a vapour return system fitted?	Yes	8.65
State what type of venting system is fitted:	HIGH VELOCITY	8.67
Max loading rate per midships connection for homogenous cargo?	10300 Cu. Metres/Hour	8.79

**CARGO MANIFOLDS**

Does vessel comply with the latest edition of the OCIMF 'Recommendations for Oil Tanker Manifolds and Associated Equipment'?	Yes	8.80
What is the number of cargo connections per side?	3	8.83
What is the size of cargo connections?	450 Millimetres	8.84
What is the material of the manifold?	CARBON STEEL	8.86
Distance between cargo manifold centres:	2500 Millimetres	8.93
Distance ships rail to manifold:	4600 Millimetres	8.95
Distance main deck to centre of manifold:	2100 Millimetres	8.97
Height of manifold connections above the waterline at loaded (Summer Deadweight) condition?	8 Metres	8.101
Height of manifold connections above the waterline in normal ballast?	14.3 Metres	8.102
Is vessel fitted with a stern manifold?	No	8.104
Number / size reducers:	6 x 450/400 Millimetres 3 x 450/300 Millimetres 3 x 450/250 Millimetres 3 x 450/200 Millimetres 1 x 300/200 Millimetres	8.106-8.110

**CARGO HEATING**

Type of cargo heating system?	COILS	8.120
Material of heating system?	STEEL	8.128
Max load temp:	53.0 °C / 127.4 °F	
Max temp maintain:	63.0 °C / 145.4 °F	

**IGS & COW**

Is an Inert Gas System (IGS) fitted?	Yes	9.1
Is IGS supplied by flue gas, inert gas (IG) generator and/or nitrogen?	IG Generator	9.3
Is a Crude Oil Washing (COW) installation fitted?	Yes	9.17

**MOORING ARRANGEMENTS**

Number / length / diameter of wires:	Forecastle: 4 / 220 / 32 Fwd main deck: 4 / 220 / 32 Aft main deck: 2 / 220 / 32 Poop: 6 / 220 / 32	10.2-5
Breaking strength of wires:	Forecastle: 73 Fwd main deck: 73 Aft main deck: 73 Poop: 73	10.2-5
Number / length / diameter of ropes:	None	10.11-18
Breaking strength of ropes:	None	10.11-18
Number and brake holding power of winches:	Forecastle: 2 / 53.3 Fwd main deck: 2 / 53.3 Aft main deck: 1 / 53.3 Poop: 3 / 53.3	10.22-10.25

How many closed chocks and/or fairleads of enclosed type are fitted on:

Focsle:	
Main deck fwd:	
Main deck aft:	
Poop:	

**SINGLE POINT MOORING (SPM) EQUIPMENT**

Fairlead size:	600 X 450	10.48
Does vessel comply with the latest edition of OCIMF 'Recommendations for Equipment Employed in the Mooring of Vessels at Single Point Moorings (SPM)'?	Yes	10.60
Is vessel fitted with chain stopper(s)?	Yes	10.61
Number:	2	10.61.1
Type:	TONGUE TYPE	10.61.2
SWL:	200 Tonnes	10.61.3
Max diameter chain size:	76 Millimetres	10.62

**LIFTING EQUIPMENT**

Derrick(s) - Number / SWL:	0 / 0 Tonnes	10.75
Crane(s) - Number / SWL:	2 / 15 Tonnes	10.76

**ENGINE ROOM**

What type of fuel is used for main propulsion?	IFO-380	12.5
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What type of fuel is used in the generating plant?

MDO/HFO

12.14

**MISCELLANEOUS**

P & I Club name:	GARD
Last three cargoes (Last / 2 <sup>nd</sup> Last / 3 <sup>rd</sup> Last):	Contact owner for details.
Last three charterers (Last / 2 <sup>nd</sup> Last / 3 <sup>rd</sup> Last):	Contact owner for details.
Last three voyages (Last / 2 <sup>nd</sup> Last / 3 <sup>rd</sup> Last):	Contact owner for details.
Date of last SIRE Inspection:	
Date of last CDI Inspection:	
Current Oil Major Company Acceptances (TBOOK):	BP / BHP / SHELL / DREYFUS / CHEVRONTEXACO / EXXONMOBIL / STATOIL
Date and place of last Port State Control:	Mar 11, 2004 / TRANMERE
Any outstanding deficiencies as reported by any Port State Control?	Yes
If yes, provide details:	NA

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**FOR USA CALLS ONLY**

Qualified individual (QI) - Full Style:	STEVE MCCALL 511 5TH AVE. NEW YORK, NY 10017 212-578-1892 SMCCALL@OSG.COM
Oil Spill Response Organization (OSRO) -Full Style:	MSRC  1-800-OIL-SPILL
Has owner, manager, or operator signed the Sea Carrier Initiative agreement with US customs concerning drug smuggling?	Yes

Revised: July 2004 (INTERTANKO.com / Q88.com)

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**APPENDIX B**

**APPROVED SHIP BROKERS**

P.F. Bassoe A/S (Norway)  
Platou (Norway)  
Fearnleys (Norway)  
H. Clarkson (U.K.)  
E.A. Gibson (U.K.)  
Simpson Spence & Young Ltd.  
Jacq. Pierot Jr. & Sons, Inc. (USA)  
Compass Maritime Services LLC  
Galbraith's Limited

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**Code word for this Charter Party**  
**“SHELLTIME 4”**

Issued December 1984 amended December 2003

**Time Charter Party**  
**New York**  
**October 6, 2005**

IT IS THIS DAY AGREED between ANIA AFRAMAX CORPORATION of MAJURO, MARSHALL ISLANDS (hereinafter referred to as “Owners”), being owners of the good motor vessel called “ANIA” (hereinafter referred to as “the vessel”) described as per Clause 1 hereof and DHT ANIA AFRAMAX CORP. of MAJURO, MARSHALL ISLANDS (hereinafter referred to as “Charterers”):

**Description and Condition of Vessel**

1. At the date of delivery of the vessel under this charter and throughout the charter period:
    - (a) she shall be classed by a Classification Society which is a member of the International Association of Classification Societies;
    - (b) she shall be in every way fit to carry crude petroleum and/or its dirty products; such as Fuel Oil, Light Cycle Oil, Orimulsion, LSWR, Carbon Black Feedstock, Decant Oil and VGO in accordance with vessel’s class certificates, coating manufacturers resistance list and in accordance with the vessels stability trim and stress requirements.
    - (c) she shall be tight, staunch, strong, in good order and condition, and in every way fit for the service, with her machinery, boilers, hull and other equipment (including but not limited to hull stress calculator, radar, computers and computer systems) in a good and efficient state;
    - (d) her tanks, valves and pipelines shall be oil-tight;
    - (e) she shall be in every way fitted for burning IFO and MDO (if applicable), in accordance with the grades specified in Clause 29 hereof;
    - (f) she shall comply with the regulations in force so as to enable her to pass through the Suez Canal by day and night without delay;
    - (g) she shall have on board all certificates, documents and equipment required from time to time by any applicable law to enable her to perform the charter service without delay;
    - (h) she shall comply with the description in the Questionnaire 88, appended hereto provided however that if there is any conflict between the provisions of this questionnaire and any other provision, including this Clause 1, of this charter such other provisions shall govern;
    - (i) her flag, registry, and classification society shall not be changed;
    - (j) Owners will operate:
      - (i) a safety management system certified to comply with the International Safety Management Code (“ISM Code”) for the Safe Operation of Ships and for Pollution Prevention;
      - (ii) a documented safe working procedures system (including procedures for the identification and mitigation of risks);
      - (iii) a documented environmental management system;
- 
- (iv) documented accident/incident reporting system compliant with flag state requirements;
  - (k) Owners shall maintain Health Safety Environmental (“HSE”) records sufficient to demonstrate compliance with the requirements of their HSE system and of this charter. Charterers reserve the right to confirm compliance with HSE requirements by audit of Owners.

**Shipboard Personnel and their Duties**

2. (a) At the date of delivery of the vessel under this charter and throughout the charter period:
  - (i) she shall have a full and efficient complement of master, officers and crew for a vessel of her tonnage, who shall in any event be not less than the number required by the laws of the flag state and who shall be trained to operate the vessel and her equipment competently and safely;
  - (ii) all shipboard personnel shall hold valid certificates of competence in accordance with the requirements of the law of the flag state;
  - (iii) all shipboard personnel shall be trained in accordance with the relevant provisions of the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1995 or any additions, modifications or subsequent versions thereof;
  - (iv) (See Clause 91).

- (v) the terms of employment of the vessel's staff and crew will always remain acceptable to The International Transport Worker's Federation and the vessel will at all times carry a Blue Card; (See Clause 50e).
  - (vi) the nationality of the vessel's officers will not change without Charterers' prior agreement.
- (b) Owners guarantee that throughout the charter service the master shall with the vessel's officers and crew, unless otherwise ordered by Charterers;
- (i) prosecute all voyages with the utmost despatch;
  - (ii) render all customary assistance; and
  - (iii) load and discharge cargo as rapidly as possible when required by Charterers or their agents to do so, by night or by day, but always in accordance with the laws of the place of loading or discharging (as the case may be) and in each case in accordance with any applicable laws of the flag state.

### **Duty to Maintain**

3. (a) Throughout the charter service Owners shall, whenever the passage of time, wear and tear or any event (whether or not coming within Clause 27 hereof) requires steps to be taken to maintain or restore the conditions stipulated in Clauses 1 and 2(a), exercise due diligence so to maintain or restore the vessel.
- (b) If at any time whilst the vessel is on hire under this charter the vessel fails to comply with the requirements of Clauses 1, 2(a) or 10 then hire shall be reduced to the extent necessary to indemnify Charterers for such failure. If and to the extent that such failure affects the time taken by the vessel to perform any services under this charter, hire shall be reduced by an amount equal to the value, calculated at the rate of hire, of the time so lost.

Any reduction of hire under this sub-Clause (b) shall be without prejudice to any other remedy available to Charterers, but where such reduction of hire is in respect of time lost, such time shall be excluded from any calculation under Clause 24.

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- (c) If Owners are in breach of their obligations under Clause 3(a), Charterers may so notify Owners in writing and if, after the expiry of 30 days following the receipt by Owners of any such notice, Owners have failed to demonstrate to Charterers' reasonable satisfaction the exercise of due diligence as required in Clause 3(a), the vessel shall be off-hire, and no further hire payments shall be due, until Owners have so demonstrated that they are exercising such due diligence.
- (d) Owners shall advise Charterers immediately, in writing, should the vessel fail an inspection by, but not limited to, a governmental and/or port state authority, and/or terminal and/or major charterer of similar tonnage. Owners shall simultaneously advise Charterers of their proposed course of action to remedy the defects which have caused the failure of such inspection (see clause 57).
- (e) If, in Charterers reasonably held view:
- (i) failure of an inspection, or,
  - (ii) any finding of an inspection,

referred to in Clause 3(d), prevents normal commercial operations then Charterers have the option to place the vessel off-hire from the date and time that the vessel fails such inspection, or becomes commercially inoperable, until the date and time that the vessel passes a re-inspection by the same organisation, or becomes commercially operable, which shall be in a position no less favourable to Charterers than at which she went off-hire.

- (f) Furthermore, at any time while the vessel is off-hire under this Clause 3 (with the exception of Clause 3(e)(ii)), Charterers have the option to terminate this charter by giving notice in writing with effect from the date on which such notice of termination is received by Owners or from any Later date stated in such notice. This sub-Clause (f) is without prejudice to any rights of Charterers or obligations of Owners under this charter or otherwise (including without limitation Charterers' rights under Clause 21 hereof).

### **Period, Trading Limits and Safe Places**

4. (a) Owners agree to let and Charterers agree to hire the vessel for a period of (See clause 93). The last firm period shall having a tolerance of plus or minus 30 days in Charterers' option commencing from the time and date of delivery of the vessel under the Memorandum of Agreement (the "MOA") dated , 2005, for the purpose of carrying all lawful merchandise (subject always to Clause 28) including in particular:

Crude petroleum and/or its dirty products; such as Fuel Oil, Light Cycle Oil, Orimulsion, LSWR, Carbon Black Feedstock, Decant Oil and VGO in any part of the world, as Charterers shall direct, subject to the limits of the current British Institute Warranties and any subsequent amendments thereof excluding countries under U.N. and/or U.S. sanctions/embargoes. The vessel may trade to war zones, with Owners consent which not to be unreasonably withheld, in which case, Charterers to pay for the additional premium. Notwithstanding the foregoing, but subject to Clause 35, Charterers may order the vessel to ice-bound waters or to any part of the world outside such limits provided that Owner's consent thereto (such consent not to be unreasonably withheld) and that Charterers pay for any insurance premium required by the vessel's underwriters as a consequence of such order.

- (b) Any time during which the vessel is off-hire under this charter may be added to the last firm charter period in Charterers' option up to the total amount of time spent off-hire. In such cases the rate of hire will be that prevailing at the time the vessel would, but for the provisions of this Clause, have been redelivered.
- (c) Charterers shall use due diligence to ensure that the vessel is only employed between and at safe places (which expression when used in this charter shall include ports, berths, wharves, docks, anchorages, submarine lines, alongside vessels or lighters, and other locations including



Charterers do not warrant the safety of any place to which they order the vessel and shall be under no liability in respect thereof except for loss or damage caused by their failure to exercise due diligence as aforesaid. Subject as above, the vessel shall be loaded and discharged at any places as Charterers may direct, provided that Charterers shall exercise due diligence to ensure that any ship-to-ship transfer operations shall conform to standards not less than those set out in the latest published edition of the ICS/OCIMF Ship-to-Ship Transfer Guide.

- (d) The vessel shall be delivered by Owners at a safe port or at sea in Charterer's option and redelivered to Owners at one safe port or at sea, worldwide at Charterer's option.
- (e) The vessel will deliver with last cargo of crude petroleum and/or its dirty products, such as Fuel Oil, Light Cycle Oil, Orimulsion, LSWR, Carbon Black Feedstock, Decant Oil and VGO. and will redeliver with last cargo of crude petroleum and/or its dirty products; such as Fuel Oil, Light Cycle Oil, Orimulsion, LSWR, Carbon Black Feedstock, Decant Oil and VGO
- (f) Charterers are required to give Owners 30 days prior approximate notice of redelivery and 5/3/2/1 day(s) definite notice of redelivery and place.

#### **Laydays/Canceling**

- 5. The delivery of the vessel under this charter shall be deemed to have occurred and this Charter shall be effective as of the date of the delivery of the vessel from the Sellers to the Buyers (Owners) under the terms of the MOA between Sargasso Tanker Corporation and Ania Aframax Corporation dated September 20, 2005.

The vessel may be on a voyage or time charter at the time of delivery. Charterers accept this Charter subject to such charters (which become sub-charters to this time charter) upon delivery. Furthermore, notwithstanding anything to the contrary contained in this charter, including but not limited to Clause 1 hereof, the Charterers accept the vessel in the condition it is in at the time of delivery, including the vetting status, and agrees that at such time the vessel satisfies the standard set forth in Clause 1.

#### **Owners to Provide**

- 6. Owners undertake to provide and to pay for all provisions, wages (including but not limited to all overtime payments), and shipping and discharging fees and all other expenses of the master, officers and crew; also, except as provided in Clauses 4 and 34 hereof, for all insurance on the vessel, for all Deck, cabin and engine-room stores, and for water (limited to crew only); for all drydocking, overhaul, maintenance and repairs to the vessel. Owners' obligations under this Clause 6 extend to all liabilities for customs or import duties arising at any time during the performance of this charter in relation to the personal effects of the master, officers and crew, and in relation to the stores, provisions and other matters aforesaid which Owners are to provide and pay for and Owners shall refund to Charterers any sums Charterers or their agents may have paid or been compelled to pay in respect of any such liability. Any amounts allowable in general average for wages and provisions and stores shall be credited to Charterers insofar as such amounts are in respect of a Period when the vessel is on-hire.

#### **Charterers to Provide**

- 7. (a) Charterers shall provide and pay for all fuel (except for fuel used for domestic services), towage and pilotage and shall pay agency fees, port charges, commissions, expenses of loading and unloading cargoes, canal dues, and tax/dues on cargo/freight and all charges other than those payable by Owners in accordance with Clause 6 hereof, provided that all charges for the said items shall be for Owners' account when such items are consumed, employed or incurred for Owners' purposes or while the vessel is off-hire (unless such items reasonably relate to any service given or distance made good and taken into account under Clause 21 or 22); and provided further that any fuel used in connection with a general average sacrifice or expenditure shall be paid for by Owners. OPA charges to be paid by Charterers, COFR to be arranged and paid for by Owners.

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- (b) In respect of bunkers consumed for Owners' purposes these will be charged on each occasion by Charterers on a "first-in-first-out" basis valued on the prices actually paid by Charterers.
  - (c) If the trading limits of this charter include ports in the United States of America and/or its protectorates then Charterers shall reimburse Owners for port specific charges relating to additional premiums charged by providers of oil pollution cover, when incurred by the vessel calling at ports in the United States of America and/or its protectorates in accordance with Charterers orders. The liability to reimburse Owners shall not apply where the OPA charges has arisen through the actions of the Owner.

#### **Rate of Hire**

- 8. (See Clause 99).

#### **Payment of Hire**

- 9. Subject to Clause 3(c) and 3(e), payment of hire shall be made in immediately available funds to:

Wachovia Bank, NA New York  
ABA # 031-201-467  
Account: The Royal Bank of Scotland International Limited  
Account Number: 2000193009149 (CHIPS:155424)  
SWIFT: PNBUS3NNYC  
For further credit to: Double Hull Tankers, Inc.  
Account Number: 1028 – 50440694

in United States Dollars per calendar month in advance, less:

- (i) any hire paid which Charterers reasonably estimate to relate to off-hire periods, and,
- (ii) any amounts disbursed on Owners' behalf, any advances and commission therein, and charges which are for Owners' account pursuant to any provision hereof, and;
- (iii) any amounts due or reasonably estimated to become due to Charterers under Clause 3(c) or 24 hereof,

any such adjustments to be made at the due date, which shall be the 27<sup>th</sup> day of the preceding month for which payment is being made, for the next monthly payment after the facts have been ascertained. Charterers shall not be responsible for any delay or error by Owners' bank in crediting Owners' account provided that Charterers have made proper and timely payment.

In default of such proper and timely payment:

- (a) Owners shall notify Charterers of such default and Charterers shall within seven days of receipt of such notice pay to Owners the amount due, including interest, failing which Owners may withdraw the vessel from the service of Charterers without prejudice to any other rights Owners may have under this charter or otherwise; and;
- (b) Interest on any amount due but not paid on the due date shall accrue from the day after that date up to and including the day when payment is made, at a rate per annum which shall be 1% above the U.S. Prime Rate as published in the Wall Street Journal as effective for each day the amount is outstanding, or, if no such interest rate is published for a given day, the interest rate published for the next preceding day for which such a rate was so published, computed on an actual/365 basis.

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### **Space Available to Charterers**

- 10. The whole reach, burthen and decks on the vessel and any passenger accommodation (including Owners' suite) shall be at Charterers' disposal, reserving only proper and sufficient space for the vessel's master, officers, crew, tackle, apparel, furniture, provisions and stores.

### **Segregated Ballast**

- 11. In connection with the Council of the European Union Regulation on the Implementation of IMO Resolution A747(18) Owners will ensure that the following entry is made on the International Tonnage Certificate (1969) under the section headed "Remarks".

"The segregated ballast tanks comply with the Regulation 13 of Annex 1 of the International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 relating thereto".

### **Instructions and Logs**

- 12. Charterers shall from time to time give the master all requisite instructions and sailing directions, and the master shall keep a full and correct log of the voyage or voyages, which Charterers or their agents may inspect as required. The master shall when required furnish Charterers or their agents with a true copy of such log and with properly completed loading and discharging port sheets and voyage reports for each voyage and other returns as Charterers may require. Charterers shall be entitled to take copies at Owners' expense of any such documents which are not provided by the master. Owner's crew to be trained to operate and to utilize Charter Operations System (CHOPS) as directed by Charterer.

### **Bills of Lading**

- 13. (a) The master (although appointed by Owners) shall be under the orders and direction of Charterers as regards employment of the vessel, agency and other arrangements, and shall sign Bills of Lading as Charterers or their agents may direct (subject always to Clauses 35(a) and 40) without prejudice to this charter. Charterers hereby indemnify Owners against all consequences or liabilities that may arise;
  - (i) from signing Bills of Lading in accordance with the directions of Charterers or their agents, to the extent that the terms of such Bills of Lading fail to conform to the requirements of this charter, or (except as provided in Clause 13(b)) from the master otherwise complying with Charterers' or their agents' orders;
  - (ii) from any irregularities in papers supplied by Charterers or their agents.
- (b) Notwithstanding the foregoing, Owners shall not be obliged to comply with any orders from Charterers to discharge all or part of the cargo:
  - (i) at any place other than shown on the Bill of Lading and/or
  - (ii) without presentation of an original Bill of Lading

unless they receive from Charterers both written confirmation of such orders and an indemnity in a form acceptable to Owners (See Clause 49).

### **Conduct of Vessel's Personnel**

- 14. If Charterers complain of the conduct of the master or any of the officers or crew, Owners shall immediately investigate the complaint. If the complaint proves to be well founded, Owners shall, without delay, make a change in the appointments and Owners shall in any event communicate the result of their investigations to Charterers as soon as possible.
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### **Bunkers at Delivery and Redelivery**

15. There shall be no physical payment for bunkers on board at the time of delivery. Owners shall on redelivery (whether it occurs at the end of the charter or on the earlier termination of this charter) accept and pay for all bunkers remaining on board, at the price actually paid, on a "first-in-first-out" basis. Such prices are to be supported by paid invoices.

Vessel to be delivered to and redelivered from the charter with, at least, a quantity of bunkers on board sufficient to reach the nearest main bunkering port.

Notwithstanding anything contained in this charter all bunkers on board the vessel shall, throughout the duration of this charter, remain the property of Charterers and can only be purchased on the terms specified in the charter at the end of the charter period or, if earlier, at the termination of the charter.

### **Stevedores, Pilots, Tugs**

16. Stevedores, when required, shall be employed and paid by Charterers, but this shall not relieve Owners from responsibility at all times for proper stowage, which must be controlled by the master who shall keep a strict account of all cargo loaded and discharged. Owners hereby indemnify Charterers, their servants and agents against all losses, claims, responsibilities and liabilities arising in any way whatsoever from the employment of pilots, tugboats or stevedores, who although employed by Charterers shall be deemed to be the servants of and in the service of Owners and under their instructions (even if such pilots, tugboat personnel or stevedores are in fact the servants of Charterers their agents or any affiliated company); provided, however, that:

- (a) the foregoing indemnity shall not exceed the amount to which Owners would have been entitled to limit their liability if they had themselves employed such pilots, tugboats or stevedores, and;
- (b) Charterers shall be liable for any damage to the vessel caused by or arising out of the use of stevedores, fair wear and tear excepted, to the extent that Owners are unable by the exercise of due diligence to obtain redress therefor from stevedores.

### **Super-Numeraries**

17. Charterers may send representatives in the vessel's available accommodation upon any voyage made under this charter, Owners finding provisions and all requisites as supplied to officers, except alcohol. Charterers paying at the rate of United States Dollars 20 (twenty) per day for each representative while on board the vessel.

### **Sub-letting/Assignment/Novation**

18. Charterers may sub-let the vessel, but shall always remain responsible to Owners for due fulfilment of this charter.

### **Final Voyage**

19. If when a payment of hire is due hereunder Charterers reasonably expect to redeliver the vessel before the next payment of hire would fall due, the hire to be paid shall be assessed on Charterers' reasonable estimate of the time necessary to complete Charterers' programme up to redelivery, and from which estimate Charterers may deduct amounts due or reasonably expected to become due for:

- (a) disbursements on Owners' behalf or charges for Owners' account pursuant to any provision hereof, and;
- (b) bunkers on board at redelivery pursuant to Clause 15.

Promptly after redelivery any overpayment shall be refunded by Owners or any underpayment made good by Charterers.

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If at the time this charter would otherwise terminate in accordance with Clause 4 the vessel is on a ballast voyage to a port of redelivery or is upon a laden voyage, Charterers shall continue to have the use of the vessel at the same rate and conditions as stand herein for as long as necessary to complete such ballast voyage, or to complete such laden voyage and return to a port of redelivery as provided by this charter, as the case may be.

### **Loss of Vessel**

20. Should the vessel be lost, this charter shall terminate and hire shall cease at noon (GMT) on the day of her loss; should the vessel be a constructive total loss, this charter shall terminate and hire shall cease at noon (GMT) on the day on which the vessel's underwriters agree that the vessel is a constructive total loss; should the vessel be missing, this charter shall terminate and hire shall cease at noon (GMT) on the day on which she was last heard of. Any hire paid in advance and not earned shall be returned to Charterers and Owners shall reimburse Charterers for the value of the estimated quantity of bunkers on board at the time of termination, at the price paid by Charterers at the last bunkering port.

### **Off-hire**

21. (a) On each and every occasion that there is loss of time (whether by way of interruption in the vessel's service or, from reduction in the vessel's performance, or in any other manner):
- (i) due to deficiency of personnel or stores; repairs; gas-freeing for repairs; time in and waiting to enter dry dock for repairs; breakdown (whether partial or total) of machinery, boilers or other parts of the vessel or her equipment (including without limitation tank coatings); overhaul, maintenance or survey; collision, stranding, accident or damage to the vessel; or any other similar cause preventing the efficient working of the vessel; and such loss continues for more than three consecutive hours (if resulting from interruption in the vessel's service) or cumulates to more than three hours (if resulting from partial loss of service); or;

- (ii) due to industrial action, refusal to sail, breach of orders or neglect of duty on the part of the master, officers or crew; or;
  - (iii) for the purpose of obtaining medical advice or treatment for or landing any sick or injured person (other than a Charterers' representative carried under Clause 17 hereof) or for the purpose of landing the body of any person (other than a Charterers' representative), and such loss continues for more than three consecutive hours; or;
  - (iv) due to any delay in quarantine arising from the master, officers or crew having had communication with the shore at any infected area without the written consent or instructions of Charterers or their agents, or to any detention by customs or other authorities caused by smuggling or other infraction of local law on the part of the master, officers, or crew; or;
  - (v) due to detention of the vessel by authorities at home or abroad attributable to legal action against or breach of regulations by the vessel, the vessel's owners, or Owners (unless brought about by the act or neglect of Charterers); then; without prejudice to Charterers' rights under Clause 3 or to any other rights of Charterers hereunder, or otherwise, the vessel shall be off-hire from the commencement of such loss of time until she is again ready and in an efficient state to resume her service from a position not less favourable to Charterers than that at which such loss of time commenced; provided, however, that any service given or distance made good by the vessel whilst off-hire shall be taken into account in assessing the amount to be deducted from hire.
  - (vi) Charterers shall keep owners/master advised of vessels schedule to allow Owners the opportunity to make use of any idle time for the purpose of maintenance during the charter. Such idle time not to count as off-hire.
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(b) If the vessel fails to proceed at any guaranteed speed pursuant to Clause 24, and such failure arises wholly or partly from any of the causes set out in Clause 21(a) above, then the period for which the vessel shall be off-hire under this Clause 21 shall be the difference between:

- (i) the time the vessel would have required to perform the relevant service at such guaranteed speed, and;
- (ii) the time actually taken to perform such service (including any loss of time arising from interruption in the performance of such service).

For the avoidance of doubt, all time included under (ii) above shall be excluded from any computation under Clause 24.

- (c) Further and without prejudice to the foregoing, in the event of the vessel deviating (which expression includes without limitation putting back, or putting into any port other than that to which she is bound under the instructions of Charterers) for any cause or purpose mentioned in Clause 21(a), the vessel shall be off-hire from the commencement of such deviation until the time when she is again ready and in an efficient state to resume her service from a position not less favourable to Charterers than that at which the deviation commenced, provided, however, that any service given or distance made good by the vessel whilst so off-hire shall be taken into account in assessing the amount to be deducted from hire. If the vessel, for any cause or purpose mentioned in Clause 21(a), puts into any port other than the port to which she is bound on the instructions of Charterers, the port charges, pilotage and other expenses at such port shall be borne by Owners. Should the vessel be driven into any port or anchorage by stress of weather hire shall continue to be due and payable during any time lost thereby.
- (d) If the vessel's flag state becomes engaged in hostilities, and Charterers in consequence of such hostilities find it commercially impracticable to employ the vessel and have given Owners written notice thereof then from the date of receipt by Owners of such notice until the termination of such commercial impracticability the vessel shall be off-hire and Owners shall have the right to employ the vessel on their own account.
- (e) Time during which the vessel is off-hire under this charter shall count as part of the charter period except where Charterers declare their option to add off-hire periods under Clause 4(b).
- (f) All references to "time" in this charter party shall be references to GMT except where otherwise stated.
- (g) During any time that the vessel is off-hire under this charter, Basic Hire shall not accrue. Any additional hire that may be due for periods that the Vessel is off-hire shall be determined in accordance with the terms of the Charter Framework Agreement.

### **Periodical Drydocking**

22. (a) Owners have the right and obligation to drydock the vessel at regular intervals not exceeding 5 years. On each occasion Owners shall propose to Charterers a date on which they wish to drydock the vessel, not less than 90 days before such date and Charterers shall offer a port for such periodical drydocking and shall take all reasonable steps to make the vessel available as near to such date as practicable.

Owners shall put the vessel in drydock at their expense as soon as practicable after Charterers place the vessel at Owners' disposal clear of cargo other than tank washings and residues. Owners shall be responsible for and pay for the disposal into reception facilities of such tank washings and residues and shall have the right to retain any monies received therefore, without prejudice to any claim for loss of cargo under any Bill of Lading or this charter.

- (b) If a periodical drydocking is carried out in the port offered by Charterers (which must have suitable accommodation for the purpose and reception facilities for tank washings and residues), the vessel shall
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be off-hire from the time she arrives at such port until drydocking is completed and she is in every way ready to resume Charterers' service and is at the position at which she went off-hire or a position no less favourable to Charterers, whichever she first attains. However:

- (i) provided that Owners exercise due diligence in gas-freeing, any time lost in gas-freeing to the standard required for entry into drydock for cleaning and painting the hull shall not count as off-hire, whether lost on passage to the drydocking port or after arrival there (notwithstanding

Clause 21), and;

- (ii) any additional time lost in further gas-freeing to meet the standard required for hot work or entry to cargo tanks shall count as off-hire, whether lost on passage to the drydocking port or after arrival there.

Any time which, but for sub-Clause (i) above, would be off-hire, shall not be included in any calculation under Clause 24.

The expenses of gas-freeing, including without limitation the cost of bunkers, shall be for Owners account.

- (c) If Owners require the vessel, instead of proceeding to the offered port, to carry out periodical drydocking at a special port selected by them, the vessel shall be off-hire from the time when she is released to proceed to the special port until she next presents for loading in accordance with Charterers' instructions, provided, however, that Charterers shall credit Owners with the time which would have been taken on passage at the service speed had the vessel not proceeded to drydock. All fuel consumed shall be paid for by Owners but Charterers shall credit Owners with the value of the fuel which would have been used on such notional passage calculated at the guaranteed daily consumption for the service speed, and shall further credit Owners with any benefit they may gain in purchasing bunkers at the special port.
- (d) Charterers shall, insofar as cleaning for periodical drydocking may have reduced the amount of tank-cleaning necessary to meet Charterers' requirements, credit Owners with the value of any bunkers which Charterers calculate to have been saved thereby, whether the vessel drydocks at an offered or a special port.

### Ship Inspection

23. (See Clause 83).

### Detailed Description and Performance

24. Owners guarantee that the speed and consumption of the vessel shall be as follows: (see Clause 78).

The bunker consumptions are for all purposes except cargo heating, purging and tank cleaning and shall be pro-rated between the speeds shown.

Charterer may order the vessel to proceed at any speed above/below the guaranteed speed, weather and safe navigation permitting.

If the vessel is ordered to proceed at any speed other than the highest speed and the average speed actually attained by the vessel during the currency of such order exceeds such ordered speed plus 0.5 knots (the "maximum recognised speed"), then for the purpose of calculating a decrease of hire under this Clause 24 the maximum recognised speed shall be used in place of the average speed actually attained.

For the purposes of this charter the "guaranteed speed" at any time shall be the then-current ordered speed or the service speed, as the case may be.

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The average speeds and bunker consumptions shall for the purposes of this Clause 24 be calculated by reference to the observed distance from pilot station to pilot station on all sea passages during each period stipulated in Clause 24(c), but excluding any time during which the vessel is (or but for Clause 22(b)(i) would be) off-hire and also excluding "Adverse Weather Periods", being:

- (i) any periods during which reduction of speed is necessary for safety in congested waters or in poor visibility;
  - (ii) any days, noon to noon, when winds exceed force 5 on the Beaufort Scale for more than 12 hours.
- (b) If during any half year (i.e., 6 calendar months) period from the date on which the vessel enters service and continuing for each succeeding 6 calendar month period thereafter, the vessel falls below the performance guaranteed in Clause 24(a) then if such shortfall results:
    - (i) from a reduction in the average speed of the vessel, compared to the speed guaranteed in Clause 24(a), then an amount equal to the value at the hire rate of the time so lost shall be included in the performance calculation;
    - (ii) from an increase in the total bunkers consumed, compared to the total bunkers which would have been consumed had the vessel performed as guaranteed in Clause 24(a), an amount equivalent to the value of the additional bunkers consumed or based on the average price paid by Charterers for the vessel's bunkers in such period, shall be included in the performance calculation.

The results of the performance calculation for laden and ballast mileage respectively shall be adjusted to take into account the mileage steamed in each such condition during Adverse Weather Periods, by dividing such deduction by the number of miles over which the performance has been calculated and multiplying by the same number of miles plus the miles steamed during the Adverse Weather Periods, in order to establish the total performance calculation for such period.

Reduction of hire under the foregoing sub-Clause (b) shall be without prejudice to any other remedy available to Charterers.

- (c) Calculations under this Clause 24 shall be made every 6 months terminating on each successive anniversary of the date on which the vessel enters service, and for the period between the last such anniversary and the date of termination of this charter if less than a year. Claims in respect of reduction of hire arising under this Clause during the final year or part year of the charter period shall in the first instance be settled in accordance with Charterers' estimate made two months before the end of the charter period. Any necessary adjustment after this charter terminates shall be made by payment by Owners to Charterers.
- (d) Owners and Charterers agree that this Clause 24 is assessed on the basis that Owners are not entitled to additional hire for performance in excess of the speeds and consumptions given in this Clause 24.

It is understood between Owner and Charterers that any speed over performance and/or fuel under consumption are to be credited to any under performance/over consumption during the (6) months review period, but no over performance and/or under consumption bonus shall be paid to owners.

### **Salvage**

25. Subject to the provisions of Clause 21 hereof, all loss of time and all expenses (excluding any damage to or loss of the vessel or tortious liabilities to third parties) incurred in saving or attempting to save life or in successful or unsuccessful attempts at salvage shall be borne equally by Owners and Charterers provided that Charterers shall not be liable to contribute towards any salvage payable by Owners arising in any way out of services rendered under this Clause 25.
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All salvage and all proceeds from derelicts shall be divided equally between Owners and Charterers after deducting the master's, officers' and crew's share.

### **Lien**

26. Owners shall have a lien upon all cargoes and all freights, sub-freights and demurrage for any amounts due under this charter; and Charterers shall have a lien on the vessel for all monies paid in advance and not earned, and for all claims for damages arising from any breach by Owners of this charter.

### **Exceptions**

27. (a) The vessel, her master and Owners shall not, unless otherwise in this charter expressly provided, be liable for any loss or damage or delay or failure arising or resulting from any act, neglect or default of the master, pilots, mariners or other servants of Owners in the navigation or management of the vessel; fire, unless caused by the actual fault or privity of Owners; collision or stranding; dangers and accidents of the sea; explosion, bursting of boilers, breakage of shafts or any latent defect in hull, equipment or machinery; provided, however, that Clauses 1, 2, 3, and 24 hereof shall be unaffected by the foregoing. Further, neither the vessel, her master or Owners, nor Charterers shall, unless otherwise in this charter expressly provided, be liable for any loss or damage or delay or failure in performance hereunder arising or resulting from act of God, act of war, seizure under legal process, quarantine restrictions, strikes, lock-outs, riots, restraints of labour, civil commotions or arrest or restraint of princes, rulers or people.
- (b) The vessel shall have liberty to sail with or without pilots, to tow or go to the assistance of vessels in distress and to deviate for the purpose of saving life or property.
- (c) Clause 27(a) shall not apply to, or affect any liability of Owners or the vessel or any other relevant person in respect of:
- (i) loss or damage caused to any berth, jetty, dock, dolphin, buoy, mooring line, pipe or crane or other works or equipment whatsoever at or near any place to which the vessel may proceed under this charter, whether or not such works or equipment belong to Charterers, or;
- (ii) any claim (whether brought by Charterers or any other person) arising out of any loss of or damage to or in connection with cargo. Any such claim shall be subject to the Hague-Visby Rules or the Hague Rules or the Hamburg Rules, as the case may be, which ought pursuant to Clause 38 hereof to have been incorporated in the relevant Bill of Lading (whether or not such Rules were so incorporated) or, if no such Bill of Lading is issued, to the Hague-Visby Rules unless the Hamburg Rules compulsorily apply in which case to the Hamburg Rules.
- (d) In particular and without limitation, the foregoing subsections (a) and (b) of this Clause shall not apply to or in any way affect any provision in this charter relating to off-hire or to reduction of hire.

### **Injurious Cargoes**

28. No acids, explosives or cargoes injurious to the vessel shall be shipped and without prejudice to the foregoing any damage to the vessel caused by the shipment of any such cargo, and the time taken to repair such damage, shall be for Charterers' account. No voyage shall be undertaken, nor any goods or cargoes loaded, that would expose the vessel to capture or seizure by rulers or governments.

### **Grade of Bunkers**

29. Charterers shall supply the vessel with IFO 380 CST RMG 35 as per ISO 8217:1996 (E) requirements for Marine residual fuels and MDO (if applicable) DMB distillate diesel as per ISO 8217:1996 (E) requirements for Marine distillate fuels. Specifications are subject to any revisions of the ISO standards over the term of this charter (See Clause 62).
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### **Disbursements**

30. Should the master require advances for ordinary disbursements at any port, Charterers or their agents shall make such advances to him, in consideration of which Owners shall pay a commission of two and a half per cent, and all such advances and commission shall be deducted from hire.

### **Laying-up**

31. Charterers shall have the option, after consultation with Owners, of requiring Owners to lay up the vessel at a safe place nominated by Charterers, in which case the hire provided for under this charter shall be adjusted to reflect any net increases in expenditure reasonably incurred or any net saving which should reasonably be made by Owners as a result of such lay up. Charterers may exercise the said option any number of times during the charter period.

### **Requisition**

32. Should the vessel be requisitioned by any government, de facto or de jure, during the period of this charter, the vessel shall be off-hire during the period of such requisition, and any hire paid by such governments in respect of such requisition period shall be for Owners' account. Any such requisition period shall not count as part of the charter period and the cumulative requisition time may, at the sole discretion of the Charterer, be added to the end of the firm charter period at a rate in effect at the time the off hire was incurred.

### **Outbreak of War**

33. If war or hostilities break out between any two or more of the following countries: U.S.A., the countries or republics having been part of the former U.S.S.R. (except that declaration of war or hostilities solely between any two or more of the countries or republics having been part of the former USSR shall be exempted), P.R.C., U.K., Netherlands, then both Owners and Charterers shall have the right to cancel this charter provided that the hostilities directly interfere with the vessels trading under Clause 4.

### **Additional War Expenses**

34. If the vessel is ordered to trade in areas where there is war (de facto or de jure) or threat of war, Charterers shall reimburse Owners for any additional insurance premia, crew bonuses and other expenses which are reasonably incurred by Owners as a consequence of such orders, provided that Charterers are given notice of such expenses as soon as practicable and in any event before such expenses are incurred, and provided further that Owners obtain from their insurers a waiver of any subrogated rights against Charterers in respect of any claims by Owners under their war risk insurance arising out of compliance with such orders.

Any payments by Charterers under this Clause will only be made against proven documentation. Any discount or rebate refunded to Owners, for whatever reason, in respect of additional war risk premium shall be passed on to Charterers.

### **War Risks**

35. (a) The master shall not be required or bound to sign Bills of Lading for any place which in his or Owners' reasonable opinion is dangerous or impossible for the vessel to enter or reach owing to any blockade, war, hostilities, warlike operations, civil war, civil commotions or revolutions.
- (b) If in the reasonable opinion of the master or Owners it becomes, for any of the reasons set out in Clause 35(a) or by the operation of international law, dangerous, impossible or prohibited for the vessel to reach or enter, or to load or discharge cargo at, any place to which the vessel has been ordered pursuant to this charter (a "place of peril"), then Charterers or their agents shall be immediately notified in writing or by radio messages, and Charterers shall thereupon have the right to order the cargo, or such part of it as may be affected, to be loaded or discharged, as the case may be, at any other place within the trading

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limits of this charter (provided such other place is not itself a place of peril). If any place of discharge is or becomes a place of peril, and no orders have been received from Charterers or their agents within 48 hours after dispatch of such messages, then Owners shall be at liberty to discharge the cargo or such part of it as may be affected at any place which they or the master may in their or his discretion select within the trading limits of this charter and such discharge shall be deemed to be due fulfilment of Owners' obligations under this charter so far as cargo so discharged is concerned.

- (c) The vessel shall have liberty to comply with any directions or recommendations as to departure, arrival, routes, ports of call, stoppages, destinations, zones, waters, delivery or in any other wise whatsoever given by the government of the state under whose flag the vessel sails or any other government or local authority or by any person or body acting or purporting to act as or with the authority of any such government or local authority including any de facto government or local authority or by any person or body acting or purporting to act as or with the authority of any such government or local authority or by any committee or person having under the terms of the war risks insurance on the vessel the right to give any such directions or recommendations. If by reason of or in compliance with any such directions or recommendations anything is done or is not done, such shall not be deemed a deviation. If by reason of or in compliance with any such direction or recommendation the vessel does not proceed to any place of discharge to which she has been ordered pursuant to this charter, the vessel may proceed to any place which the master or Owners in his or their discretion select and there discharge the cargo or such part of it as may be affected. Such discharge shall be deemed to be due fulfilment of Owners' obligations under this charter so far as cargo so discharged is concerned.

Charterers shall procure that all Bills of Lading issued under this charter shall contain the Chamber of Shipping War Risks Clause 1952.

### **Both to Blame Collision Clause**

36. If the liability for any collision in which the vessel is involved while performing this charter fails to be determined in accordance with the laws of the United States of America, the following provision shall apply:

"If the ship comes into collision with another ship as a result of the negligence of the other ship and any act, neglect or default of the master, mariner, pilot or the servants of the carrier in the navigation or in the management of the ship, the owners of the cargo carried hereunder will indemnify the carrier against all loss, or liability to the other or non-carrying ship or her owners in so far as such loss or liability represents loss of, or damage to, or any claim whatsoever of the owners of the said cargo, paid or payable by the other or non-carrying ship or her owners to the owners of the said cargo and set off, recouped or recovered by the other or non-carrying ship or her owners as part of their claim against the carrying ship or carrier."

"The foregoing provisions shall also apply where the owners, operators or those in charge of any ship or ships or objects other than, or in addition to, the colliding ships or objects are at fault in respect of a collision or contact."

Charterers shall procure that all Bills of Lading issued under this charter shall contain a provision in the foregoing terms to be applicable where the liability for any collision in which the vessel is involved fails to be determined in accordance with the laws of the United States of America.

### **New Jason Clause**

37. General average contributions shall be payable according to York/Antwerp Rules, 2000 as amended from time to time, and shall be adjusted in New York in accordance with New York law and practice.

In the event of accident, danger, damage or disaster before or after the commencement of the voyage, resulting from any cause whatsoever, whether due to negligence or not, for which, or for the consequence of which, the carrier is not responsible by statute, contract or otherwise, the cargo, shippers, consignees or owners of the cargo shall contribute with the carrier in general average to the payment of any sacrifices, losses or expenses of

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a general average nature that may be made or incurred and shall pay salvage and special charges incurred in respect of the cargo.

If a salving ship is owned or operated by the carrier, salvage shall be paid for as fully as if the said salving ship or ships belonged to strangers. Such deposit as the carrier or his agents may deem sufficient to cover the estimated contribution of the cargo and any salvage and special charges thereon shall, if required, be made by the cargo, shippers, consignees or owners of the cargo to the carrier before delivery.

Charterers shall procure that all Bills of Lading issued under this charter shall contain a provision in the foregoing terms, to be applicable where adjustment of general average is made in accordance with the laws and practice of the United States of America.

#### **Clause Paramount**

38. Charterers shall procure that all Bills of Lading issued pursuant to this charter shall contain the following:

“(1) Subject to sub-Clause (2) or (3) hereof, this Bill of Lading shall be governed by, and have effect subject to, the rules contained in the International Convention for the Unification of Certain Rules relating to Bills of Lading signed at Brussels on 25th August 1924 (hereafter the “Hague Rules”) as amended by the Protocol signed at Brussels on 23rd February 1968 (hereafter the “Hague-Visby Rules”). Nothing contained herein shall be deemed to be either a surrender by the carrier of any of his rights or immunities or any increase of any of his responsibilities or liabilities under the Hague-Visby Rules.”

“(2) If there is governing legislation which applies the Hague Rules compulsorily to this Bill of Lading, to the exclusion of the Hague-Visby Rules, then this Bill of Lading shall have effect subject to the Hague Rules. Nothing therein contained shall be deemed to be either a surrender by the carrier of any of his rights or immunities or an increase of any of his responsibilities or liabilities under the Hague Rules.”

“(3) If there is governing legislation which applies the United Nations Convention on the Carriage of Goods by Sea 1978 (hereafter the “Hamburg Rules”) compulsorily to this Bill of Lading, to the exclusion of the Hague-Visby Rules, then this Bill of Lading shall have effect subject to the Hamburg Rules. Nothing therein contained shall be deemed to be either a surrender by the carrier of any of his rights or immunities or an increase of any of his responsibilities or liabilities under the Hamburg Rules.”

“(4) If any term of this Bill of Lading is repugnant to the Hague-Visby Rules, or Hague Rules, or Hamburg Rules, as applicable, such term shall be void to that extent but no further.”

“(5) Nothing in this Bill of Lading shall be construed as in any way restricting, excluding or waiving the right of any relevant party or person to limit his liability under any available legislation and/or law.”

#### **Insurance/ITOPF**

39. Owners warrant that the vessel is now, and will, throughout the duration of the charter:

- (a) be owned or demise chartered by a member of the International Tanker Owners Pollution Federation Limited;
  - (b) be properly entered in U.K. or GARD P & I Club, being a member of the International Group of P & I Clubs;
  - (c) have in place insurance cover for oil pollution for the maximum on offer through the International Group of P & I Clubs but always a minimum of United States Dollars 1,000,000,000 (one thousand million);
  - (d) have in full force and effect Hull and Machinery insurance placed through reputable brokers on Institute Time Clauses or equivalent for the market value of the vessel plus twenty (20) percent as from time to time
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may be amended with Charterers' approval, which shall not be unreasonably withheld. Insurance amount always to comply with loan covenants.

Owners will provide, within a reasonable time following a request from Charterers to do so, documented evidence of compliance with the warranties given in this Clause 39.

#### **Export Restrictions**

40. The master shall not be required or bound to sign Bills of Lading for the carriage of cargo to any place to which export of such cargo is prohibited under the laws, rules or regulations of the country in which the cargo was produced and/or shipped.

Charterers shall procure that all Bills of Lading issued under this charter shall contain the following clause:

“If any laws rules or regulations applied by the government of the country in which the cargo was produced and/or shipped, or any relevant agency thereof, impose a prohibition on export of the cargo to the place of discharge designated in or ordered under this Bill of Lading, carriers shall be entitled



to require cargo owners forthwith to nominate an alternative discharge place for the discharge of the cargo, or such part of it as may be affected, which alternative place shall not be subject to the prohibition, and carriers shall be entitled to accept orders from cargo owners to proceed to and discharge at such alternative place. If cargo owners fail to nominate an alternative place within 72 hours after they or their agents have received from carriers notice of such prohibition, carriers shall be at liberty to discharge the cargo or such part of it as may be affected by the prohibition at any safe place on which they or the master may in their or his absolute discretion decide and which is not subject to the prohibition, and such discharge shall constitute due performance of the contract contained in this Bill of Lading so far as the cargo so discharged is concerned".

The foregoing provision shall apply mutatis mutandis to this charter, the references to a Bill of Lading being deemed to be references to this charter.

### **Business Principles**

41. (Deleted)

### **Drugs and Alcohol**

42. (Deleted)

### **Oil Major Acceptability**

43. (See Clause 57)

### **Pollution and Emergency Response**

44. Owners are to advise Charterers of organisational details and names of Owners personnel together with their relevant telephone/facsimile/e-mail/telex numbers, including the names and contact details of Qualified Individuals for OPA 90 response, who may be contacted on a 24 hour basis in the event of oil spills or emergencies.

### **ISPS Code/US MTSA 2002**

45. (See Clause 98).

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### **Law and Litigation**

46. (a) This charter shall be construed and the relations between the parties determined in accordance with the laws of the State of New York, U.S.A.
- (b) All disputes arising out of this charter shall be referred to Arbitration in New York in accordance with the Rules of the Society of Marine Arbitrators, Inc. New York (SMA).
- (i) Any Award of the arbitrator(s) shall be final and binding and not subject to appeal.
- (ii) For the purposes of this Clause 46(b) any requests or notices in writing shall be sent by fax, e-mail or telex and shall be deemed received on the day of transmission.
- (c) It shall be a condition precedent to the right of any party to a stay of any legal proceedings in which maritime property has been, or may be, arrested in connection with a dispute under this charter, that that party furnishes to the other party security to which that other party would have been entitled in such legal proceedings in the absence of a stay.

### **Confidentiality**

47. (Deleted)

### **Construction**

48. The side headings have been included in this charter for convenience of reference and shall in no way affect the construction hereof.

Additional Clauses: Special clauses to Shelltime 4 CP form, 49 through 112 shall be fully incorporated into the terms of this Charter Party.

Appendix A: Questionnaire 88 for the vessel, as attached, shall be incorporated herein.

Appendix B: List of Approved Ship Brokers, as attached, shall be incorporated herein.

For the Owners  
ANIA AFRAMAX CORPORATION

For the Charterers  
DHT ANIA AFRAMAX CORP.

By: /s/ Ole Jacob Diesen  
Ole Jacob Diesen  
Chief Executive Officer

By: /s/ Myles R. Itkin  
Myles R. Itkin

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**TIME CHARTER  
SPECIAL CLAUSES  
ANIA**

**IF THERE IS ANY CONFLICT BETWEEN THE FOLLOWING CLAUSES AND THE PRINTED CLAUSES OF THE CHARTER PARTY FORM AS ADJUSTED, THE FOLLOWING CLAUSES SHALL PREVAIL.**

**49) Bill of Lading Indemnification**

The standard form of letter of indemnity to be given in the case of delivery of cargo (a) without production of the original Bill of Lading, or (b) at a port other than stated in the Bill of Lading, or (c) both of the foregoing, in each case without bank guarantee, in revised form as recommended by the International Group of P&I Clubs in 2001, shall be used in all cases, provided that the reference to English law and jurisdiction shall be revised to read New York law and the jurisdiction of any court of competent jurisdiction sitting in New York County.

**50) Certificates/Regulations Compliance**

The Owners warrant that during the term of this charter party the vessel fully complies with the following:

- A. all governmental laws, regulations, protocols and directives promulgated by the authoritative body or any of its legally constituted agencies charged with the application of the same laws/regulations/protocols and directives applicable to the countries and ports within the trading limits defined in the charter party.
- B. that it has secured and maintains aboard the vessel all Certificates of Financial Responsibility issued and required by the competent authorities of the countries within the trading limits defined in the charter party.
- C. (Deleted)
- D. that the vessel shall have on board for inspection by the appropriate port authorities all certificates, records, compliance letters and other documents required.
- E. The vessel shall be approved by the international transport workers federation and carry a valid ITF 'Blue Certificate' on board at all times. Any losses, expenses or damages arising as a result of failure to comply with ITF regulations, as interpreted by local union, shall be for Owners account.
- F. COFR – Owners to provide the vessel, at their cost, with a valid Certification of Financial Responsibility which is acceptable to U.S. authorities at Owners' cost. Compliance with state laws during the currency of this charter to be Owners' responsibility and cost. COFR to be in place prior to the vessels arrival at first U.S. or Canadian port.

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Owners will pay for the initial cost of issuing and maintaining the certificate. Any additional premiums or surcharges payable by Owners in relation to the vessel calling at U.S. ports to be for Charterers account.

- G. Owners shall have a program covering oil pollution avoidance, including compliance with latest international maritime organization and port state regulations and SOLAS and MARPOL conventions and the adoption of vessel response plans and qualified individuals for OPA response.

**51) IMO Clause**

Owners warrant that during the term of this charter party and any extension thereof the vessel will be in full compliance with: the requirements of the United States Port and Tanker Safety Act of 1978 and applicable regulations promulgated thereunder (hereinafter called "U.S. Regulations") the International Convention for the Prevention of Pollution from Ships (MARPOL 1973) and the 1978 Protocol thereto as applicable: and the International Convention for Safety of Lives at Sea (SOLAS 1974) and the 1978 Protocol thereto as applicable (the foregoing conventions and protocols hereinafter called "IMO Regulations"). Owners warrant that it will carry onboard certifications evidencing compliance with U.S. Regulations, compliance with IMO Regulations and any other records or documentation as may be required by the U.S. government authorities the vessel is currently ISM certified and will remain so during the duration of this charter (see ISM Clause).

**52) Pollution Financial Responsibility**

Owners warrant that at the date of the charter that Owners complies with all financial capability, responsibility, security or like laws, regulations and/or other requirements of whatsoever kind with respect to oil or other pollution damage applicable to the vessel entering, leaving, remaining at or passing through any ports or places or waters to perform this charter.

Owners further warrant that it shall continue to comply with these requirements throughout the period of the charter at the levels and in amounts in effect at the date of this charter.

Owners, at its sole risk and expense, shall make all arrangements by bond, insurance or otherwise and obtain all certificates or other documentary evidence and take all such other action, as may be necessary, to satisfy such laws, regulations and/or other requirements.

**53) OPA**

It is mutually understood that Oil Pollution Act of 1990 (OPA) surcharges for trading to the United States ports/territories shall be for Charterer's account.

**54) Contingency Plans Clause**

Owners warrant at the date of the charter that Owners complies with and satisfies existing U.S. federal, state and local rules, regulations and requirements for contingency plans applicable to the vessel entering, leaving, remaining at or passing through any ports or places or waters in performance of the charter, including having under contract

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the services of a catastrophic spill contractor (e.g., Marine Spill Response Corporation (MSRC) or National Response Corporation (NRC)).

Owners further warrant that it shall continue to comply with these requirements throughout the period of the charter at the levels in effect at the date of this charter.

The Owners shall be responsible for obtaining and maintaining all necessary and future approvals and satisfying existing and future federal, state, and local rules, regulations or requirements for contingency plans. Costs incurred shall be for Owners' account.

Qualified individual:        Mr. Steven McCall  
   212 578 1892 office  
   646 327 7206 mobile

## 55) Documentation

Owners undertake that throughout the term of this charter, the vessel shall have on board all such valid documentation as may, from time to time, be required to enable the vessel to enter and carry out all required operations at loading or discharging ports or places and leave, without hindrance, all ports or places to which the vessel may be directed under the terms of this charter.

In addition, the vessel shall be off-hire and Owners shall be held responsible for any losses, costs or damages for any period during which she is not fully and freely available to Charterer as a result of action taken against her by any government, government organization, competent authority, competent person or competent organization, owing to her flag, failure to have on board valid documentation as aforesaid or any dispute relating to Owners' wages or crew employment policy or to the condition of the vessel or her equipment. All cumulative off hire under this Clause may be added to the end of the charter period in the sole option of the Charterer.

Any time lost during which the vessel awaiting USCG TVEL inspection, or in the case of calls at non-U.S. ports where any similar certificate is required to be issued by a state authority at these ports prior to loading or discharging cargo, and until such time as she has secured TVEL certificate or any similar certificate, vessel will be considered off-hire.

## 56) ISM Clause

The requirements of the International Safety Management (ISM) Code are hereby incorporated in the terms of this charter party. Owners/operator warrant that a Safety Management System (SMS) in accordance with the ISM Code is in operation both on shore and on board the vessel. Owners/operator further warrant that they (or the company as defined by the ISM Code) have a valid Document of Compliance (DOC), and the vessel has a valid Safety Management Certificate (SMC). Owners/operator shall supply Charterer with a copy of the DOC and the SMC. Owners shall, when required by Charterer, provide a copy of the documents both ashore and on board the vessel evidencing the SMS and its application and when further required by Charterer, Owners/operator shall provide a report on safety audits carried out internally or by the vessel's flag administration.

Non compliance with the requirements of the ISM code resulting in loss or suspension of the ISM certificate shall be deemed a breach of condition and Charterer shall have the

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right to cancel the charter. Owners shall be responsible for any delays, costs, damages incurred for non compliance with the above conditions.

## 57) Vetting

During the period of this charter, Charterers require Owners to endeavor to arrange for at least four of the following oil company inspections/approvals at their time and expense: BP, Shell, Exxon/Mobil, Chevron Corp., Vela, PDVSA, Statoil and Dreyfus. Charterers may request Owners to obtain other vetting approvals as/when required, and Owners shall do so.

The above is always subject to the vessel's trading pattern, ports accessibility, the oil company's interest in the vessel and the availability of inspectors at the time, all of which Owners will keep a record of and keep Charterers advised.

Charterers shall keep Owners fully informed of the vessels forward schedule in order to facilitate vetting inspections.

If the vessel, during the period of this charter, fails to obtain a minimum of four approvals because of Owners fault/negligence, or fails a physical inspection by any company listed above, or loses a vetting approval required to maintain the vessels' trading pattern, then, Owners shall have a period of forty five (45) days from the date Owners are notified of such non-acceptance to have the vessel obtain such minimum number of approvals or reinstate such approval, subject always to the vessel's trading pattern, ports accessibility, the oil company's interest in the vessel and the availability of inspectors at the time, all of which Owners will keep a record of and keep Charterers advised.

If the Owners do not obtain the minimum number of vetting approvals or the necessary vetting approval is not reinstated as provided for in the preceding paragraphs, and the lack of vettings affect the vessel's trading pattern, then the Charterer shall have the right (i) to terminate this charter party without penalty to either party, or, (ii) to place the Vessel off-hire for any loss of time (whether by way of interruption in the Vessel's service, including time necessary for re-positioning to an alternate trading pattern or otherwise)(a) resulting from the vessel being placed off hire by a pool in which it is entered due to such lack of vetting, or (b) otherwise due to such lack of vetting.

In the event the preceding paragraph is invoked, and the Charterer does not terminate the Charter, it shall use commercially reasonable efforts to employ the Vessel in an alternate trading pattern to maximize its earning capacity on commercially reasonable terms provided that the terms of the pool it is entered into or the time charter it is operating under permit the Charterer to do so. For each day the Vessel is operating under a subcharter on such alternate trading pattern, and not otherwise off hire, if the Basic Hire rate otherwise applicable pursuant to this Charter exceeds the time charter rate or equivalent rate obtained by the Charterer on its sub-charters in the alternate trading pattern, then the Basic Hire payable hereunder shall be reduced by an amount equal to the difference between (a) the Basic Hire rate and (b) the time charter rate or equivalent rate obtained by the Charterer on its sub-charters in the alternate trading pattern until the later of (i) the date the Vessel has re-obtained the minimum number of vetting approvals or the necessary vetting approval has been reinstated, and (ii) the last day of the applicable sub-charter.

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**58) Adherence to Voyage Instructions**

- A. Owners shall be responsible to and will indemnify Charterer for any time, costs, delays or loss suffered by Charterer due to underlift, overlift or other failure to comply fully with Charterer's lawful instructions as long as such failure was solely due to Owners'/vessel's proven negligence.
- B. If a conflict arises between terminal orders and Charterers' instructions, master is to stop cargo operations and to contact Charterer at once. Terminal orders shall never supersede Charterer's instructions and any conflict shall be resolved prior to resumption of cargo operations.

Vessel is not to resume cargo operations until Charterers has directed vessel to do so.

**59) Traffic Separation and Routing**

Owners shall instruct the master to observe recommendations as to traffic separation and routing as issued from time to time by authorities (national or local) and comply with federal, state or local regulations of the United States. Voluntary and mandatory traffic separation schemes shall be adhered to while the vessel is in the United States or international waters.

**60) ETA Notice**

Master shall give both Charterer and load/discharge port(s)/place(s) agents notices of estimated time of arrival (ETA) to load/discharge port(s)/place(s) or any other port/place where Charterers order vessel to proceed on a daily basis or as required by Charterers voyage orders.

Any delay incurred to the vessel at any load or discharge port(s) resulting from master's failure to comply with the above requirements, shall be deducted from the monthly hire. The foregoing is without prejudice to Charterer's right to recover for any damages incurred as a result of such breach by Owners of the obligations herein defined. Notices of ETA to be sent to Charterer as instructed. This Clause only applies where the Charterer cannot claim demurrage or any other claim and incur a loss due to the master's failure to follow Charterers instructions.

**61) Watchmen**

Compulsory shore gangway watchmen shall be servants of the Charterer and the cost for such watchmen shall be borne by Charterer throughout the currency of this charter party.

**62) Bunkers**

On every occasion where the bunkers are taken, the ship will participate in either the DNV VQFT, Lloyds FOBAS or ABS scheme (line samples). As between Owners and Charterers fuel shall be deemed delivered to the ship upon arrival at the ship's manifold, which shall be the point of custody transfer. Three samples will be taken at the ship's manifold, using an approved in line drip sampler. One sample shall be provided to the surveyor and analysed, a second shall be given to the suppliers, and third shall be

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retained on board for independent joint testing, in the event of disputes about the quality of the bunkers supplied.

In the event of dispute about the quality of the fuel the third sample left on board shall be jointly analysed at a mutually acceptable independent laboratory, and the results shall be binding on the parties

The quantity of fuel shall be finally determined using the density determined in the sample analysed. Owners undertake to provide Charterers with a copy of each off specification analysis report, to enable Charterers to notify suppliers promptly in the event of a quality or quantity dispute.

The supplier and Charterers shall at all times be entitled to witness the extraction and division of the sample at the ship's manifold and shall be entitled to employ a bunker surveyor.

Charterers shall not cause or permit any lien or other rights to be created against the ship, her crew, Owners, etc., by any fuel suppliers, or otherwise bind the ship, her Owners in crew in any way whatsoever, arising out of the supply of fuels.

Should analysis confirm that bunkers are off specification, (as per specification detailed in Clause 29). Charterers will be notified regarding Owners intentions. Should Owners decide to use the bunkers supplied then Charterers are not entitled to present Owners with a speed or consumption claim for any period during which vessel is using bunkers that do not reasonably meet the specified requirements. Charterers reserve the right to discuss analysis results with Owners to ensure an equitable resolution of any problems. Owners shall not be obliged to use fuel that is injurious to the engine/auxiliaries and associated equipment.

Owners warrant that the vessel shall comply with the emission control and other requirements of Regulation 14 and 18 of MARPOL Annex VI and any other laws or regulations relating to bunker content and bunkering procedures applicable in any areas to which the vessel is ordered.

Charterers warrant that they will supply bunkers:

- A. of sufficient quantity and quality to enable the vessel to meet the emission control and other requirements of Regulation 14 and 18 of MARPOL Annex VI and any other laws or regulations relating to bunker content and bunkering procedures applicable in any areas to which the vessel is ordered, and
- B. in accordance with the specifications in ISO 8217 as in force at the time of supply and any other specifications contained elsewhere in this charterparty.

Charterers further warrant that all bunker suppliers and bunkers supplied hereunder shall with respect to all areas in which the vessel may trade comply with the current and future requirements of MARPOL Annex VI and MEPC96(47) in respect of sampling and the provision of a bunker delivery notes and, where bunkers are supplied in a state where MARPOL Annex VI is in force, that suppliers shall be registered in accordance therewith.

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### 63) Heating

Owners warrant that the vessel is capable of maintaining cargo loaded temperature, or, if time permits, raising same up to a maximum temperature of 150 degrees Fahrenheit. Maximum temperature of cargo loaded at 165 degrees Fahrenheit.

Master to report daily to Charterers average cargo temperature of all tanks and to keep voyage heating records for Charterers inspection.

If vessel fails to maintain the loaded temperature, or to increase and maintain the temperature of the cargo, as requested by Charterer, all delays incurred will be considered off hire and all expenses and damages shall be for Owners' account.

Failure to follow Charterers heating instructions shall be considered off hire until such time as the cargo is heated to Charterers instruction. If vessel fails to follow Charterers heating instructions on a consistent basis it shall be considered a breach of this contract and Charterers shall have the right to cancel this charter without penalty.

### 64) Pumping Clause

Owners warrant that the vessel is fitted with and will use the main cargo pumps and the stripping pumps as per Charterers instructions.

Owners further guarantees that vessel will discharge the full cargo in twenty four (24) hours, stripping excluded or maintain an average pressure of 100 PSI at the vessel's manifold during discharge, provided shore facilities permit. It is agreed that time lost as a result of vessel being unable to discharge the cargo in accordance with the guarantee stated herein will be deducted from monthly hire.

In the event of the vessel failing to maintain average discharge pressure of 100 PSI or to discharge the cargo within 24 hours, Charterers are entitled to deduct all time over and above 24 hours taken to discharge cargo from hire.

Discharge terminal shall have the right to gauge line pressure. Should the vessel fail to comply with the guarantee herein stipulated should terminal request, Charterer shall have the right to order the vessel to be withdrawn from the berth and all time and expenses incurred to leave the berth and return later to complete discharge will be for Owners' account with the proven lost time and/or expenses being deductible from the monthly hire. In any event, Owners shall provide Charterer with a detailed hourly pumping record showing the pressure maintained at the vessel's manifold throughout the discharge. Such record shall be duly counter signed by a terminal representative and/or independent surveyor, if possible.

If the vessel discharges at more than one port or discharges a partial cargo, then time to be prorated relative to the vessel's full cargo capacity for the nominated cargo(es).

Should the discharge terminal(s) restrict in any way the vessel's performance indicated in this charter party, the master shall immediately issue a letter of protest to the terminal indicating the nature of the restriction and any details he may consider relevant. The vessel to obtain terminals signature on the letter of protest.

Notwithstanding the above, vessel is to make best efforts to utilize full capabilities (safety permitting) when discharging at Portland, Maine.

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For discharge in Punta Palenque, Dominican Republic, vessel to maintain 150 PSI at vessel's manifold.

### 65) STS Clause

Charterers shall have the right to require the vessel to perform lighterage operations and or ship to ship transfer operations at anchor or underway at a safe anchorage or place and these ship to ship transfer operations shall be conducted in accordance with the provisions of the latest ICS/OCIMF transfer guide (petroleum) always to master's acceptance which not to be unreasonably withheld.

It is understood and agreed that the crew of the vessel will be required to assist in handling the fenders and cargo hoses as well as mooring and unmooring of the vessel as designated by the mooring master at the STS transfer site at no additional cost to the Charterer.

All extra equipment required for such transfer operations shall be provided by Charterer at its expense.

**66) Pressure Gauges**

Vessel to be equipped with pressure gauges at each discharge manifold which will be maintained in a proper working condition and each gauge shall have a valid test certificate.

**67) Bilge Liquids**

Vessel shall have efficient and safe means of transferring engine room/pump room bilge to designated holding tanks onboard for disposal in accordance with international regulations.

**68) Previous Cargoes**

(Deleted)

**69) Condition of Cargo Spaces on Delivery and Redelivery**

Vessel will be redelivered with tanks free of liquid slops.

**70) Tanks, Lines, Pumps Suitability**

Owners warrant that vessel will arrive at each load port with all cargo tanks, pumps and lines suitable to load the intended cargo as per Charterer's representative and/or independent surveyor's satisfaction, subject to Charterers voyage orders and vessels time to comply. All damages, time lost and costs incurred due to noncompliance will be for Owners' account and deducted from monthly hire.

**71) Inert Gas System**

Owners warrant that vessel has a good working inert gas system and that the officers and crew are experienced in the operation of the system. Owners further warrant that the vessel will arrive at the load port with cargo tanks inerted and that tanks will remain inerted throughout the loading, voyage and discharge operations. Any delay, cost and expense due to improper operation of the inert gas system shall be for Owners' account and shall be deducted from monthly hire.

The master may be required by terminal personnel or independent surveyor(s) before and/or after discharge to breach the inert gas system for the purpose of gauging, sampling, temperature determination and/or determining the quantity of cargo remaining on board (ROB). The master shall comply with these requests consistent with the safe operation of the vessel. Vessel to remain on hire for such periods.

**72) Crude Oil Washing (COW)**

Owners warrant that the vessel is capable of crude oil washing (COW) of all cargo tanks.

If requested by Charterer, Owners agrees to conduct crude oil washing of cargo tanks at discharge port(s) simultaneously with the discharge of the cargo to shore. Under no circumstance shall the vessel utilize more than eight (8) hours to effect COW or prorata on the basis of the number of tanks washed to the total number of tanks unless authorized by Charterer.

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The vessel will comply with the requirements of the Pumping Clause during simultaneous discharge to shore and the COW operation. If the vessel fails to comply, all additional time to discharge the cargo will be deducted from the monthly hire.

Owners agrees to comply with applicable port and terminal regulations and, if necessary, to submit any advance information or technical data that may be required by local authorities relative to the COW operations.

**73) Fittings, Equipment and Dimensions**

- A. Owners warrant that all piping, valves, spools, reducers and other fittings comprising that portion of the vessel's manifold system outboard of the last fixed rigid support to the vessel's deck and used in the transfer of cargo, bunkers or ballast, are made of steel or nodular iron; and the fixed rigid support for the manifold system is designed to prevent both lateral and vertical movement of the manifold. Owners further warrant that no more than one reducer or spool piece (each ANSI standard) will be used between the vessel's manifold valve and the terminal hose or loading arm connection.
- B. Owners are responsible for providing safety equipment to persons aboard the vessel when the cargo is high sulfur or otherwise dangerous to the health of the crew.
- C. Owners warrant that the vessel is capable of discharging more than one grade simultaneously.
- D. Owners warrant that throughout the charter vessel will have on board the calibration tables for its tanks calculated by the builder or by a reputable independent international surveyor.
- E. Charterers, subject to Owners' approval (which shall not be unreasonably withheld) and class approval, shall be at liberty to fit any additional pumps and/or other vessel gear beyond what is on board at the commencement of the charter, and to make the necessary connections with hydraulic, steam or water pipes, such work to be done at Charterers time and their expense, and such pumps and/or gear so

fitted to be considered their property, and Charterers shall be at liberty to remove it at their time and expense and time during or at the expiry of this charter, with the vessel to be left in her original condition.

- F. Vessel is fitted with 95 percent and 98 percent high level alarms. Any delays due to breakdown of these high level alarms will be considered off hire and will be deducted from the charter hire.

**74) Cargo Transference**

Owners shall notify Charterer of any transfer of cargo within the vessel that takes place after loading and before discharge for purposes of trimming, stress or any other similar purposes.

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**75) Prohibited Detergent Washing**

Owners warrant that vessel will not perform cargo tanks washing utilizing detergents with organic chloride contents throughout the duration of the charter period. Owners to be held responsible for all damages and consequences including but not limited to all cargo claims if Owners/master fails to adhere to this Clause.

**76) Cargo Retention**

- A. In the event that liquid cargo remains on board upon completion of discharge Charterers shall have the right to deduct from hire an amount equal to the fob port of loading cost of such cargo plus its pro rata cost of freight and insurance unless such cargo is unpumpable or unreachable by the vessel's fixed pumps.
- B. Nothing in this Clause deprives Owners of any defenses they have to counterclaims for cargo shortloading or damage but it is agreed that such counterclaims will not be time barred if asserted in any proceedings commenced by Owners for hire deducted under this Clause provided that the deduction was proper.
- C. Any action or lack of action in accordance with this provision shall be without prejudice to any rights or obligations of the parties.
- D. All slops throughout the charter term shall belong to Charterer.

**77) Loss of Carrying Capacity**

In the event cargo is shut out by the fault of the master, officers, crew or mechanical deficiency of the vessel, then Charterer shall be entitled to claim compensation for the transportation cost of the cargo shut out on a round voyage basis by reference to the rate of hire or the current market level (whichever is greater). Any additional port costs and/or bunker consumed due to the loss of carrying capacity shall for Owners account.

**78) Speed and Fuel Warranties**

The Owners warrant that the vessel is capable of maintaining and shall maintain, consistent with safety throughout the period of this charter party on all sea passages, from seabuoy to seabuoy, unless otherwise ordered by Charterer, an average speed under weather conditions up to and including Beaufort Force 5 of about 13.3 knots laden on a daily consumption of about 37 metric tons IFO 380 CST plus 0 metric tons MDO at sea and about 13.3 knots ballast on a daily consumption of about 37 metric tons IFO 380 CST 0 metric tons MDO at sea for all purposes excluding tank cleaning, cargo heating and IGS plus about 20 mts IFO for loading and about 20 mts IFO for discharging, based on single port loading and discharging excluding Laguna and Boscan crude and similar cargoes.

The above speed and consumption rates shall be adjusted in accordance with, and always be subject to any changes made to the Aframax International pool key, provided the vessel continues to trade in the Aframax International pool.

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**79) Slow Steaming/Speed Up**

Weather and safe navigation permitting, Charterer shall have the right to order the vessel to proceed at any speed greater than/less than normal full speed.

**80) Adjustment of Hire**

The speed and fuel consumption guaranteed by the Owners in Part 1 will be reviewed by the Charterer 30 days after every six (6) months. If at the end of the period, if it is found that the vessel has failed to maintain, as an average during the period, the speed and/or fuel consumption warranted, the Charterer shall be retroactively compensated in respect of such failings, as per Clause 24.

No bonus shall be payable to Owners under any circumstances.

The Charterer shall provide Owners with an opportunity to review any claim submitted by Charterer under this Clause, and the Owners shall complete such review and provide Charterer with the results thereof within thirty (30) days from the date such claim was received by Owners. In the absence of such response, Charterer may deduct from hire any amount to which it is entitled under this Clause.

In the event of Charterer having a claim in respect of vessel's performance during the final year of the charter period and any extension thereof, the amount of such claim shall be withheld from hire in accordance with Charterer's estimate made two months before the end of the charter period and any necessary adjustment after the end of the charter shall be made by the Owners to the Charterer.

## 81) Additional Offhire

- A. The vessel shall be offhire whenever there is loss of time if:
- 1) due to the boycott of the vessel due to the terms or conditions of employment of Owners' servants; or employment, trades, or cargoes of vessels other than under this charter.
  - 2) due to restraint or interference in the vessel's operation by any governmental authority in connection with the ownership, registration, or obligations of Owners or the vessel, or stowaways, or in connection with smuggling or other prohibited activities.
  - 3) due to cargo contamination or damage caused by unseaworthiness of the vessel or negligence of Owners' servants.
- B. In addition, if during offhire the vessel loses its turn to berth, it shall remain offhire until it regains the same berthing position. If the vessel goes offhire while in berth, extra expenses thereby incurred by Charterers in connection with the vessel remaining at the berth shall be for Owners' account and Charterers shall also have the option to order the vessel out of berth, so as to avoid delay to other vessels waiting to use the berth, with the cost of unberthing and reberthing for this purpose to be for Owners' account. The vessel shall remain offhire during time lost in between berths.
- C. In the event of detention of vessel by any governmental authority, or by any legal action against vessel or Owners, or by any strike or boycott by the vessel's officers or crew, whereby vessel is rendered unavailable for Charterers' service
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for a period of thirty (30) days or more, Charterers may, by written notice given before vessel is free and ready to resume service, elect to terminate this charter, without prejudice to any other rights Charterers may have under this charter or to any claim it may have for damages.

## 82) Off Hire Survey

A joint off hire bunker survey shall be conducted by Charterers and Owners representatives at the place of redelivery. The time and cost for the offhire bunker survey at redelivery shall be split equally between Owner and Charterer.

## 83) Access

The Charterer shall have the right and privilege of having their representatives visit the vessel while in port or at sea. Charterer's representatives shall have access to the entire vessel (excluding accommodation spaces) and the master, officers and crew of the vessel shall cooperate with and render any reasonable assistance that Charterer's representatives may require.

Charterer shall be entitled, from time to time during the period of this charter, to cause their representative(s) to take samples of the cargo and to inspect the vessel in order to ascertain whether Owners is reasonably complying in all respects with their obligations under this charter party.

In the case of inspection of the vessel, Charterer shall give Owners appropriate notice of their intention to inspect the vessel and any such inspection may include, but shall not be limited to: examination of the vessel's hull, machinery, boilers, auxiliaries and equipment, examination of the vessel's deck and engine, rough and official log books, certificates, investigation of the vessel's operating procedures both in port and at sea, examination of the qualifications and conduct of the vessel's master, officers and crew. Any inspections carried out by Charterer under this sub-Clause shall be without prejudice to any other rights of inspection or investigation allowed to Charterer in accordance with the provisions of this charter.

In the event of Owners' failing, at any time during the period of this charter, to comply with their obligations under this Clause, Charterer shall be entitled to give Owners notice in writing, whether or not an inspection under the terms of this Clause has taken place, requiring Owners to take immediate steps to remedy their default.

In the event the Owners fails forthwith, or within such period as may be agreed to remedy such default to Charterer's satisfaction, Charterer shall be entitled at their absolute discretion, to place the vessel off-hire, until such default shall have been satisfactorily remedied. Any exercise of, or failure to exercise, their discretion under the terms hereof by Charterer shall be without prejudice to any other remedy available to Charterer.

## 84) Change of Flag, Management, Ownership

Owners rights and obligations under this charter are not transferable and except as provided in this Clause Owners undertake not to change the vessel's management nor flag nor to sell the vessel or stock in the ownership company without Charterer's consent which consent shall not be unreasonably withheld.

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In the event that the Owners desire to hire a manager other than Tanker Management Ltd., Owners shall provide written notice (the "New Manager Notice") to the Charterer at least 10 business days prior to the proposed date of hire, which notice shall seek the Charterer's consent to the new manager. The Charterer's shall have the right, within 5 business days of receipt of the New Manager Notice, to object to the new manager in writing. Such objection must be based on reasonable grounds, and must be accompanied by a list of two comparable managers (other than any affiliates of Charterer) to which the Charterer would have no objection, and which Owners may then hire without any further requirement for consent from Charterer.

If written notice of objection together with the accompanying list of acceptable managers is not provided by the Charterer within 10 business days of receiving the New Manager Notice, the Charterer shall be deemed to consent to the new manager.

Owners shall have the right to transfer the vessel and Charterer agrees that stock in the Owners may also be transferred (either of which, for purposes of this Clause, a "Transfer"), subject to the Charterer's right of first offer as described in this Clause:



Prior to and in order to effect a Transfer, the Owners shall first give written notice (a "Sale Notice") to the Charterer stating (i) the Owners (or its parent's) intention to make a Transfer, (ii) the name of a broker who Owners have selected to be a member of the three member panel described below (the "Panel") that will determine the fair market price of the vessel (on the basis that it is sold subject to this charter) and (iii) the material terms other than price upon which the Owners (or its parent) intends to make the Transfer.

The Charterer shall select a member of the Panel within 5 business days after receipt of the Sale Notice by delivery of written notice to Owners. If Charterer does not make such selection within such 5 business day period, then the Panel shall consist solely of the broker selected by Owners. If Charterer makes such selection, then the two members selected by Owners and Charterer shall select together a third member of the Panel within 10 business days after delivery of Charterer's written notice to Owners. If the members selected by Owners and Charterer do not select a third member of the Panel within such 10 business day period, then the third member of the Panel shall be selected by the President of the Society of Marine Arbitrators, Inc. New York. No broker is eligible to be selected as a member of the Panel unless it is listed in Appendix B of approved ship brokers to this charter.

After all the members of the Panel have been selected in accordance with the preceding paragraph, the Panel shall determine the fair market price of the vessel, taking into account that any sale would be made subject to this charter. The market price determined by the Panel (the "Price") shall be the price determined by the sole member of the Panel if there is only one member and shall be the average of the two closest prices determined by members of the Panel if there are three members. The sole member, or, the member of the Panel selected by the other two members shall notify in writing the Owners and Charterer of the Price (the "Price Notice"). Owners and Charterer shall each pay one-half of the fees and expenses of the members of the Panel in performing their services under this Clause 84. Such Price shall be considered the price of the vessel, if Owners elect to proceed with the sale of the vessel after receiving the Price Notice. Owners shall not be obligated to proceed with the sale of the vessel if it, in its sole discretion, deems the Price to be inadequate. If the parent of Owners seeks to sell the stock of the Owners, then the Panel, in addition to determining the Price of the vessel as aforesaid, shall determine the fair market price of the assets of the Owners

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(other than the vessel) and the fair market value of the liabilities of the Owners in accordance with the foregoing methodology. The sum of the Price of the vessel in the Price Notice and the price of the other assets of the Owners determined as aforesaid reduced by the value of the liabilities of Owners determined as aforesaid shall be considered the price for the stock (the "Stock Price") and the Stock Price shall be set forth in the Price Notice.

In the event that the Owners elect to proceed with the sale of the vessel upon its review of the Price Notice, Charterer shall have an irrevocable and non-transferable option to effect Transfer to it of the vessel or stock in the Owners at the Price or at the Stock Price, as the case may be, set forth in the Price Notice and on materially the same terms as set forth in the Sale Notice. Such option may be exercisable during the period (the "Purchase Option Period") commencing on receipt of the Price Notice and ending (a) if Tanker Management Ltd. is the manager at the time of the Price Notice, 30 days after Charterer's receipt of the Price Notice or (b) if Tanker Management Ltd. is not the manager at the time of the Price Notice, 30 days after the later of (i) the date (the "Inspection Date"), set forth in a notice from Owners to Charterer that the vessel and the records of the vessel may be inspected by Charterer, which notice shall be given after the Sale Notice and at least 5 business days prior to the Inspection Date and (ii) Charterer's receipt of the Price Notice. In order to exercise its option, the Charterer shall, within the Purchase Option Period, send an irrevocable written acceptance notice to the Owners (the "Purchase Notice"). The Charterer shall then be obligated to consummate the purchase of the vessel or stock at the Price or at the Stock Price, as the case may be, set forth in the Price Notice and on materially the same terms as set forth in the Sale Notice within thirty (30) days after the Purchase Notice. If Charterer does not exercise its option within the Purchase Option Period or, if such option is exercised, Charterer fails to consummate the purchase of the vessel or stock within the time period set forth above, then, in addition to any other remedies available, the Owners may during the period set forth in the next sentence (the "Sale Option Period") sign a legally binding agreement for the Transfer of the vessel or stock to a third party at a price not less than the Price or the Stock Price, as the case may be, set forth in the Price Notice, minus up to 2.5% of the Price of the vessel, and on materially the same terms as set forth in the Sale Notice. The Sale Option Period shall commence on the earlier of (i) the date Charterer notifies Owners that Charterer will not exercise its option and (ii) the expiration of the Purchase Option Period (such earlier date referred to as the "Start Date") and end on the later of 90 days after (i) the Start Date and (ii) the date after the Start Date when the vessel and the records of the vessel are first made available at a port for inspection at the request of potential third party purchasers of the vessel or stock. If an agreement for the Transfer of the vessel or stock is not signed during the Sale Option Period or the Transfer of the vessel or stock is not completed under such agreement, then Charterer's right of first offer as described in this Clause 84 shall begin again and a new Price determined in accordance with the provisions of this Clause 84. Any Transfer of the vessel or stock to a third party shall be subject to (x) Charterer's prior approval, which shall not be unreasonably withheld, and (y) Charterer's right to purchase at par any loan obtained by the third party purchaser of the vessel to finance such purchase if such purchaser defaults under the credit agreement for such loan or this charter provided the third party can obtain such right from its lenders on, in the sole good faith opinion of the Owners, commercially reasonable terms. This charter, including all options to extend it, shall continue in full force and effect notwithstanding any Transfer of the vessel or stock in the ownership company of the vessel.

If the Owners fail to comply with the terms of this Clause, Charterer may, in its absolute discretion, terminate this charter, whereupon Owners shall reimburse Charterer for any

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hire paid in advance and not earned, the cost of bunker fuel on board the vessel and for any amount for which the Owners are liable to Charterer under the terms of this charter. Charterer's rights of termination shall, whether or not it is exercised, be without prejudice to any other rights available to Charterer.

The managers shall be responsible for the day to day technical operations of the vessel however Owners always to be held responsible for the overall management of the vessel.

If Charterer is not satisfied with the performance of the manager, Charterer may request a meeting within 7 business days with Owners and manager to discuss the deficiencies in the management which deficiencies shall be presented in writing by Charterer. If after thirty days, the management deficiencies are evidently still unresolved in Charterer's determination (which deficiencies and determination will be delivered to Owners and

manager in writing), then the management company may be changed provided that the new management company shall be selected by the Owners subject to the consent of the Charterer, such consent not to be unreasonably withheld.

## 85) Ownership

Owners will not effect any mortgage, encumbrance or other lien on the vessel, other than liens that are not material in amount and that arise in the ordinary course of business or by operation of law, without the prior written consent of the Charterer, such consent not to be unreasonably withheld. In the case of the initial financing by Royal Bank of Scotland for the purchase of the vessel (the "Initial Financing"), the Charterer hereby consents. In the case of any refinancing of the vessel, Owners shall negotiate in good faith and use their best efforts to have the refinancing mortgagee agree on, in the sole good faith opinion of the Owners, commercially reasonable terms that are no less favorable to the Charterer than the terms contained in the Initial Financing in terms of the mortgagee's rights to enforce its mortgage in the event and so long as the Charterer continues to pay the charter hire under this charter. If the Owners, after negotiating in good faith and using their best efforts, are unable to obtain such provisions from the refinancing mortgagee on, in the sole good faith opinion of the Owners, commercially reasonable terms, Charterer or its affiliates may seek such provisions on behalf of Owners and Owners shall consider in good faith all refinancing proposals obtained by Charterer or its affiliates which have, in the sole good faith opinion of Owners, commercially reasonable terms. In addition, Owners shall use their best efforts to have the refinancing lenders agree on, in the sole good faith opinion of the Owners, commercially reasonable terms, that Charterer or its affiliates may purchase at par the loan made by such lenders and related mortgage and other security interests if Owners breach any provision of this charter, including this Clause 85, or if Owners or any of their affiliates default under the loan agreement for such loan.

## 86) Requirements of Special Trades

- A. Charterer may blend cargo on board. If original Bills of Lading are issued for one or more of the parcels which are blended, upon return of all such Original Bills of Lading and at Charterers' request, Owners will issue new Bills of Lading for the blended cargo. New Bills of Lading can only be issued for the blend as a whole. Owners are hereby indemnified against all claims for contamination or quality deterioration or off specification whatsoever due to cargo blending on board.
- B. Extra insurance on freight and/or cargo, if any, due to vessel's age shall be for Owners' account and Charterer shall have the right to deduct such extra

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insurance cost from hire due Owners. Charterer will provide supporting invoice for extra insurance cost deducted from charter hire.

- C. Whenever requested by Charterer, Owners shall arrange for war risk underwriters to advise Charterer via Owners about actual net 'additional premium' then in effect. If requested by Charterer, Owners shall arrange in advance for war risk underwriters to furnish such information to Charterer via Owners 48 hours before vessel enters 'additional premium' zone, weekend and local holidays are excluded, at Charterers expense.
- D. Any 'additional premiums' due from Charterer shall be documented by underwriters and Charterer shall pay only the net premium charged to Owners -- i.e. gross premium less rebate, if any.
- E. Charterer shall not be responsible for any time lost due to officers and/or crew refusing to proceed to an actual war zone, or for any time lost as a result of the vessel remaining in an "additional premium" zone due to action by vessel's officers and/or crew and/or breakdown and/or accident to vessel or her equipment not caused by fault of the Charterer, or as a result of an occurrence of a war risk.
- F. Pollution insurance. Owners warrant that they will have in place the maximum cover for pollution offered by members of the International Group of P&I Clubs (currently USD 1 billion) and that this cover from underwriters approved by Charterer (such approval not to be unreasonably withheld) will remain in place throughout the period of this charter. Owners shall provide Charterers within five business days after the fixture is concluded, written evidence from the vessel's P&I club or insurance broker of such pollution cover.

Any additional premiums or surcharges payable by Owners in relation to the vessel calling to United States of America ports to be for Charterers account.

- G. Vessel to be able to comply with the following Clause for occasional cargoes loading in Venezuela:

The vessel to arrive at the loadport fully cleaned for wax free stowage, including all waxy residues and sediments to be removed by hand lifting. Owners to allow Charterers representative to board the vessel at the last discharge port to supervise the cleaning operations en route to loadport.

Vessel shall arrive loadport with all cargo tanks, pumps and pipes suitably clean for Laguna crude, at Owners time and expense, and the Charterers inspectors satisfaction and delays, as a result of the vessel arriving at the loadport and not being clean to Charterers inspectors satisfaction, shall be considered off hire. The cargo is intended to be used in the production of lube oil and transformer oils, etc. and is especially sensitive to wax and salt.

Vessel to be capable of hot machine washing and flushing all cargo tanks, pumps and pipes (water used to be 80 degrees C. and not less than 65 degrees C. at any time) for at least four hours. All wax deposits to be lifted. All tank washings to be discharged and collected in slop tanks. Vessel to discharge slops from cargo tanks at minimum 65 degrees C. Vessel to arrive loadport fully

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cleaned for wax free stowage including all waxy residues and sediments to be removed by hand lifting. After the hot water wash, vessel to perform a quick cold lake water flush of all tanks and pipes and tank system to be well drained. No slops to be discharged ashore. Slops to be kept fully segregated from cargo at all times. Vessel to be clean to Charterer's inspector's satisfaction before loading.

Charterer's expeditor will board the vessel at last discharge port at Charterers expense to supervise the cleaning operation en route to the loadport. If the cleaning required is carried out to the expeditor's satisfaction then Charterers not to require vessel to be gas free on arrival loadport.

- H. Owners warrant that vessel is fully capable of carrying 'Orimulsion' and Owners/operators are fully aware of the requirements for carrying this type of cargo. Normally, crude oil washing nor inert gas system never to be utilized while Orimulsion is onboard.
  - I. It is understood that the vessel shall not be required to force ice but to follow ice breakers from time to time always subject to master's approval.
  - J. (Deleted)
  - K. Grades and comingling. Charterer shall be at liberty to ship three grades of cargo. Grades and quantities of petroleum products shall be defined by Charterer prior to each voyage. Segregated grades shall be kept within vessels natural segregations. At the option of the Charterer, loading of three or more grades of cargo in such a manner as to voluntarily mix the cargo to obtain a new grade shall be carried out by the Owners pursuant to Charterers requirements. Any such mixture or admixture shall be at Charterers risk and expense and shall be considered to be one grade under the present agreement. Any new bills of lading that are issued will only be for the blended cargo as a whole.
  - L. Vessel to have a working vapour recovery system onboard.
  - M. Owners warrant that it has a policy on drug and alcohol abuse ("Policy") applicable to the vessel which meets or exceeds the standards of the OCIMF guidelines for the control of drugs and alcohol onboard ship. Under the Policy, alcohol impairment shall be defined as a blood alcohol content of 40 mg/100 ml or greater; the appropriate seafarers to be tested shall be all the vessel's officers and the drug/alcohol testing and screening shall include unannounced testing in addition to routine medical examinations. An objective of the Policy should be that the frequency of the unannounced testing be adequate to act as an effective abuse deterrent, and that the officers be tested at least once a year though a combined program of unannounced testing and routine medical examinations. Owners further warrant that the Policy will remain in effect during the term of this charter providing that the terms are in conformity with the laws of the vessel's flag state and that the Owners shall exercise due diligence to ensure that the Policy is complied with. It is understood that an actual impairment, shall not in and of itself mean Owners has failed to exercise due diligence. Persons who test positive, refuse to test, or are unfit for duty (impaired because of drug or alcohol abuse) shall be removed from the vessel and shall not be reassigned to service on the vessel.
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- N. Charterers shall have the right to convert the vessel to an FSO or FPSO or another similar use provided that the vessel is re-converted to her original condition at the end of the charter at Charterers time and expense. Owners consent is required but should not be unreasonably withheld.
- O. If requested by Charterers, vessel shall make best efforts to cool the cargo temperature by spraying the deck with water and/or taking extra ballast in ballast tanks or any other method by which the Charterers suggest provided same is deemed safe by master.
- P. Vessel shall be capable of full hot fresh water wash, as well as hot sea water wash followed by fresh water rinse, with all fresh water to be procured by Charterers over and above what vessel is capable of producing with all time and expense for the cost of the water as well as extra bunkers, and time and expense for all related operations to be for Charterers account. Owners will make best efforts to produce fresh water for Charterer's purposes, however without guaranty.
- Q. Worldwide trading always within American Institute Trade Warranties limits and any subsequent amendments thereof as permitted by U.S. and/or Marshall Island authorities.

Charter may order the vessel to Alaska, outside of American IWL, provided Owners' consent thereto and that Charterers pay for any insurance premium required by the vessel's underwriters. Charterers to give adequate prior notice to Owners and Charterer shall provide and pay for response plan and OSRO coverage for the vessel while in Alaskan waters. All costs for any breach of BIWL as well as all costs for trading to Alaska, and to comply with Charterer's orders to be for Charterer's account including any insurance premium required by the vessel's underwriters.

Costs of complying with USWC trading, with port, local and OPA 90 rules and regulations to be for Charterers account in addition to filing spill response plans.

- R. Where the vessel is required to change over to and from low sulphur fuel, the fuel consumption and any delays due to flushing the fuel system is to be for Charterers account.
- S. Owners warrant that the vessel will perform ballast change in deep water in open sea prior to arrival Primorsk, whenever time and circumstances permit, and will ensure that ballast water content complies with Primorsk requirements so far as possible. However, if Primorsk lab analysis of ballast indicates the hydrocarbon contents exceed 0.05 ppm and source hydrocarbon is not from within the vessel and vessel is consequently ordered to discharge ballast outside port limits, then any unberthing and reberthing costs incurred as a consequence will be for Charterers account.

## 87) Agency

Owners can appoint their own agents or have the right to use and pay Charterer's agents for Owners' matters.

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## 88) Hull And Machinery Value

(Deleted)

**89) War Risk Premium**

Owners to be responsible only for the basic annual contributions payable to obtain war risk cover. Charterer shall be responsible for the full amount of any sums payable by way of additional premiums to maintain that full cover as a result of the vessel proceeding any areas designated as additional war risk premium areas.

**90) Histories**

Owners shall provide a work history to Charterer prior to any change of the master, chief engineer and chief officer serving onboard vessel. The history which shall show the extent of tanker experience in rank. Similar histories shall be furnished for any new master, chief engineer and chief officers prior to assignment to the vessel. After reviewing same, Charterers have the right to reasonably reject any of the above in which case Owners will nominate a substitute which shall be subject to Charterers approval as well.

**91) Personnel**

Conversational English language proficiency is required for the master and officers in charge of cargo or bunker oil handling.

**92) Reduction or Increase in Deadweight**

(Deleted)

**93) Confidentiality**

(Deleted)

**94) General Average**

- A. In addition to any other rights Charterer may have, and if requested by Charterer, Owners will release one or more cargoes to Charterer for transshipment from a port of refuge by and at the expense of Charterer in exchange for a nonseparation of interest agreement, general average bond, and a general average undertaking from cargo underwriters in the customary forms. Charterer's transshipment expenses, up to the general average expenses saved, are to be treated like the general average expenses saved, as if those expenses had actually been incurred and paid for by Charterer. If a subcharter is involved and freight is at risk, subcharterer shall be credited for the vessel's daily manning, bunkers, insurance costs as well as port expenses saved for any part of the voyage not required to be made by reason of transshipment. Bills of lading for such transshipped cargoes are deemed to be accomplished on completion of transfer to the transshipping vessel, and port of refuge where transfer is made shall be treated as a discharge port.
- B. Any amounts allowable in general average for wages, provisions and stores shall be credited to Charterer insofar as such amounts are in respect of a period when the vessel is on hire.

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**95)** (Deleted)

**96) Hydrogen Sulphide (H2S) Clause:**

Owners shall comply with the requirements in ISGOTT (as amended from time to time) concerning Hydrogen Sulphide and ensuring that the Hydrogen Sulphide level is always below the threshold limit value (TLV).

If on arrival at the loading terminal, the loading authorities, inspectors or other authorised and qualified personnel declare that the Hydrogen Sulphide levels exceed the TLV and request the vessel to reduce the said level to within the TLV, provided that the duration of the voyage between the last discharge port and such loading terminal permits such reduction, then the delay shall be considered off hire and any additional expenses incurred by Charterer to be for Owners account.

**97) Yugoslavia Clause**

(Deleted)

**98) BIMCO ISPS Clause for Time Charter Parties 2005**

- (A) (i) The Owners shall comply with the requirements of the International Code for the Security of Ships and of Port Facilities and the relevant amendments to Chapter XI of SOLAS (ISPS Code) relating to the vessel and "the company" (as defined by the ISPS Code). If trading to or from the United States or passing through United States waters, the Owners shall also comply with the requirements of the U.S. Maritime Transportation Security Act 2002 (MTSA) relating to the vessel and the "owner" (as defined by the MTSA).
- (ii) Upon request the Owners shall provide the Charterers with a copy of the relevant International Ship Security Certificate (or the interim international ship security certificate) and the full style contact details of the Company Security Officer (CSO).
- (iii) Loss, damages, expense or delay (excluding consequential loss, damages, expense or delay) caused by failure on the part of the Owners or "the company"/"owner" to comply with the requirements of the ISPS Code/MTSA or this Clause shall be for the Owners' account, except as otherwise provided in this charter party.

- (B) (i) The Charterers shall provide the Owners and the master with their full style contact details and, upon request, any other information the Owners require to comply with the ISPS Code/MTSA. Where sub-letting is permitted under the terms of this charter party, the Charterers shall ensure that the contact details of all sub-charterers are likewise provided to the Owners and the master. Furthermore, the Charterers shall ensure that all sub-charter parties they enter into during the period of this charter party contain the following provision:

“The Charterers shall provide the Owners with their full style contact details and, where sub-letting is permitted under the terms of the charter party, shall ensure that the contact details of all sub-charterers are likewise provided to the Owners”.

- (ii) Loss, damages, expense or delay (excluding consequential loss, damages, expense or delay) caused by failure on the part of the Charterers to comply with this Clause shall be for the Charterers’ account, except as otherwise provided in this charter party.

- (C) Notwithstanding anything else contained in this charter party all delay, costs or expenses whatsoever arising out of or related to security regulations or measures required by the port facility or any relevant authority in accordance with the ISPS Code/MTSA including, but not limited to, security guards, launch services, vessel escorts, security fees or taxes and inspections, shall be for the Charterers’ account, unless such costs or expenses result solely from the negligence of the Owners, master or crew. All measures required by the Owners to comply with the ship security plan shall be for the Owners’ account.

- (D) If either party makes any payment which is for the other party’s account according to this Clause, the other party shall indemnify the paying party.

## 99) Period / Charter Hire

Owner and Charterer agree that the initial charter period shall be the period commencing on October 17, 2005 and ending on October 16, 2011 (the “Initial Expiration Date”). Until the Initial Expiration Date, the Charterer shall pay to the Owner, charter hire (“Basic Hire”) monthly in advance by the due date set forth in Clause 9. Each payment of Basic Hire (“Basic Hire Amount”) shall equal the basic hire rate set forth in the initial charter rate table below that corresponds to the time period for which payment is being made multiplied by the actual number of days in the month for which the Basic Hire Amount is being calculated.

**INITIAL CHARTER RATE TABLE**

CHARTER YEAR	COMMENCING (0001 GMT)	ENDING (2400 GMT)	BASIC HIRE RATE
1	October 17, 2005	October 16, 2006	USD 18,500 per day
2	October 17, 2006	October 16, 2007	USD 18,700 per day
3	October 17, 2007	October 16, 2008	USD 18,800 per day
4	October 17, 2008	October 16, 2009	USD 18,900 per day
5	October 17, 2009	October 16, 2010	USD 19,100 per day

The Charterer may, at its option, extend the charter on one or more occasions (provided that the charter is still in effect at the time of extension) by giving written notice (the “Extension Notice”) to the Owner at least 90 days prior to the expiration date of the charter then in effect. The Extension Notice shall specify the new expiration date of this charter, which shall be the first, second or third anniversary of the existing expiration date; provided, however, that in no event shall the expiration date be subsequent to October 16, 2015. The Extension Notice shall also specify the Basic Hire Amount for the selected extension period, which shall be calculated in the same manner as the Basic Hire Amount for the initial charter period, and shall, at the option of the Charterer, be equal to either:

- A. the one-, two- or three-year time charter rate for VLCCs, which rate corresponds to the selected extension period, established by the Association of Shipbrokers Agents and Agents Tanker Broker Panel (the “Broker Panel”), plus five percent, or
- B. the basic hire rate for the corresponding time period(s) set forth in the option period rate table below.

Upon receipt of the Extension Notice by the Owner, the charter shall be extended to the new expiration date on the same terms and conditions (other than as expressly set forth herein). If, at the time of the exercise of any extension period, the Broker Panel is no longer quoting one-, two- or three-year time charter rates, then a mutually acceptable replacement Broker Panel shall be selected by the Owner and Charterer. The following broker panels shall be deemed mutually acceptable by the Owner and Charterer:

London Tanker Broker Panel

**OPTION PERIOD RATE TABLE**

OPTION YEAR	COMMENCING (0001 GMT)	ENDING (2400 GMT)	BASIC HIRE RATE
1	October 17, 2010	October 16, 2011	USD 19,400 per day
2	October 17, 2011	October 16, 2012	USD 19,700 per day
3	October 17, 2012	October 16, 2013	USD 20,000 per day
4	October 17, 2013	October 16, 2014	USD 20,200 per day
5	October 17, 2014	October 16, 2015	USD 20,400 per day

## ADDITIONAL HIRE

Charterer agrees that Additional Hire Payment Amount (as defined in the Charter Framework Agreement, dated October 6, 2005, by and among the Owners, the Charterer and the other parties thereto), if any, shall be calculated and paid in accordance with such Charter Framework Agreement.

**100) AMS Clause**

U.S. Customs Clearance – if cargo is to be discharged in a U.S. port or territory subject to control by the U.S. Customs and Border Protection (CBP), Charterers warrant that all necessary details required by CBP for clearance of the cargo, inclusive of but not limited to, shipper consignee and notify party full name, address and phone number or telex number, will be included on each bill of lading or alternatively supplied to Owners in writing a minimum of 24 hours prior to the vessel's arrival at the first designated U.S. port of discharge. For voyages less than 24 hours in duration this information must be included on the bill of lading or advised to Owners prior to the vessel departure from the loading place or port. Any delays, fines or penalties incurred due to Charterers' failure to comply with the above will be for Charterers' account.

Effective March 4, 2004, all imported cargoes into the U.S. must be electronically reported via the Bureau of U.S. Customs and Border Protection AMS system. This

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requires the Owner to have a Type 3 International Carriers Bond as well as a Standard Carriers Alpha Code (SCAC). It is the responsibility of the Owner to ensure that his reporting requirement occurs 24 hours prior to the vessel's arrival at the first U.S. port. Should the international voyage be less than 24 hours in duration, the Owner shall electronically file the manifest via the automated manifest system at the time of the loading in the foreign port. Owners and/or vessel master or their designated agent will provide a copy of the electronically filed manifest to the Charterers or their designated agent at the time of filing with CBP.

Owners warrant that it is aware of the requirements of the U.S. Customs and Border Protection regulation issued on December 5, 2003 under Federal Register Part II Department of Homeland Security 19 CFP Parts 4, 103, et al. and will comply fully with these requirements for entering U.S. ports. Any delays, fines or penalties incurred due to Owners failure to comply with the above will be for Owners account.

The cost of filing to be for Charterers account. Charterers to be responsible for any delay and/or fines related to late filing by their agents.

**101) House Flag/Charterers Markings**

At any time during the period of this charter, Charterers shall have the privilege of flying their house flag, to paint the funnel and bow crest in their house colors and to paint their markings on ships sides and put/change the name of the vessel. Upon vessels redelivery, Owners shall be obliged to rename the vessel and remove Charterers markings on ships sides and repaint ships name and funnel. The cost of such paintings and/or repaintings and/or name change to be for Charterers account unless otherwise agreed with Owners. Upon Charterers request, crew to perform the work and payment to be settled directly between Charterers and master.

In the event of a change in the technical management of the vessel, Charterers shall have the option to change the markings on the vessel and/or the name of the vessel at Owners time and expense.

**102) Green Award Clause**

Rebates in port dues, etc. obtained via the green award certificate to be refunded to Charterers, provided that Charterers have paid for the green award audit fees in full, or prorated for the period covered under this charter party.

**103) Remeasure Clause**

Charterers have the option to re-measure the vessel for the purpose of satisfying certain port/terminal regulations. All cost and time to be for Charterers' account. The vessel is to be redelivered non-measured at Owners' option if Charterers exercised their option to re-measure in the first place.

**104) Exxon Mooring**

(Deleted)

**105) Storage Clause**

Charterers shall have the option of requesting the vessel to remain idle, at a safe place,

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at anchor/or drifting.

**106) Breach Of Warranty Clause**

(Deleted)

**107) Tracking System Clause**

It is agreed that Charterers may from the time of fixing until completion of the charter period employ an INMARSAT tracking system on the vessel. Such tracking system works on data provided from the vessel's onboard INMARSAT C system and can be installed simply, either remotely, or on some older systems with minimal set up input from the vessel. All registration/communication costs relating to this tracking system will be for Charterers' account. Charterers will advise when the system is operative and confirm termination on completion of charter.

**108) Q88.Com Clause**

Owners to provide, free of charge, a copy of the OCIMF VPQ in the required electronic form so that the vessel can be included in Charterers' subscription to the website "q88.com". Owners are furthermore required to update the system with vessel approval status, certification and any other information as required on a regular basis.

**109) Changes/Improvements Necessary for the Operation of the Vessel or Imposed by Legislation, Class or Oil Company Vetting Requirements**

A. In the event any improvement, structural change or the installation of new equipment is imposed by compulsory legislation and/or Class rules and/or oil company vetting requirements, Charterers shall have the right to require that the Owners effect such improvement, changes or installations. The Charterers shall fully reimburse the Owners for the total cost of all such improvements, structural changes or installations up to USD 50,000 in any calendar year. To the extent that the total cost of all such improvements, structural changes or installations exceed USD 50,000 in any calendar year, the Charterers shall reimburse the Owners in an amount equal to 50 percent of the product of (i) the cost of such improvements, structural changes or installations over USD 50,000 and (ii) a fraction, the numerator of which shall be the number of whole months remaining in the charter period at the time of completion of such improvement, structural change or installation (the "Remaining Charter Period") and the denominator of which shall be the number of whole months remaining in the depreciation period of the vessel (calculated as 25 years from the year the vessel was built) at the time of completion of such improvement, structural change or installation (such product, the "Reimbursement Payment") and the balance of the cost of such improvement, structural change or installation over USD 50,000 shall be paid by the Owners. In the event the charter period is extended for any reason, included but not limited to any extension under Clause 99, the Charterers shall pay additional reimbursement to the Owners in an amount equal to the difference between the reimbursement calculated under the preceding sentence (plus any additional reimbursement calculated for any other extension period if applicable) and the amount that would have been due from the Charterers had the Remaining Charter Period used to calculate the Reimbursement Payment including the number of whole months in the extension period as the numerator of the relevant fraction.

B. In the event any improvement, structural change or the installation of new equipment, not falling under (A) above, is deemed necessary by the Charterers for the continued operation of the vessel, Charterers shall have the right at their own cost to effect such improvement, structural changes or installation, with the Owners' consent which shall not unreasonably be withheld.

C. The Owners shall be notified in writing in advance by the Charterers about any changes and/or improvements as afore mentioned.

D. Any change, improvement or installation made pursuant to this Clause shall be the property of Owners.

**110) Third Party Clause**

Except as may be otherwise agreed in writing by the parties with any third party, a person who is not party to this agreement/charter may not enforce, or otherwise have the benefit of, any provision of this agreement/charter under the contract.

**111) Optional Termination**

In the event the vessel is not delivered under this charter by [IPO closing], 2005 both the Owners and the Charterers shall have the right to terminate this charter and neither the Owners nor the Charterers shall be entitled to damages or to any other compensation or reimbursement of expenses.

**112) Damages Clause**

In subchartering to its customers, Charterer shall endeavor to avoid or limit any liability to such customers for consequential damages. Owners shall not be liable for any consequential damages or losses unless the Charterer's sub-charter provides for such consequential damages or losses to such customers.

**APPENDIX A****QUESTIONNAIRE 88 FOR M/T ANIA****INTERTANKO'S STANDARD TANKER VOYAGE CHARTERING QUESTIONNAIRE 1988 (Version 2)**

*(Metric system to be applied, HVPQ reference specified where applicable)*

<b>GENERAL INFORMATION</b>		<b>HVPQ Ref</b>
Date Updated:	Jun 28, 2005	
Vessel's name:	Ania	<b>1.2</b>
IMO number:	9053672	<b>1.3</b>
Vessel's previous name(s):	Not Applicable	<b>1.4-1.7</b>
Flag:	Marshall Island	<b>1.8</b>
Port of Registry:	Majuro	<b>1.9</b>
Call sign:	V7AW3	<b>1.11</b>
Inmarsat phone number:	Tel 764129599 / 764129610	<b>1.12</b>
Fax number:	Fax 764129611	<b>1.13</b>
Email address:	ania_thirdparty@osg.com	<b>1.16</b>
Type of vessel:	Oil Tanker	<b>1.17</b>
Type of hull:	Double Hull	<b>1.19</b>

**OWNERSHIP & OPERATION**

Registered owner - Full Style:	Sargasso Tanker Corporation c/o OSG Ship Management (UK) Ltd +44 191 218 0100 osguk@osg.com	1.20
Technical operator - Full Style:	OSG Ship Management (UK) Ltd Quorum 4, Balliol Business Park East, Benton Lane, Newcastle Upon Tyne NE12 8EZ England +44 191 218 0100 osguk@osg.com	1.22
Commercial operator - Full Style:	Aframax International 511 Fifth Avenue, New York, NY 10017, USA +1 212 578 1642 operations@osg.com	1.25
Disponent owner / Bareboat charterer - Full Style:		

Number of vessels in disponent owner's fleet:

**BUILDER**

Where Built :	Hyundai Heavy Industry	1.26
Date Delivered:	Dec 15, 1994	1.31

**CLASSIFICATION**

Vessel's classification society:	American Bureau of Shipping	1.34
Class notation:	ABS, +A1(E), Oil Carrier, +AMS, +ACCU SBT, Double Hull	1.35
If Classification society changed, name of previous society?	N/A	1.36
If Classification society changed, date of change?	Not Applicable	1.37
Last dry-dock:	Dec 07, 2004	1.38
Last special survey:	Dec 07, 2004	1.41
Latest CAP Rating (if applicable)		1.44
Last annual survey:	Dec 07, 2004	1.45
Does the vessel have a statement of compliance issued under the provisions of the Condition Assessment Scheme (CAS)?	No	

**DIMENSIONS**

LOA (Length Over All):	244.81 Metres	1.49
Extreme breadth:	42.04 Metres	1.51
KTM (Keel to Masthead):	50.345 Metres	1.54
BCM (Bow to Center Manifold):	121.93 Metres	1.57.1
Lightship parallel body length:	74.92 Metres	1.57.3
Normal ballast parallel body length:	102.65 Metres	1.57.6
Parallel body length at Summer DWT:	118.85 Metres	1.57.9

**TONNAGES**

Net Tonnage:	28328 Tonnes	1.59
Gross Tonnage:	53341 Tonnes	1.60
Suez Net Tonnage:	55144.03 Tonnes	1.61
Panama Net Tonnage:	Tonnes	1.62

**LOADLINE INFORMATION**

	Freeboard	Draft	Deadweight	Displacement	
Summer:	5.917 Metres	13.616 Metres	94847.5 Tonnes	111893 Tonnes	1.63
Winter:	6.2 Metres	13.333 Metres	92264.8 Tonnes	90807.9 Tonnes	1.64
Tropical:	5.633 Metres	13.9 Metres	97448.5 Tonnes	114494 Tonnes	1.65
Lightship:	16943 Metres	2.59 Metres	17045 Tonnes	17045.5 Tonnes	1.66
Normal Ballast Condition:	11973 Metres	7.56 Metres	40497 Tonnes	57997 Tonnes	1.67
TPC on summer draft:			91.45 Tonnes		1.70
Does vessel have Multiple SDWT?			Yes		1.72
If yes what is the maximum assigned Deadweight?			94847.5 Tonnes		1.73
Air draft (sea level to top of mast/highest point) in normal SBT condition?			42.785 Metres		1.74

**RECENT OPERATIONAL HISTORY**

Has vessel been involved in any collision, grounding or pollution incident the past 12 months, full description:	Pollution: No Grounding: No Collision: No	1.77-1.79
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**CERTIFICATION**

Owners warrant following certificates to be valid throughout the Charter Party period:



SOLAS Safety Equipment:	Dec 31, 2009	2.2
SOLAS Safety Radio:	Dec 31, 2009	2.3
SOLAS Safety Construction:	Dec 31, 2009	2.4
Load line:	Dec 31, 2009	2.5
IOPPC:	Dec 31, 2009	2.6
Safety Management (ISM):	Nov 16, 2006	2.8
USCG COC:	Mar 22, 2005	2.11
CLC:		2.13
US COFR:	Jun 04, 2007	2.15
Certificate of Fitness (Gas/Chemicals):	Gas: Chem:	2.16 & 2.17
Certificate of Class:	Dec 31, 2009	
ISPS ISSC:	May 04, 2009	

## DOCUMENTATION

Does the vessel have the following documents on board?		
International Safety Guide for Oil Tankers & Terminals (ISGOTT):	Yes	2.28
OCIMF/ICS Ship to Ship Transfer Guide (Petroleum):	Yes	2.31
Is the vessel entered with ITOPF?	Yes	

## CREW MANAGEMENT

Nationality of Master	KOREA	
Nationality of Officers:	Korean / Filipino	3.1
Nationality of Crew:	Filipino	3.2
If Officers/Crew employed by a Manning Agency - Full Style:	Officers: Overseas Shipping Corporation Crew: same as above	3.1 & 3.2
What is the common working language onboard?	English	3.1
Do key officers understand English?	Yes	
In case of Flag Of Convenience (FOC), is the ITF Special Agreement on board?	Yes	

## STRUCTURAL CONDITION

Are cargo tanks coated?	Yes	7.1
If Yes, specify type of coating:	Tar-Epoxy	7.1.1
If cargo tanks are coated, specify to what extent:	Deckhead / Bottom	7.1.3
Are slop tanks coated?	Yes	
If slop tanks are coated, specify to what extent:	Whole Tank	

## CARGO & BALLAST SYSTEMS

If double hull, is vessel fitted with centreline bulkhead in all cargo tanks?	No	8.2
Groups / Tank Capacities	1: Cu. Metres - 2: Cu. Metres - 3: Cu. Metres - 4: Cu. Metres - 5: Cu. Metres - 6: Cu. Metres - 7: Cu. Metres - 8: Cu. Metres - 9: Cu. Metres -	8.3
Total cubic capacity 98% ex slop tank:	103269 Cu. Metres	8.4 & 8.6
Slop tank(s) capacity 98%:	2667.5 Cu. Metres	8.5 & 8.7
SBT or CBT?	SBT	
If SBT, what percentage of SDWT can vessel maintain with SBT only?	41.2%	8.14.2
If SBT, does vessel meet the requirements of MARPOL Reg 13(2)?	Yes	8.14.3
Number of natural segregations with double valve:	3	8.15

## CARGO PUMPS

Number / Capacity / Type:	3 x 2500 Cu. Metres/Hour (Centrifugal)	8.18-8.25
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## GAUGING AND SAMPLING

Can tank innage/ullage be read from the CCR?	Yes	8.48
Can vessel operate under closed conditions in accordance with ISGOTT 7.6.3?	Yes	8.51
Type of tank gauging system (radar / floating / other)	Floating	8.51.1
Are high level alarms fitted and operational in cargo tanks?	Yes	8.54

## VAPOUR EMISSION CONTROL AND VENTING

Is a vapour return system fitted?	Yes	8.65
State what type of venting system is fitted:	Mast Riser/High Velocity Valves	8.67
Max loading rate per midships connection for homogenous cargo?	Cu. Metres/Hour	8.79

**CARGO MANIFOLDS**

Does vessel comply with the latest edition of the OCIMF 'Recommendations for Oil Tanker Manifolds and Associated Equipment'?	Yes	<b>8.80</b>
What is the number of cargo connections per side?	3	<b>8.83</b>
What is the size of cargo connections?	400 Millimetres	<b>8.84</b>
What is the material of the manifold?	Steel	<b>8.86</b>
Distance between cargo manifold centres:	2500 Millimetres	<b>8.93</b>
Distance ships rail to manifold:	4600 Millimetres	<b>8.95</b>
Distance main deck to centre of manifold:	2100 Millimetres	<b>8.97</b>
Height of manifold connections above the waterline at loaded (Summer Deadweight) condition?	8.02 Metres	<b>8.101</b>
Height of manifold connections above the waterline in normal ballast?	14.32 Metres	<b>8.102</b>
Is vessel fitted with a stern manifold?	No	<b>8.104</b>
Number / size reducers:	6 x 450/400 Millimetres 3 x 450/300 Millimetres 2 x 400/300 Millimetres 3 x 450/250 Millimetres 3 x 450/200 Millimetres	<b>8.106-8.110</b>

**CARGO HEATING**

Type of cargo heating system?		<b>8.120</b>
Material of heating system?		<b>8.128</b>
Max load temp:		
Max temp maintain:		

**IGS & COW**

Is an Inert Gas System (IGS) fitted?	Yes	<b>9.1</b>
Is IGS supplied by flue gas, inert gas (IG) generator and/or nitrogen?	Flue Gas	<b>9.3</b>
Is a Crude Oil Washing (COW) installation fitted?	Yes	<b>9.17</b>

**MOORING ARRANGEMENTS**

Number / length / diameter of wires:	Forecastle: 4 / 220 / 32 Fwd main deck: 4 / 220 / 32 Aft main deck: 2 / 220 / 32 Poop: 6 / 220 / 32	<b>10.2-5</b>
Breaking strength of wires:	Forecastle: 80 Fwd main deck: 80 Aft main deck: 80 Poop: 80	<b>10.2-5</b>
Number / length / diameter of ropes:	Other Lines Forecastle: 3 / 220 / 72 Fwd main deck: 5 / 220 / 64 Aft main deck: 3 / 220 / 72 Poop: 5 / 220 / 64	<b>10.11-18</b>

Breaking strength of ropes:	None	<b>10.11-18</b>
Number and brake holding power of winches:	Forecastle: 2 / 53.3 Fwd main deck: 2 / 53.3 Aft main deck: 1 / 53.3 Poop: 3 / 53.3	<b>10.22-10.25</b>

How many closed chocks and/or fairleads of enclosed type are fitted on:

Focsle:

Main deck fwd:

Main deck aft:

Poop:

**SINGLE POINT MOORING (SPM) EQUIPMENT**

Fairlead size:	600mmX450mm	<b>10.48</b>
Does vessel comply with the latest edition of OCIMF 'Recommendations for Equipment Employed in the Mooring of Vessels at Single Point Moorings (SPM)'?	Yes	<b>10.60</b>
Is vessel fitted with chain stopper(s)?	Yes	<b>10.61</b>
Number:	2	<b>10.61.1</b>
Type:	Tongue	<b>10.61.2</b>
SWL:	200 Tonnes	<b>10.61.3</b>
Max diameter chain size:	76 Millimetres	<b>10.62</b>

**LIFTING EQUIPMENT**

Derrick(s) - Number / SWL:	0 / 0 Tonnes	<b>10.75</b>
Crane(s) - Number / SWL:	2 / 15 Tonnes	<b>10.76</b>

**ENGINE ROOM**

What type of fuel is used for main propulsion?	IFO 380	<b>12.5</b>
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**MISCELLANEOUS**

P & I Club name:	GARD
Last three cargoes (Last / 2 <sup>nd</sup> Last / 3 <sup>rd</sup> Last):	Contact owner for details.
Last three charterers (Last / 2 <sup>nd</sup> Last / 3 <sup>rd</sup> Last):	Contact owner for details.
Last three voyages (Last / 2 <sup>nd</sup> Last / 3 <sup>rd</sup> Last):	Contact owner for details.
Date of last SIRE Inspection:	
Date of last CDI Inspection:	
Current Oil Major Company Acceptances (TBOOK):	SHELL / STATOIL / DREYFUS / CHEVRONTEXACO / BP / EXXONMOBIL
Date and place of last Port State Control:	Aug 14, 2004 / Noverissk
Any outstanding deficiencies as reported by any Port State Control?	No
If yes, provide details:	

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**FOR USA CALLS ONLY**

Qualified individual (QI) - Full Style:	STEVE MCCALL 511 FIFTH AVENUE NEW YORK, NY 10017 212-578-1892 operations@osg.com
Oil Spill Response Organization (OSRO) -Full Style:	MSRC  800-259-6772

Has owner, manager, or operator signed the Sea Carrier Initiative agreement with US customs concerning drug smuggling?

Revised: July 2004 (INTERTANKO.com / Q88.com)

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**APPENDIX B****APPROVED SHIP BROKERS**

P.F. Bassoe A/S (Norway)  
Platou (Norway)  
Fearnleys (Norway)  
H. Clarkson (U.K.)  
E.A. Gibson (U.K.)  
Simpson Spence & Young Ltd.  
Jacq. Pierot Jr. & Sons, Inc. (USA)  
Compass Maritime Services LLC  
Galbraith's Limited

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## Part I

## SHIP MANAGEMENT AGREEMENT

1. Date of Agreement

**October 6, 2005**

2. Owners (name, place of registered office and law of registry) (CI. 1)

Name

**Ann Tanker Corporation**

Place of registered office

**Majuro, Marshall Islands**

Law of registry

**Marshall Islands**

3. Managers (name, place of registered office and law of registry) (CI. 1).

Name

**Tanker Management Ltd.**

Place of registered office

**England**

Law of registry

**England**

4. Day and year of commencement of Agreement (CI. 2)

**See Clause 2**

5. Crew management (state “yes” or “no” as agreed) (CI. 3.1)

**Yes**

6. Technical Management (state “yes” or “no” as agreed) (CI. 3.2)

**Yes**

7. Commercial Management (state “yes” or “no” as agreed) (CI. 3.3)

**No.**

8. Insurance Arrangements (state “yes” or “no” as agreed) (CI. 3.4)

**Yes**

9. Accounting Services (state “yes” or “no” as agreed) (CI. 3.5)

**Yes, as per Clause 3.5 only**

10. Sale or purchase of the Vessel (state “yes” or “no” as agreed) (CI. 3.6)

**No**

11. Provisions (state “yes” or “no” as agreed) (CI. 3.7)

**Yes**

12. Bunkering (state “yes” or “no” as agreed) (CI. 3.8)

**No**

13. Chartering Services Period (only to be filled in if “yes” stated in Box 7) (CI. 3.3(i))

**N/A**

14. Owners’ Insurance

**See Clause 6.3**

15. Annual Management Fee

**See Clause 8.1**

16. Severance Costs (state maximum amount) (CL 8.4(ii))

**None**

17. Day and year of termination of Agreement (CL 17)

**See Clause 17**

18. Law and Arbitration

**See Clause 19**

19. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Owners) (CL 20)

**Ann Tanker Corporation**  
26 New Street  
St. Helier, Jersey JE 23R4  
Channel Islands

20. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Managers) (CL 20)

**Tanker Management Ltd.**  
Quorum 4, Balliol Business Park East, Benton Lane,  
Newcastle upon Tyne NE 12 8EZ England

It is mutually agreed between the party stated in Box 2 and the party stated in Box 3 that this Agreement consisting of PART I and PART II and Schedules 1, 2 and 3 attached hereto, shall be performed subject to the conditions contained herein. In the event of a conflict of conditions, the provisions of PART I shall prevail over those of PART II and Schedules 1, 2 and 3 to the extent of such conflict but no further.

Signature(s) (Owners)

Signature(s) (Managers)

ANN TANKER CORPORATION

TANKER MANAGEMENT LTD.

By: /s/ Ole Jacob Diesen

By: /s/ Ian Blackley

Name: Ole Jacob Diesen

Name: Ian Blackley

Title: Chief Executive Officer

Title: Director

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## PART II Ship Management Agreement

### 1. Definitions

In this Agreement save where the context otherwise requires, the following words and expressions shall have the meanings hereby assigned to them.

“*Owners*” means the party identified in Box 2.

“*Managers*” means the party identified in Box 3.

“*Vessel*” means the M/T Overseas Ann, IMO Number 9217979, built in August 2001 at Hyundai Heavy Industries Co., Ltd. in Ulsan, South Korea.

“*Charter*” means the time charter between the Owners and DHT Ann VLCC Corp. dated October 6, 2005 relating to the Vessel.

“*Crew*” means the Master, officers and ratings of the Vessel.

“*Crew Support Costs*” means all expenses of a general nature which are not particularly referable to any individual vessel for the time being managed by the Managers and which are incurred by the Managers for the purpose of providing an efficient and economic management service and, without prejudice to the generality of the foregoing, shall include the cost of crew standby pay, training schemes for officers and ratings, cadet training schemes, sick pay, study pay, recruitment and interviews.

“*Crew Insurances*” means insurances against crew risks which shall include but not be limited to death, sickness, repatriation, injury, shipwreck unemployment indemnity and loss of personal effects.

“*Management Services*” means the services specified in subclauses 3.1 to 3.8 as indicated affirmatively in Boxes 5, 6, 8, 9 and 11.

“*ISM Code*” means the International Management Code for the Safe Operation of Ships and for Pollution Prevention as adopted by the International Maritime Organization (IMO) by resolution A.741(18) or any subsequent amendment thereto.

“STCW 95” means the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, as amended in 1995 or any subsequent amendment thereto.

## 2. Appointment of Managers

With effect from the day and year of delivery of the Vessel to the Owners pursuant to a Memorandum of Agreement between Owners and 1320 Tanker Corporation dated September 20, 2005 and continuing unless and until terminated as provided herein, the Owners hereby appoint the Managers and the Managers hereby agree to act as the Managers of the Vessel.

## 3. Basis of Agreement

Subject to the terms and conditions herein provided, during the period of this Agreement, the Managers shall carry out Management Services in respect of the Vessel as agents for and on behalf of the Owners. The Managers shall have authority to take such actions as they may from time to time in their absolute discretion consider to be necessary to enable them to perform this Agreement in accordance with sound ship management practice.

### 3.1 Crew Management

*(only applicable if agreed according to Box 5)*

The Managers shall provide suitably qualified Crew for the Vessel as required by the Owners in accordance with the STCW 95 requirements, provision of which includes but is not limited to the following functions:

- (i) selecting and engaging in Vessel's Crew, including payroll arrangements, pension administration, and insurances for the Crew;
- (ii) ensuring that the applicable requirements of the law of the flag of the Vessel are satisfied in respect of manning levels, rank qualification and certification of the Crew and employment regulations including Crew's tax, social insurance, discipline and other requirements;
- (iii) ensuring that all members of the Crew have passed a medical examination with a qualified doctor certifying that they are fit for the duties for which they are engaged and are in possession of valid medical certificates issued in accordance with appropriate flag State requirements. In the absence of applicable flag State requirements the medical certificate shall be dated not more than three months prior to the respective Crew members leaving their country of domicile and maintained for the duration of their service on board the Vessel;
- (iv) ensuring that the Crew shall have a command of the English language of a sufficient standard to enable them to perform their duties safely;
- (v) arranging transportation of the Crew, including repatriation;
- (vi) training of the Crew and supervising their efficiency;
- (vii) conducting union negotiations;
- (viii) operating the Managers' drug and alcohol policy unless otherwise agreed;
- (ix) If the Owners complain of the conduct of any of the Crew, the Managers shall immediately investigate the complaint. If the complaint proves to be well founded, Managers shall, without delay, make a change in the appointments and the Managers shall in any event communicate the result of their investigation to the Owners as soon as possible.

### 3.2 Technical Management

*(only applicable if agreed according to Box 6)*

The Managers shall provide technical management which includes, but is not limited to, the following functions:

- (i) provision of competent personnel to supervise the maintenance and general efficiency of the Vessel;
- (ii) arrangement and supervision of dry dockings, repairs, alterations and the upkeep of the Vessel necessary to ensure that the Vessel will comply with the requirements of the Charter, the law of the flag of the Vessel and of the places where she trades, and all requirements and recommendations of the classification society;
- (iii) arrangement of the supply of necessary stores, spares and lubricating oil and greases. The level and time of the supply of such items shall be based on that which a prudent owner of a vessel of the age and characteristics of the Vessel (including but not limited its operating history, planned maintenance and known wear and tear) would arrange so as to minimize off-hire time and to undertake such maintenance as may safely be carried out at sea by the crew;
- (iv) appointment of surveyors and technical consultants as the Managers may consider from time to time to be necessary;
- (v) development, implementation and maintenance of a Safety Management System (SMS) in accordance with the ISM Code (see subclause 4.2);

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(vi) ensuring that the Vessel receives at least two visits per year from one of the Managers' technical superintendents; and.

(vii) arrangement of oil company vetting so as to comply with the Owner's obligations under the Charter.

### 3.3 Commercial Management

N/A

### 3.4 Insurance Arrangements

*(only applicable if agreed according to Box 8)*

The Managers shall arrange insurances in accordance with Clause 6 subject to the following:

Throughout the term of this Agreement, the Managers shall consult with the Owners prior to the time of each renewal of the Owners' Insurances (as defined in Clause 6.1) and, unless the Owners obtain insurance coverage from other parties as set forth below in this Clause 3.4, the Managers shall secure coverage for the Owners' Insurances for the Vessel at the Owners' expense through the Managers' insurance program on coverage amounts (except for hull and machinery insurance in which is subject to Clause 6.6 of this Agreement), terms and conditions that the Managers shall determine. The Managers shall obtain insurance coverage for the Vessel through the Managers' insurance program that is in accordance with the best practice of prudent owners of vessels of a similar type to the Vessel, with first class insurance companies, underwriters or associations. If the Owners can demonstrate that the insurance coverage provided by the Managers is not in accordance with the preceding sentence and the Managers do not make the amendments necessary for such coverage to meet such standards, the Owners shall have the right to place the Owners' Insurances through third parties, provided that (x) the terms and conditions of the Owners' Insurances proposed by the Owners to be placed with third parties do not, in the reasonable opinion of the Managers, impose any additional cost or liability on the Managers under the Charter and (y) prior to placing the insurance through third parties, Owners shall agree to indemnify Managers for any additional cost or liability on the Managers under the Charter resulting from any such insurance placement. If the Owners place any component policy of the Owners' Insurances through third parties in accordance with the preceding sentence, the Managers shall have the right to terminate any other policy placed by it on behalf of the Owners, and (i) any unearned premium advanced by the Owners shall be refunded to the Owners and (ii) any premium due and any liability for calls for the period of coverage placed by the Managers shall remain for the account of the Owners until fully discharged.

The Managers shall arrange for the Owners' Insurances to be in place as of the effective date of this Agreement and shall maintain the insurance cover existing immediately prior to such effective date at least until the discharge of the cargo from its then current voyage.

### 3.5 Accounting Services

*(only applicable if agreed according to Box 9)*

The Managers shall maintain records relating to those expenditures incurred and monies received in the performance of the Management Services that are necessary for the settlement of accounts between the parties

### 3.6 Sale or Purchase of the Vessel

N/A.

### 3.7 Provisions

*(only applicable if agreed according to Box 11)*

The Managers shall arrange for the supply of provisions.

### 3.8 Bunkering

N/A.

## 4. Managers' Obligations

**4.1** The Managers undertake to use their best endeavours to provide the agreed Management Services as agents for and on behalf of the Owners in accordance with sound ship management practice customary in the trade and at least equivalent to the standards followed with respect to other vessels for which the Managers provide Management Services, if any, and to protect and promote the interests of the Owners in all matters relating to the provision of services hereunder. Provided, however, that the Managers in the performance of their management responsibilities under this Agreement shall be entitled to have regard to their overall responsibility in relation to all vessels as may from time to time be entrusted to their management and in particular, but without prejudice to the generality of the foregoing, the Managers shall be entitled to allocate available supplies, manpower and services in such manner as in the prevailing circumstances the Managers in their absolute discretion consider to be fair and reasonable.

**4.2** Where the Managers are providing Technical Management in accordance with sub-clause 3.2, they shall procure that the requirements of the law of the flag of the Vessel are satisfied and they shall in particular be deemed to be the "Company" as defined by the ISM Code, assuming the responsibility for the operation of the Vessel and taking over the duties and responsibilities imposed by the ISM Code when applicable.

**4.3** The Management Services as such term is used herein includes the discharge on behalf of the Owners of the Owners' technical and operational obligations to charterers pursuant to the Charter, a copy of which has been supplied to the Managers, including, but not limited to the Owners' technical and operational obligations under Clauses 73A and 75 of such Charter.

**4.4** Managers shall maintain records of technical matters relating to the Vessel including maintenance, repairs and equipment replacement ("Technical Vessel Matters"). Three months after commencement of the Management Services, or such other date as agreed to by the Managers and the Owners, and quarterly thereafter, the Managers shall issue a report to the Owners providing a summary of the Technical Vessel Matters carried out in the previous quarter.

## 5. Owners' Obligations

**5.1** The Owners shall pay all sums due to the Managers punctually in accordance with the terms of this Agreement.

## 6. Insurance Policies

For so long as the Managers continue to place the Owners' Insurances (as defined below) on behalf of the Owners in accordance with Clause 3.4 of this Agreement, The Managers shall procure that:

6.1 at the Owners' expense, the Vessel is insured for not less than her sound market value or entered for her full gross tonnage, as the case may be for:

- (i) usual hull and machinery marine risks (including crew negligence) and excess liabilities,
- (ii) protection and indemnity risks (including pollution risks and Crew Insurances), and
- (iii) war risks (including protection and indemnity and crew risks)

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in each case in accordance with the best practice of prudent owners of vessels of a similar type to the Vessel, with first class insurance companies, underwriters or associations ("the Owners' Insurances");

6.2 all premiums and calls on the Owners' Insurances are paid by their due date at Owners' expense and deductibles up to the amount (per claim) of (i) \$185,000 for hull and machinery marine risks insurance and (ii) \$100,000 for claims under the "Running Down Clause" and the "Fixed and Floating Objects Clause" under the protection and indemnity risks insurance and \$15,000 for all other protection and indemnity claims shall be paid at the Managers' expense. In the event the level of deductibles set for a policy period are increased above the amounts set forth in the preceding sentence, whether by the action of the Owners, the Managers or the insurers, any such incremental increase shall be for the Owners' account. The Owners shall be liable for the allocated cost of any broker's fee paid by the Managers as determined by the Managers on a fair and equitable basis.

6.3 the Owners' Insurances name the Managers and, subject to underwriters' agreement, any third party designated by the Managers as a joint assured, with full cover, with the Managers obtaining cover in respect of each of the Owners' Insurances on terms whereby the Managers and any such third party are liable in respect of premiums or calls arising in connection with the Owners' Insurances.

6.4 written evidence is provided, to the reasonable satisfaction of the Owners, of Managers' compliance with their obligations under Clause 6 within a reasonable time of the commencement of the Agreement, and of each renewal date and, if specifically requested, of each payment date of the Owners' Insurances.

6.5 loss of hire insurance is maintained in accordance with Clause 29.

6.6 the Managers shall obtain hull and machinery insurance in accordance with Clause 6.1 based upon the sound market value as notified to the Managers by the Owners in writing prior to the effective date of this Agreement. The Owners shall notify the Managers in writing if they reasonably require cover for a different value from time to time, which shall not exceed 120% of the sound market value of the Vessel. The Owners alone shall be responsible for assessing and notifying the Managers of the necessary level of cover.

6.7 the Managers shall obtain a certificate of financial responsibility in accordance with the terms of the Charter, and any costs relating to such certificate shall be for the Owners' account.

## 7. Income Collected and Expenses Paid on Behalf of Owners

7.1 All moneys collected by the Managers under the terms of this Agreement (other than moneys payable by the Owners to the Managers) and any interest thereon shall be held to the credit of the Owners in a separate bank account.

7.2 All expenses incurred by the Managers under the terms of this Agreement on behalf of the Owners (including expenses as provided in Clause 8) may be debited against the Owners in the account referred to under sub-clause 7.1 but shall in any event remain payable by the Owners to the Managers on demand.

## 8. Management Fee

8.1 The Owners shall pay to the Managers for their services as Managers under this Agreement a management fee as set forth in Clause 21 (the "Management Fee").

8.2 The Managers shall, at no extra cost to the Owners, provide their own office accommodation, office staff, facilities and stationery.

8.3 In the event of the appointment of the Managers being terminated by the Owners or the Managers in accordance with the provisions of Clauses 18 and 22 other than by reason of default by the Managers, or if the Vessel is lost, sold or otherwise disposed of, in addition to any applicable Management Fee payments for the 90-day notice period set forth in Clause 22, a one-time additional fee of \$45,000, which is to cover the Managers' cancellation costs, shall be due and payable.

8.4 Unless otherwise agreed in writing all discounts and commissions obtained by the Managers in the course of the management of the Vessel shall be credited to the Managers.

## 9. Budgets and Management of Funds

N/A.

## 10. Managers Right to Sub-Contract

The Managers shall not have the right to sub-contract any of their obligations hereunder without the prior written consent of the Owners which shall not be unreasonably withheld; provided however, that the Managers may (i) freely assign any obligations hereunder to any affiliate of the Managers at any



time and (ii) utilize the services of third parties to fulfill the Managers' obligations hereunder. In the event of such a sub-contract the Managers shall remain fully liable for the due performance of their obligations under this Agreement.

## 11. Responsibilities

**11.1 Force Majeure** - Neither the Owners nor the Managers shall be under any liability for any failure to perform any of their obligations hereunder by reason of any cause whatsoever of any nature or kind beyond their reasonable control.

**11.2 Liability to Owners** - (i) Without prejudice to sub-clause 11.1, the Managers shall be under no liability whatsoever to the Owners for any loss, damage, delay or expense of whatsoever nature, whether direct or indirect, (including but not limited to loss of profit arising out of or in connection with detention of or delay to the Vessel) and howsoever arising in the course of performance of the Management Services UNLESS same is proved to have resulted solely from the negligence or wilful default of the Managers or their employees, or agents or sub-contractors employed by them in connection with the Vessel, in which case (save where loss, damage, delay or expense has resulted from the Managers' personal act or omission committed with the intent to cause same or recklessly and with knowledge that such loss, damage, delay or expense would probably result) the Managers' liability for each incident or series of incidents giving rise to a claim or claims shall never exceed a total of \$2 million.

(ii) Notwithstanding anything that may appear to the contrary in this Agreement, the Managers shall not be liable for any of the actions of the Crew, even if such actions are negligent or wilful, except only to the extent that they are shown to have resulted from a failure by the Managers to discharge their obligations under sub-clause 3.1

**11.3 Indemnity** - Except to the extent and solely for the amount therein set out that the Managers would be liable under sub-clause 11.2, the Owners hereby undertake to keep the Managers and their employees, agents and sub-contractors indemnified and to hold them harmless against all actions, proceedings, claims, demands or liabilities whatsoever or howsoever arising which may be brought against them or incurred or suffered by them arising out of or in connection with the performance of the Agreement, and against and in respect of all costs, losses, damages and

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expenses (including legal costs and expenses on a full indemnity basis) which the Managers may suffer or incur (either directly or indirectly) in the course of the performance of this Agreement.

**11.4 "Himalaya"** - It is hereby expressly agreed that no employee or agent of the Managers (including every sub-contractor from time to time employed by the Managers) shall in any circumstances whatsoever be under any liability whatsoever to the Owners for any loss, damage or delay of whatsoever kind arising or resulting directly or indirectly from any act, neglect or default on his part while acting in the course of or in connection with his employment and, without prejudice to the generality of the foregoing provisions in this Clause 11, every exemption, limitation, condition and liberty herein contained and every right, exemption from liability, defence and immunity of whatsoever nature applicable to the Managers or to which the Managers are entitled hereunder shall also be available and shall extend to protect every such employee or agent of the Managers acting as aforesaid and for the purpose of all the foregoing provisions of this Clause 11 the Managers are or shall be deemed to be acting as agent or trustee on behalf and for the benefit of all persons who are or might be their servants or agents from time to time (including sub-contractors as aforesaid) and all such persons shall to this extent be or be deemed to be parties to this Agreement.

## 12. Documentation

Where the Managers are providing Technical Management in accordance with sub-clause 3.2 and/or Crew Management in accordance with sub-clause 3.1, they shall make available, upon Owners' request, all documentation and records related to the Safety Management System (SMS) and/or the Crew which the Owners need in order to demonstrate compliance with the ISM Code and STCW 95 or to defend a claim against a third party. The Owner shall make available, upon Managers' request, all information, documentation and records required under any flag state law, regulation or international convention and to inform the Managers of any changes to those of the Owner's details that that are required in the Vessel's continuous synopsis record for the purposes of the ISPS Code .

## 13. General Administration

**13.1** The Managers shall handle and settle all claims arising out of the Management Services hereunder and keep the Owners informed regarding any incident of which the Managers become aware which gives or may give rise to claims or disputes involving third parties; provided, that the settlement of any claims relating to general average or total constructive loss must be done at the direction of the Owners with the Owners' involvement in such settlements..

**13.2** The Managers shall, as instructed by the Owners, bring or defend actions, suits or proceedings in connection with matters entrusted to the Managers according to this Agreement.

**13.3** The Managers shall also have power to obtain legal or technical or other outside expert advice in relation to the handling and settlement of claims and disputes or all other matters affecting the interests of the Owners in respect of the Vessel.

**13.4** The Owners shall arrange for the provision of any necessary guarantee bond or other security.

**13.5** Any costs reasonably incurred by Managers in carrying out its obligations according to Clause 13 in connection with matters entrusted to the Managers under this Agreement shall be reimbursed by the Owners.

**13.6** The Managers are authorized to receive sums payable by third parties to the Owners, including, but not limited to the proceeds of insurance subject to Clause 30, the settlement of claims and under any legal proceedings or arbitrations or any settlement of claims. Where the event(s) which form the subject of such claims have caused the Managers expense under this Agreement, the Managers are entitled to retain all or part of such settlements equal to the amount expended by the Managers.

## 14. Auditing

N/A

## 15. Inspection of Vessel

The Owners shall have the right at any time after giving reasonable notice to the Managers to inspect the Vessel for any reason they consider necessary. The Owners and Managers agree to meet on a quarterly basis at the offices of the Managers to discuss the technical management of the Vessel.

## 16. Compliance with Laws and Regulations

The Managers will not do or permit to be done anything which might cause any breach or infringement of the laws and regulations of the Vessel's flag, or of the places where she trades.

## 17. Duration of the Agreement

This Agreement shall come into effect in accordance with Clause 2 and terminate in accordance with Clauses 18 and 22.

## 18. Termination

### 18.1 Owners' default

- (i) The Managers shall be entitled to terminate the Agreement with immediate effect by notice in writing if any moneys payable by the Owners under this Agreement shall not have been received in the Managers' nominated account within ten running days of receipt by the Owners of the Managers' written request or if the Vessel is repossessed by the Mortgagees.
- (ii) If the Owners: proceed with the employment of or continue to employ the Vessel in the carriage of contraband, blockade running, or in an unlawful trade, or on a voyage which in the reasonable opinion of the Managers is unduly hazardous or improper, the Managers may give notice of the default to the Owners, requiring them to remedy it as soon as practically possible. In the event that the Owners fail to remedy it within a reasonable time to the satisfaction of the Managers, the Managers shall be entitled to terminate the Agreement with immediate effect by notice in writing.

### 18.2 Managers' Default

If the Managers fail to meet their obligations under Clauses 3 and 4 of this Agreement for any reason within the control of the Managers, the Owners may give notice to the Managers of the default, requiring them to remedy it as soon as practically possible. In the event that the Managers fail to remedy it within a reasonable time to the satisfaction of the Owners, the Owners shall be entitled to terminate the Agreement with immediate effect by notice in writing.

### 18.3 Extraordinary Termination

This Agreement shall be deemed to be terminated in the case of the sale of the Vessel or if the Vessel becomes a total loss or is declared as a constructive or compromised or arranged total loss or is requisitioned.

### 18.4 For the purpose of sub-clause 8.3 hereof

- (i) the date upon which the Vessel is to be treated as having been sold or otherwise disposed of

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shall be the date on which the Owners cease to be registered as Owners of the Vessel;

- (ii) the Vessel shall not be deemed to be lost unless either she has become an actual total loss or agreement has been reached with her underwriters in respect of her constructive, comprised or arranged total loss or if such agreement with her underwriters is not reached it is adjudged by a competent tribunal that a constructive loss of the Vessel has occurred.

**18.5** This Agreement shall terminate forthwith in the event of an order being made or resolution passed for the winding up, dissolution, liquidation or bankruptcy of either party (otherwise than for the purpose of reconstruction or amalgamation) or if a receiver is appointed, or if it suspends payment, ceases to carry on business or makes any special arrangement or composition with its creditors.

**18.6** The termination of this Agreement shall be without prejudice to all rights accrued due between the parties prior to the date of termination.

## 19. Law and Arbitration

**19.1** This Agreement shall be construed and the relations between the parties determined in accordance with the laws of the State of New York, U.S.A.

**19.2** All disputes arising out of this Agreement shall be referred to arbitration in New York in accordance with the Rules of the Society of Marine Arbitrators, Inc., New York (SMA). Any award of the arbitrator(s) shall be final and binding and not subject to appeal.

## 20. Notices

**20.1** Any notice to be given by either party to the other party shall be in writing and may be sent by fax, telex, registered or recorded mail or by personal service.

**20.2** The address of the Parties for service of such communication shall be as stated in Boxes 19 and 20, respectively.

## 21. MANAGEMENT FEE

During the first two years following the effective date of this Agreement as set forth in Clause 2, the Owners shall pay to the Managers for the Management Services under this Agreement a fixed daily management fee (the "Management Fee"), of \$6,500 per day, or part of a day, payable monthly in advance based on the actual number of days in the applicable month. The Management Fee shall increase by 2.5% per contract year thereafter for so long as this Agreement is in effect. Unless otherwise expressly provided in this Agreement, the Management Fee shall constitute payment in full for all of the Management Services, (which expression, for the avoidance of doubt for these purposes, includes the cost of insurance deductibles pursuant to Clause 6.2 (but not insurance premiums or calls), drydocking (subject to Clause 28), repairs (subject to Clauses 27 and 28) and the personnel and items supplied and arranged as part of the Management Services, including but not limited to the Crew, stores, spares and lubricating oil and their transportation).

## **22. DURATION AND TERMINATION**

The term of this Agreement shall begin at the time specified in Clause 2 and shall continue in force until the expiration of the Charter, unless terminated in accordance with Clause 18 of this Agreement; provided, however, that (i) the Managers shall have the right to terminate this Agreement upon 90 days, prior written notice to the Owners following the second anniversary of the effective date of this Agreement and (ii) the Owners shall have the right to terminate this Agreement upon 90 days prior written notice to the Managers at any time.

## **23. COMMUNICATIONS**

All communications under this Agreement shall be in the English language.

## **24. ASSIGNMENT CLAUSE**

The Owners may, upon giving notice to the Managers, assign all of their rights under this Agreement to any mortgagee of the Vessel provided that such assignment shall not otherwise prejudice any of the rights of the Managers under this Agreement. The Managers shall acknowledge any assignment that complies with this Clause in such form as the mortgagee may reasonably request.

## **25. THIRD PARTY RIGHTS**

Except as stated in this Clause, the parties to this Agreement do not intend that any of the terms will be enforceable by any person not a party to it. This clause shall not apply to companies in the same groups as either the Owners or the Managers or to crew or to employees, sub-contractors and agents of the Managers to whom Clause 11.4 "Himalaya" would apply but for this clause.

## **26. INDEMNIFICATION**

Notwithstanding anything to the contrary in this Agreement, but subject to Clause 11.2, the Managers shall indemnify the Owners against the consequences of any failure by Managers to comply with the requirements of this Agreement. This indemnity shall include (without limitation) liabilities which the Owners may incur to the Charterers pursuant to the Charter resulting from a failure of the Managers to perform their obligations under this Agreement. The Managers' liability under this indemnity in relation to environmental claims and such third party claims against the Vessel or the Owners that are included in the terms of the protection and indemnity insurance of the Vessel shall be limited to the terms of such protection and indemnity insurance.

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## **27. CHANGES AND/OR IMPROVEMENT NECESSARY FOR THE OPERATION OF THE VESSEL OR IMPOSED BY LEGISLATION, CLASS OR VETTING APPROVALS**

In the event that any improvement, structural change or the installation of new equipment is imposed by (a) compulsory legislation, (b) class rules or (c) an oil company whose vetting approval is required pursuant to Clause 57 of the Charter, the Managers shall, at the expense of the Owners effect such improvement, structural change or installation. The Owners shall reimburse the Managers for all costs arising under this clause no later than the fifth business day following notice from the Managers. Owners shall not be liable for the cost of any improvement, structural change or installation that is requested by or made for the account of the Charterer or for which the Charterer is otherwise responsible.

In the event any improvement, structural change or the installation of new equipment is deemed necessary by the Managers but is not imposed or required pursuant to the first paragraph of this Clause 27, Managers shall have the right, at their own cost, to effect such improvement, structural change or installation, with the Owners consent which shall not be unreasonably withheld.

The Owners shall be notified in writing in advance by the Managers about any changes and/or improvements under this Clause 27.

Any change, improvement or installation made pursuant to this Clause 27 (other than any change or improvement to, or installation of, equipment that belongs to the Managers or a third party) shall be the property of Owners.

## **28. REIMBURSEMENT OF DRYDOCKING EXPENSES; UNANTICIPATED REPAIRS**

Such portion of the Management Fee under this Agreement set forth on Schedule 1 hereto (the "Drydock Fee Component") is deemed to be attributed to the cost of the drydockings scheduled to be performed on the Vessel during the term of this Agreement (each an "Anticipated Drydocking"). Schedule 2 attached hereto sets forth the dates of the Anticipated Drydocking and the associated drydocking costs agreed to by the Managers and the Owners (the "Agreed Drydocking Cost"). Throughout the term of the Agreement, the Managers shall maintain the balance of a notional account (the "Drydock Account") which (a) shall be credited in an amount equal to the applicable Drydock Fee Component at the time of each monthly payment of the Management Fee and (b) shall be debited in an amount equal to the Agreed Drydocking Cost at the time any Anticipated Drydocking is completed (regardless of whether the drydock costs actually incurred by the Managers are in fact less than or greater than the Agreed Drydocking Cost). The Managers are not required to physically maintain the Drydock Account in a bank account, nor provide for any interest thereon.

Upon the termination of this Agreement by either party, (i) to the extent the Drydock has a credit balance, the Managers shall pay to the Owners an amount equal to such credit balance, and (ii) to the extent the Drydock Account has a debit balance, the Owners shall pay to the Managers an amount equal to such debit balance.

In the event any repairs to the Vessel are required to be made following the initial Anticipated Drydocking that are reasonably unanticipated by the Managers and not due to the fair wear and tear of the Vessel or its components and are not fully covered by hull and machinery insurance or warranty, the cost attributable to such repairs in excess of such insurance coverage and deductibles which may occur at a subsequent Anticipated Drydocking or otherwise (in excess of any applicable insurance or warranty payments) shall be for the account of the Owner.

## 29. LOSS OF HIRE INSURANCE

The Managers shall procure, at the Owners' expense, loss of hire insurance on behalf of Owners on terms and conditions as requested by the Owners subject to the availability of such coverage on commercially reasonable terms. The Managers shall not be responsible for any deductible payments with respect to such loss of hire insurance. The Managers shall arrange for loss of hire insurance, with a deductible of 21 days and maximum coverage of 120 days, to be in place as of the effective date of this Agreement.

## 30. PROCEEDS OF INSURANCES

The Managers shall procure, with the Owners' cooperation where required, that loss payable clauses are attached to the various policies of insurance over the Vessel so as to direct the proceeds of insurance as follows:

- a) In the event of actual or constructive total loss of the Vessel, the hull and machinery insurance proceeds shall be paid by the insurer directly to the Owners or their assignees;
- b) In the event of damage or partial loss to the Vessel, the hull and machinery insurance proceeds shall be paid by the insurer directly to the Managers or their assignees to be held and utilized in accordance with Clause 7.

## 31. LUBRICATING OILS AND GREASES AND OTHER ITEMS BELONGING TO THE MANAGERS

Unused lubricating oils and greases and the items set forth on Schedule 3 to this Agreement on board the Vessel at the time of delivery to the Owners and commencement of the Management Services under this Agreement are the property of the Managers. The Managers will provide lubricating oils and greases while this Agreement is in force pursuant to Clause 3.2 (iii). Upon termination of this Agreement for any reason, the Owners shall pay the Managers for the cost price of unused/unbroached lubricating oils and greases in sealed drums and in storage tanks and Managers shall remove the items set forth on Schedule 3 and any other items that it owns or leases at Managers' expense.

## 32. ISPS CODE

The Managers shall perform the duties of the "Company" as required by the ISPS Code. The Managers shall also perform the Owners' obligations and benefit from the Owner's rights under the BIMCO ISPS Code Time Charter Party Clause in the charterparty referred to in Clause 22 of this Agreement. The Managers shall be entitled to retain any sums received or recovered from charterers or from any other party in relation to ISPS Code actions and duties. If the Managers incur expenditure as a result of complying with the ISPS Code or making prudent security precautions that does not fall to be apportioned or is not recoverable from sub-charterers pursuant to the BIMCO ISPS Code Time Charter Party Clause, the Owners shall indemnify the Managers for such expenditure as invoiced to the Owners with full supporting documentation.

### SCHEDULE 1

#### M/T Overseas Ann – Management Fee and Drydock Fee Component

CHARTER YEAR	COMMENCING (0001 GMT)	ENDING (2400 GMT)	MANAGEMENT FEE	DRYDOCK FEE COMPONENT
1	October 17, 2005	October 16, 2006	USD 6,500 per day	USD 750 per day
2	October 17, 2006	October 16, 2007	USD 6,500 per day	USD 750 per day
3	October 17, 2007	October 16, 2008	USD 6,663 per day	USD 769 per day
4	October 17, 2008	October 16, 2009	USD 6,829 per day	USD 788 per day
5	October 17, 2009	October 16, 2010	USD 7,000 per day	USD 808 per day
6	October 17, 2010	October 16, 2011	USD 7,175 per day	USD 828 per day
to 6 ½	October 17, 2011	April 16, 2012	USD 7,354 per day	USD 849 per day

OPTION YEAR	COMMENCING (0001 GMT)	ENDING (2400 GMT)	MANAGEMENT FEE	TIME CHARTER RATE
1	April 17, 2012	October 16, 2012	USD 7,354 per day	USD 849 per day
	October 17, 2012	April 16, 2013	USD 7,538 per day	USD 870 per day
2	April 17, 2013	October 16, 2013	USD 7,538 per day	USD 870 per day
	October 17, 2013	April 16, 2014	USD 7,726 per day	USD 892 per day
3	April 17, 2014	October 16, 2014	USD 7,726 per day	USD 892 per day
	October 17, 2014	April 16, 2015	USD 7,920 per day	USD 914 per day
4	April 17, 2015	October 16, 2015	USD 7,920 per day	USD 914 per day
	October 17, 2015	April 16, 2016	USD 8,118 per day	USD 937 per day
5	April 17, 2016	October 16, 2016	USD 8,118 per day	USD 937 per day
	October 17, 2016	April 16, 2017	USD 8,321 per day	USD 960 per day
6	April 17, 2017	October 16, 2017	USD 8,321 per day	USD 960 per day
	October 17, 2017	April 16, 2018	USD 8,529 per day	USD 984 per day
7	April 17, 2018	October 16, 2018	USD 8,529 per day	USD 984 per day
	October 17, 2018	April 16, 2019	USD 8,742 per day	USD 1,009 per day

**SCHEDULE 2**  
**M/T Overseas Ann – Estimated Date of Anticipated Drydocking**  
**and Agreed Drydocking Cost**

<b>ESTIMATED DATE OF ANTICIPATED DRYDOCKING</b>	<b>AGREED DRYDOCKING COST</b>
3q 2006	\$ 400,000
1q 2009	\$ 315,000
3q 2011	\$ 940,000
1q 2014	\$ 850,000
3q 2016	\$ 1,545,000
1q 2019	\$ 1,280,000

**SCHEDULE 3**

The following items that are on board the Vessel as of the effective date of this Agreement are and will remain the property of the Managers. These items may remain on board at the sole discretion of and for the use and convenience of the Managers and may be removed at any time after the effective date of this Agreement at the expense of the Managers.

1. Bunkers (IFO and MDO/MGO)
2. Victualling (provisions)
3. All onboard log books up to the time and date of delivery for deck, engine and radio
4. Seller's company forms, documents / stationery and all correspondence and company manuals
5. All ISPS, ISM and quality documentation and correspondence
6. Vessel's Rydex communications e-mail system and server
7. Training video library, books
8. Oxygen / acetylene / freon / nitrogen / argon cylinders / bottles
9. Crew/officers library / walport videos
10. Master's slopchest/bonded stores; personal effects of master, officers and crew
11. Personal hand-held computers
12. Personal cell phones
13. Contents of master's safe
14. Arms / ammunition
15. Works of art, originals, copies, prints, statues
16. Safety clothing / hats or other shirts/hats with OSG logo
17. Certificates/documents to be returned to authorities
18. Seagull training software
19. All Seller's non-class computer software and server
20. Chartco digital chart updates system software
21. Any rented or leased or third party's equipment

## Part I

## SHIP MANAGEMENT AGREEMENT

1. Date of Agreement

**October 6, 2005**

2. Owners (name, place of registered office and law of registry) (CI. 1)

Name

**Chris Tanker Corporation**

Place of registered office

**Majuro, Marshall Islands**

Law of registry

**Marshall Islands**

3. Managers (name, place of registered office and law of registry) (CI. 1).

Name

**Tanker Management Ltd.**

Place of registered office

**England**

Law of registry

**England**

4. Day and year of commencement of Agreement (CI. 2)

**See Clause 2**

5. Crew management (state “yes” or “no” as agreed) (CI. 3.1)

**Yes**

6. Technical Management (state “yes” or “no” as agreed) (CI. 3.2)

**Yes**

7. Commercial Management (state “yes” or “no” as agreed) (CI. 3.3)

**No.**

8. Insurance Arrangements (state “yes” or “no” as agreed) (CI. 3.4)

**Yes**

9. Accounting Services (state “yes” or “no” as agreed) (CI. 3.5)

**Yes, as per Clause 3.5 only**

10. Sale or purchase of the Vessel (state “yes” or “no” as agreed) (CI. 3.6)

**No**

11. Provisions (state “yes” or “no” as agreed) (CI. 3.7)

**Yes**

12. Bunkering (state “yes” or “no” as agreed) (CI. 3.8)

**No**

13. Chartering Services Period (only to be filled in if “yes” stated in Box 7) (CI. 3.3(i))

**N/A**

14. Owners’ Insurance

**See Clause 6.3**

15. Annual Management Fee

**See Clause 8.1**

16. Severance Costs (state maximum amount) (CL. 8.4(ii))

**None**

17. Day and year of termination of Agreement (CL. 17)

**See Clause 17**

18. Law and Arbitration

**See Clause 19**

19. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Owners (CL. 20)

**Chris Tanker Corporation**  
**26 New Street**  
**St. Helier, Jersey JE 23R4**  
**Channel Islands**

20. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Managers) (CL. 20)

**Tanker Management Ltd.**  
**Quorum 4, Balliol Business Park East, Benton Lane,**  
**Newcastle upon Tyne NE 12 8EZ England**

It is mutually agreed between the party stated in Box 2 and the party stated in Box 3 that this Agreement consisting of PART I and PART II and Schedules 1, 2 and 3 attached hereto, shall be performed subject to the conditions contained herein. In the event of a conflict of conditions, the provisions of PART I shall prevail over those of PART II and Schedules 1, 2 and 3 to the extent of such conflict but no further.

Signature(s) (Owners)

Signature(s) (Managers)

CHRIS TANKER CORPORATION

TANKER MANAGEMENT LTD.

By: /s/ Ole Jacob Diesen

By: /s/ Ian Blackley

Name: Ole Jacob Diesen

Name: Ian Blackley

Title: Chief Executive Officer

Title: Director

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## PART II

### Ship Management Agreement

#### 1. Definitions

In this Agreement save where the context otherwise requires, the following words and expressions shall have the meanings hereby assigned to them.

“*Owners*” means the party identified in Box 2.

“*Managers*” means the party identified in Box 3.

“*Vessel*” means the M/T Overseas Chris, IMO Number 9217981, built December 2001 by Hyundai Heavy Industries Co., Ltd. in Ulsan, South Korea.

“*Charter*” means the time charter between the Owners and DHT Chris VLCC Corp. dated October 6, 2005 relating to the Vessel.

“*Crew*” means the Master, officers and ratings of the Vessel.

“*Crew Support Costs*” means all expenses of a general nature which are not particularly referable to any individual vessel for the time being managed by the Managers and which are incurred by the Managers for the purpose of providing an efficient and economic management service and, without prejudice to the generality of the foregoing, shall include the cost of crew standby pay, training schemes for officers and ratings, cadet training schemes, sick pay, study pay, recruitment and interviews.

“*Crew Insurances*” means insurances against crew risks which shall include but not be limited to death, sickness, repatriation, injury, shipwreck unemployment indemnity and loss of personal effects.

“*Management Services*” means the services specified in subclauses 3.1 to 3.8 as indicated affirmatively in Boxes 5, 6, 8, 9 and 11.

“*ISM Code*” means the International Management Code for the Safe Operation of Ships and for Pollution Prevention as adopted by the International Maritime Organization (IMO) by resolution A.741(18) or any subsequent amendment thereto.

“STCW 95” means the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, as amended in 1995 or any subsequent amendment thereto.

## 2. Appointment of Managers

With effect from the day and year of delivery of the Vessel to the Owners pursuant to a Memorandum of Agreement between Owners and 1321 Tanker Corporation dated September 20, 2005 and continuing unless and until terminated as provided herein, the Owners hereby appoint the Managers and the Managers hereby agree to act as the Managers of the Vessel.

## 3. Basis of Agreement

Subject to the terms and conditions herein provided, during the period of this Agreement, the Managers shall carry out Management Services in respect of the Vessel as agents for and on behalf of the Owners. The Managers shall have authority to take such actions as they may from time to time in their absolute discretion consider to be necessary to enable them to perform this Agreement in accordance with sound ship management practice.

### 3.1 Crew Management

*(only applicable if agreed according to Box 5)*

The Managers shall provide suitably qualified Crew for the Vessel as required by the Owners in accordance with the STCW 95 requirements, provision of which includes but is not limited to the following functions:

- (i) selecting and engaging in Vessel’s Crew, including payroll arrangements, pension administration, and insurances for the Crew;
- (ii) ensuring that the applicable requirements of the law of the flag of the Vessel are satisfied in respect of manning levels, rank qualification and certification of the Crew and employment regulations including Crew’s tax, social insurance, discipline and other requirements;
- (iii) ensuring that all members of the Crew have passed a medical examination with a qualified doctor certifying that they are fit for the duties for which they are engaged and are in possession of valid medical certificates issued in accordance with appropriate flag State requirements. In the absence of applicable flag State requirements the medical certificate shall be dated not more than three months prior to the respective Crew members leaving their country of domicile and maintained for the duration of their service on board the Vessel;
- (iv) ensuring that the Crew shall have a command of the English language of a sufficient standard to enable them to perform their duties safely;
- (v) arranging transportation of the Crew, including repatriation;
- (vi) training of the Crew and supervising their efficiency;
- (vii) conducting union negotiations;
- (viii) operating the Managers’ drug and alcohol policy unless otherwise agreed;
- (ix) If the Owners complain of the conduct of any of the Crew, the Managers shall immediately investigate the complaint. If the complaint proves to be well founded, Managers shall, without delay, make a change in the appointments and the Managers shall in any event communicate the result of their investigation to the Owners as soon as possible.

### 3.2 Technical Management

*(only applicable if agreed according to Box 6)*

The Managers shall provide technical management which includes, but is not limited to, the following functions:

- (i) provision of competent personnel to supervise the maintenance and general efficiency of the Vessel;
- (ii) arrangement and supervision of dry dockings, repairs, alterations and the upkeep of the Vessel necessary to ensure that the Vessel will comply with the requirements of the Charter, the law of the flag of the Vessel and of the places where she trades, and all requirements and recommendations of the classification society;
- (iii) arrangement of the supply of necessary stores, spares and lubricating oil and greases. The level and time of the supply of such items shall be based on that which a prudent owner of a vessel of the age and characteristics of the Vessel (including but not limited its operating history, planned maintenance and known wear and tear) would arrange so as to minimize off-hire time and to undertake such maintenance as may safely be carried out at sea by the crew;
- (iv) appointment of surveyors and technical consultants as the Managers may consider from time to time to be necessary;
- (v) development, implementation and maintenance of a Safety Management System (SMS) in accordance with the ISM Code (see subclause 4.2);

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(vi) ensuring that the Vessel receives at least two visits per year from one of the Managers’ technical superintendents; and.

(vii) arrangement of oil company vetting so as to comply with the Owner’s obligations under the Charter.

### 3.3 Commercial Management



N/A

### **3.4 Insurance Arrangements**

*(only applicable if agreed according to Box 8)*

The Managers shall arrange insurances in accordance with Clause 6 subject to the following:

Throughout the term of this Agreement, the Managers shall consult with the Owners prior to the time of each renewal of the Owners' Insurances (as defined in Clause 6.1) and, unless the Owners obtain insurance coverage from other parties as set forth below in this Clause 3.4, the Managers shall secure coverage for the Owners' Insurances for the Vessel at the Owners' expense through the Managers' insurance program on coverage amounts (except for hull and machinery insurance in which is subject to Clause 6.6 of this Agreement), terms and conditions that the Managers shall determine. The Managers shall obtain insurance coverage for the Vessel through the Managers' insurance program that is in accordance with the best practice of prudent owners of vessels of a similar type to the Vessel, with first class insurance companies, underwriters or associations. If the Owners can demonstrate that the insurance coverage provided by the Managers is not in accordance with the preceding sentence and the Managers do not make the amendments necessary for such coverage to meet such standards, the Owners shall have the right to place the Owners' Insurances through third parties, provided that (x) the terms and conditions of the Owners' Insurances proposed by the Owners to be placed with third parties do not, in the reasonable opinion of the Managers, impose any additional cost or liability on the Managers under the Charter and (y) prior to placing the insurance through third parties, Owners shall agree to indemnify Managers for any additional cost or liability on the Managers under the Charter resulting from any such insurance placement. If the Owners place any component policy of the Owners' Insurances through third parties in accordance with the preceding sentence, the Managers shall have the right to terminate any other policy placed by it on behalf of the Owners, and (i) any unearned premium advanced by the Owners shall be refunded to the Owners and (ii) any premium due and any liability for calls for the period of coverage placed by the Managers shall remain for the account of the Owners until fully discharged.

The Managers shall arrange for the Owners' Insurances to be in place as of the effective date of this Agreement and shall maintain the insurance cover existing immediately prior to such effective date at least until the discharge of the cargo from its then current voyage.

### **3.5 Accounting Services**

*(only applicable if agreed according to Box 9)*

The Managers shall maintain records relating to those expenditures incurred and monies received in the performance of the Management Services that are necessary for the settlement of accounts between the parties

### **3.6 Sale or Purchase of the Vessel**

N/A.

### **3.7 Provisions**

*(only applicable if agreed according to Box 11)*

The Managers shall arrange for the supply of provisions.

### **3.8 Bunkering**

N/A.

## **4. Managers' Obligations**

**4.1** The Managers undertake to use their best endeavours to provide the agreed Management Services as agents for and on behalf of the Owners in accordance with sound ship management practice customary in the trade and at least equivalent to the standards followed with respect to other vessels for which the Managers provide Management Services, if any, and to protect and promote the interests of the Owners in all matters relating to the provision of services hereunder. Provided, however, that the Managers in the performance of their management responsibilities under this Agreement shall be entitled to have regard to their overall responsibility in relation to all vessels as may from time to time be entrusted to their management and in particular, but without prejudice to the generality of the foregoing, the Managers shall be entitled to allocate available supplies, manpower and services in such manner as in the prevailing circumstances the Managers in their absolute discretion consider to be fair and reasonable.

**4.2** Where the Managers are providing Technical Management in accordance with sub-clause 3.2, they shall procure that the requirements of the law of the flag of the Vessel are satisfied and they shall in particular be deemed to be the "Company" as defined by the ISM Code, assuming the responsibility for the operation of the Vessel and taking over the duties and responsibilities imposed by the ISM Code when applicable.

**4.3** The Management Services as such term is used herein includes the discharge on behalf of the Owners of the Owners' technical and operational obligations to charterers pursuant to the Charter, a copy of which has been supplied to the Managers, including, but not limited to the Owners' technical and operational obligations under Clauses 73A and 75 of such Charter.

**4.4** Managers shall maintain records of technical matters relating to the Vessel including maintenance, repairs and equipment replacement ("Technical Vessel Matters"). Three months after commencement of the Management Services, or such other date as agreed to by the Managers and the Owners, and quarterly thereafter, the Managers shall issue a report to the Owners providing a summary of the Technical Vessel Matters carried out in the previous quarter.

## **5. Owners' Obligations**

**5.1** The Owners shall pay all sums due to the Managers punctually in accordance with the terms of this Agreement.

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## 6. Insurance Policies

For so long as the Managers continue to place the Owners' Insurances (as defined below) on behalf of the Owners in accordance with Clause 3.4 of this Agreement, The Managers shall procure that:

- 6.1 at the Owners' expense, the Vessel is insured for not less than her sound market value or entered for her full gross tonnage, as the case may be for:
- (i) usual hull and machinery marine risks (including crew negligence) and excess liabilities,
  - (ii) protection and indemnity risks (including pollution risks and Crew Insurances), and
  - (iii) war risks (including protection and indemnity and crew risks)

in each case in accordance with the best practice of prudent owners of vessels of a similar type to the Vessel, with first class insurance companies, underwriters or associations ("the Owners' Insurances");

6.2 all premiums and calls on the Owners' Insurances are paid by their due date at Owners' expense and deductibles up to the amount (per claim) of (i) \$185,000 for hull and machinery marine risks insurance and (ii) \$100,000 for claims under the "Running Down Clause" and the "Fixed and Floating Objects Clause" under the protection and indemnity risks insurance and \$15,000 for all other protection and indemnity claims shall be paid at the Managers' expense. In the event the level of deductibles set for a policy period are increased above the amounts set forth in the preceding sentence, whether by the action of the Owners, the Managers or the insurers, any such incremental increase shall be for the Owners' account. The Owners shall be liable for the allocated cost of any broker's fee paid by the Managers as determined by the Managers on a fair and equitable basis.

6.3 the Owners' Insurances name the Managers and, subject to underwriters' agreement, any third party designated by the Managers as a joint assured, with full cover, with the Managers obtaining cover in respect of each of the Owners' Insurances on terms whereby the Managers and any such third party are liable in respect of premiums or calls arising in connection with the Owners' Insurances.

6.4 written evidence is provided, to the reasonable satisfaction of the Owners, of Managers' compliance with their obligations under Clause 6 within a reasonable time of the commencement of the Agreement, and of each renewal date and, if specifically requested, of each payment date of the Owners' Insurances.

6.5 loss of hire insurance is maintained in accordance with Clause 29.

6.6 the Managers shall obtain hull and machinery insurance in accordance with Clause 6.1 based upon the sound market value as notified to the Managers by the Owners in writing prior to the effective date of this Agreement. The Owners shall notify the Managers in writing if they reasonably require cover for a different value from time to time, which shall not exceed 120% of the sound market value of the Vessel. The Owners alone shall be responsible for assessing and notifying the Managers of the necessary level of cover.

6.7 the Managers shall obtain a certificate of financial responsibility in accordance with the terms of the Charter, and any costs relating to such certificate shall be for the Owners' account.

## 7. Income Collected and Expenses Paid on Behalf of Owners

7.1 All moneys collected by the Managers under the terms of this Agreement (other than moneys payable by the Owners to the Managers) and any interest thereon shall be held to the credit of the Owners in a separate bank account.

7.2 All expenses incurred by the Managers under the terms of this Agreement on behalf of the Owners (including expenses as provided in Clause 8) may be debited against the Owners in the account referred to under sub-clause 7.1 but shall in any event remain payable by the Owners to the Managers on demand.

## 8. Management Fee

8.1 The Owners shall pay to the Managers for their services as Managers under this Agreement a management fee as set forth in Clause 21 (the "Management Fee").

8.2 The Managers shall, at no extra cost to the Owners, provide their own office accommodation, office staff, facilities and stationery.

8.3 In the event of the appointment of the Managers being terminated by the Owners or the Managers in accordance with the provisions of Clauses 18 and 22 other than by reason of default by the Managers, or if the Vessel is lost, sold or otherwise disposed of, in addition to any applicable Management Fee payments for the 90-day notice period set forth in Clause 22, a one-time additional fee of \$45,000, which is to cover the Managers' cancellation costs, shall be due and payable.

8.4 Unless otherwise agreed in writing all discounts and commissions obtained by the Managers in the course of the management of the Vessel shall be credited to the Managers.

## 9. Budgets and Management of Funds

N/A.

## 10. Managers Right to Sub-Contract

The Managers shall not have the right to sub-contract any of their obligations hereunder without the prior written consent of the Owners which shall not be unreasonably withheld; provided however, that the Managers may (i) freely assign any obligations hereunder to any affiliate of the Managers at any

time and (ii) utilize the services of third parties to fulfill the Managers' obligations hereunder. In the event of such a sub-contract the Managers shall remain fully liable for the due performance of their obligations under this Agreement.

## 11. Responsibilities

**11.1 Force Majeure** - Neither the Owners nor the Managers shall be under any liability for any failure to perform any of their obligations hereunder by reason of any cause whatsoever of any nature or kind beyond their reasonable control.

**11.2 Liability to Owners** - (i) Without prejudice to sub-clause 11.1, the Managers shall be under no liability whatsoever to the Owners for any loss, damage, delay or expense of whatsoever nature, whether direct or indirect, (including but not limited to loss of profit arising out of or in connection with detention of or delay to the Vessel) and howsoever arising in the course of performance of the Management Services **UNLESS** same is proved to have resulted solely from the negligence or wilful default of the Managers or their employees, or agents or sub-contractors employed by them in connection with the Vessel, in which case (save where loss, damage, delay or expense has resulted from the Managers' personal act or omission committed with the intent to cause same or recklessly and with knowledge that such loss, damage, delay or expense would probably result) the Managers' liability for each incident or series of incidents giving rise to a claim or claims shall never exceed a total of \$2 million.

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(ii) Notwithstanding anything that may appear to the contrary in this Agreement, the Managers shall not be liable for any of the actions of the Crew, even if such actions are negligent or wilful, except only to the extent that they are shown to have resulted from a failure by the Managers to discharge their obligations under sub-clause 3.1

**11.3 Indemnity** - Except to the extent and solely for the amount therein set out that the Managers would be liable under sub-clause 11.2, the Owners hereby undertake to keep the Managers and their employees, agents and sub-contractors indemnified and to hold them harmless against all actions, proceedings, claims, demands or liabilities whatsoever or howsoever arising which may be brought against them or incurred or suffered by them arising out of or in connection with the performance of the Agreement, and against and in respect of all costs, losses, damages and expenses (including legal costs and expenses on a full indemnity basis) which the Managers may suffer or incur (either directly or indirectly) in the course of the performance of this Agreement.

**11.4 "Himalaya"** - It is hereby expressly agreed that no employee or agent of the Managers (including every sub-contractor from time to time employed by the Managers) shall in any circumstances whatsoever be under any liability whatsoever to the Owners for any loss, damage or delay of whatsoever kind arising or resulting directly or indirectly from any act, neglect or default on his part while acting in the course of or in connection with his employment and, without prejudice to the generality of the foregoing provisions in this Clause 11, every exemption, limitation, condition and liberty herein contained and every right, exemption from liability, defence and immunity of whatsoever nature applicable to the Managers or to which the Managers are entitled hereunder shall also be available and shall extend to protect every such employee or agent of the Managers acting as aforesaid and for the purpose of all the foregoing provisions of this Clause 11 the Managers are or shall be deemed to be acting as agent or trustee on behalf and for the benefit of all persons who are or might be their servants or agents from time to time (including sub-contractors as aforesaid) and all such persons shall to this extent be or be deemed to be parties to this Agreement.

## 12. Documentation

Where the Managers are providing Technical Management in accordance with sub-clause 3.2 and/or Crew Management in accordance with sub-clause 3.1, they shall make available, upon Owners' request, all documentation and records related to the Safety Management System (SMS) and/or the Crew which the Owners need in order to demonstrate compliance with the ISM Code and STCW 95 or to defend a claim against a third party. The Owner shall make available, upon Managers' request, all information, documentation and records required under any flag state law, regulation or international convention and to inform the Managers of any changes to those of the Owner's details that that are required in the Vessel's continuous synopsis record for the purposes of the ISPS Code .

## 13. General Administration

**13.1** The Managers shall handle and settle all claims arising out of the Management Services hereunder and keep the Owners informed regarding any incident of which the Managers become aware which gives or may give rise to claims or disputes involving third parties; provided, that the settlement of any claims relating to general average or total constructive loss must be done at the direction of the Owners with the Owners' involvement in such settlements..

**13.2** The Managers shall, as instructed by the Owners, bring or defend actions, suits or proceedings in connection with matters entrusted to the Managers according to this Agreement.

**13.3** The Managers shall also have power to obtain legal or technical or other outside expert advice in relation to the handling and settlement of claims and disputes or all other matters affecting the interests of the Owners in respect of the Vessel.

**13.4** The Owners shall arrange for the provision of any necessary guarantee bond or other security.

**13.5** Any costs reasonably incurred by Managers in carrying out its obligations according to Clause 13 in connection with matters entrusted to the Managers under this Agreement shall be reimbursed by the Owners.

**13.6** The Managers are authorized to receive sums payable by third parties to the Owners, including, but not limited to the proceeds of insurance subject to Clause 30, the settlement of claims and under any legal proceedings or arbitrations or any settlement of claims. Where the event(s) which form the subject of such claims have caused the Managers expense under this Agreement, the Managers are entitled to retain all or part of such settlements equal to the amount expended by the Managers.

## 14. Auditing

N/A

## 15. Inspection of Vessel

The Owners shall have the right at any time after giving reasonable notice to the Managers to inspect the Vessel for any reason they consider necessary. The Owners and Managers agree to meet on a quarterly basis at the offices of the Managers to discuss the technical management of the Vessel.

## 16. Compliance with Laws and Regulations

The Managers will not do or permit to be done anything which might cause any breach or infringement of the laws and regulations of the Vessel's flag, or of the places where she trades.

## 17. Duration of the Agreement

This Agreement shall come into effect in accordance with Clause 2 and terminate in accordance with Clauses 18 and 22.

## 18. Termination

### 18.1 Owners' default

- (i) The Managers shall be entitled to terminate the Agreement with immediate effect by notice in writing if any moneys payable by the Owners under this Agreement shall not have been received in the Managers' nominated account within ten running days of receipt by the Owners of the Managers' written request or if the Vessel is repossessed by the Mortgagees.
- (ii) If the Owners: proceed with the employment of or continue to employ the Vessel in the carriage of contraband, blockade running, or in an unlawful trade, or on a voyage which in the reasonable opinion of the Managers is unduly hazardous or improper, the Managers may give notice of the default to the Owners, requiring them to remedy it as soon as practically possible. In the event that the Owners fail to remedy it within a reasonable time to the satisfaction of

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the Managers, the Managers shall be entitled to terminate the Agreement with immediate effect by notice in writing.

### 18.2 Managers' Default

If the Managers fail to meet their obligations under Clauses 3 and 4 of this Agreement for any reason within the control of the Managers, the Owners may give notice to the Managers of the default, requiring them to remedy it as soon as practically possible. In the event that the Managers fail to remedy it within a reasonable time to the satisfaction of the Owners, the Owners shall be entitled to terminate the Agreement with immediate effect by notice in writing.

### 18.3 Extraordinary Termination

This Agreement shall be deemed to be terminated in the case of the sale of the Vessel or if the Vessel becomes a total loss or is declared as a constructive or compromised or arranged total loss or is requisitioned.

### 18.4 For the purpose of sub-clause 8.3 hereof

- (i) the date upon which the Vessel is to be treated as having been sold or otherwise disposed of shall be the date on which the Owners cease to be registered as Owners of the Vessel;
- (ii) the Vessel shall not be deemed to be lost unless either she has become an actual total loss or agreement has been reached with her underwriters in respect of her constructive, comprised or arranged total loss or if such agreement with her underwriters is not reached it is adjudged by a competent tribunal that a constructive loss of the Vessel has occurred.

**18.5** This Agreement shall terminate forthwith in the event of an order being made or resolution passed for the winding up, dissolution, liquidation or bankruptcy of either party (otherwise than for the purpose of reconstruction or amalgamation) or if a receiver is appointed, or if it suspends payment, ceases to carry on business or makes any special arrangement or composition with its creditors.

**18.6** The termination of this Agreement shall be without prejudice to all rights accrued due between the parties prior to the date of termination.

## 19. Law and Arbitration

**19.1** This Agreement shall be construed and the relations between the parties determined in accordance with the laws of the State of New York, U.S.A.

**19.2** All disputes arising out of this Agreement shall be referred to arbitration in New York in accordance with the Rules of the Society of Marine Arbitrators, Inc., New York (SMA). Any award of the arbitrator(s) shall be final and binding and not subject to appeal.

## 20. Notices

**20.1** Any notice to be given by either party to the other party shall be in writing and may be sent by fax, telex, registered or recorded mail or by personal service.

**20.2** The address of the Parties for service of such communication shall be as stated in Boxes 19 and 20, respectively.

## 21. MANAGEMENT FEE

During the first two years following the effective date of this Agreement as set forth in Clause 2, the Owners shall pay to the Managers for the Management Services under this Agreement a fixed daily management fee (the "Management Fee"), of \$6,500 per day, or part of a day, payable monthly in advance based on the actual number of days in the applicable month. The Management Fee shall increase by 2.5% per contract year thereafter for so long as this Agreement is in effect. Unless otherwise expressly provided in this Agreement, the Management Fee shall constitute payment in full for all of the Management Services, (which expression, for the avoidance of doubt for these purposes, includes the cost of insurance deductibles pursuant to Clause 6.2 (but not insurance premiums or calls), drydocking (subject to Clause 28), repairs (subject to Clauses 27 and 28) and the personnel and items supplied and arranged as part of the Management Services, including but not limited to the Crew, stores, spares and lubricating oil and their transportation).

## **22. DURATION AND TERMINATION**

The term of this Agreement shall begin at the time specified in Clause 2 and shall continue in force until the expiration of the Charter, unless terminated in accordance with Clause 18 of this Agreement; provided, however, that (i) the Managers shall have the right to terminate this Agreement upon 90 days, prior written notice to the Owners following the second anniversary of the effective date of this Agreement and (ii) the Owners shall have the right to terminate this Agreement upon 90 days prior written notice to the Managers at any time.

## **23. COMMUNICATIONS**

All communications under this Agreement shall be in the English language.

## **24. ASSIGNMENT CLAUSE**

The Owners may, upon giving notice to the Managers, assign all of their rights under this Agreement to any mortgagee of the Vessel provided that such assignment shall not otherwise prejudice any of the rights of the Managers under this Agreement. The Managers shall acknowledge any assignment that complies with this Clause in such form as the mortgagee may reasonably request.

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## **25. THIRD PARTY RIGHTS**

Except as stated in this Clause, the parties to this Agreement do not intend that any of the terms will be enforceable by any person not a party to it. This clause shall not apply to companies in the same groups as either the Owners or the Managers or to crew or to employees, sub-contractors and agents of the Managers to whom Clause 11.4 "Himalaya" would apply but for this clause.

## **26. INDEMNIFICATION**

Notwithstanding anything to the contrary in this Agreement, but subject to Clause 11.2, the Managers shall indemnify the Owners against the consequences of any failure by Managers to comply with the requirements of this Agreement. This indemnity shall include (without limitation) liabilities which the Owners may incur to the Charterers pursuant to the Charter resulting from a failure of the Managers to perform their obligations under this Agreement. The Managers' liability under this indemnity in relation to environmental claims and such third party claims against the Vessel or the Owners that are included in the terms of the protection and indemnity insurance of the Vessel shall be limited to the terms of such protection and indemnity insurance.

## **27. CHANGES AND/OR IMPROVEMENT NECESSARY FOR THE OPERATION OF THE VESSEL OR IMPOSED BY LEGISLATION, CLASS OR VETTING APPROVALS**

In the event that any improvement, structural change or the installation of new equipment is imposed by (a) compulsory legislation, (b) class rules or (c) an oil company whose vetting approval is required pursuant to Clause 57 of the Charter, the Managers shall, at the expense of the Owners effect such improvement, structural change or installation. The Owners shall reimburse the Managers for all costs arising under this clause no later than the fifth business day following notice from the Managers. Owners shall not be liable for the cost of any improvement, structural change or installation that is requested by or made for the account of the Charterer or for which the Charterer is otherwise responsible.

In the event any improvement, structural change or the installation of new equipment is deemed necessary by the Managers but is not imposed or required pursuant to the first paragraph of this Clause 27, Managers shall have the right, at their own cost, to effect such improvement, structural change or installation, with the Owners consent which shall not be unreasonably withheld.

The Owners shall be notified in writing in advance by the Managers about any changes and/or improvements under this Clause 27.

Any change, improvement or installation made pursuant to this Clause 27 (other than any change or improvement to, or installation of, equipment that belongs to the Managers or a third party) shall be the property of Owners.

## **28. REIMBURSEMENT OF DRYDOCKING EXPENSES; UNANTICIPATED REPAIRS**

Such portion of the Management Fee under this Agreement set forth on Schedule 1 hereto (the "Drydock Fee Component") is deemed to be attributed to the cost of the drydockings scheduled to be performed on the Vessel during the term of this Agreement (each an "Anticipated Drydocking"). Schedule 2 attached hereto sets forth the dates of the Anticipated Drydocking and the associated drydocking costs agreed to by the Managers and the Owners (the "Agreed Drydocking Cost"). Throughout the term of the Agreement, the Managers shall maintain the balance of a notional account (the "Drydock Account") which (a) shall be credited in an amount equal to the applicable Drydock Fee Component at the time of each monthly payment of the Management Fee and (b) shall be debited in an amount equal to the Agreed Drydocking Cost at the time any Anticipated Drydocking is completed (regardless of whether the drydock costs actually incurred by the Managers are in fact less than or greater than the Agreed Drydocking Cost). The Managers are not required to physically maintain the Drydock Account in a bank account, nor provide for any interest thereon.

Upon the termination of this Agreement by either party, (i) to the extent the Drydock has a credit balance, the Managers shall pay to the Owners an amount equal to such credit balance, and (ii) to the extent the Drydock Account has a debit balance, the Owners shall pay to the Managers an amount equal to such debit balance.

In the event any repairs to the Vessel are required to be made following the initial Anticipated Drydocking that are reasonably unanticipated by the Managers and not due to the fair wear and tear of the Vessel or its components and are not fully covered by hull and machinery insurance or warranty, the cost attributable to such repairs in excess of such insurance coverage and deductibles which may occur at a subsequent Anticipated Drydocking or otherwise (in excess of any applicable insurance or warranty payments) shall be for the account of the Owner.

## 29. LOSS OF HIRE INSURANCE

The Managers shall procure, at the Owners' expense, loss of hire insurance on behalf of Owners on terms and conditions as requested by the Owners subject to the availability of such coverage on commercially reasonable terms. The Managers shall not be responsible for any deductible payments with respect to such loss of hire insurance. The Managers shall arrange for loss of hire insurance, with a deductible of 21 days and maximum coverage of 120 days, to be in place as of the effective date of this Agreement.

## 30. PROCEEDS OF INSURANCES

The Managers shall procure, with the Owners' cooperation where required, that loss payable clauses are attached to the various policies of insurance over the Vessel so as to direct the proceeds of insurance as follows:

- a) In the event of actual or constructive total loss of the Vessel, the hull and machinery insurance proceeds shall be paid by the insurer directly to the Owners or their assignees;
- b) In the event of damage or partial loss to the Vessel, the hull and machinery insurance proceeds shall be paid by the insurer directly to the Managers or their assignees to be held and utilized in accordance with Clause 7.

## 31. LUBRICATING OILS AND GREASES AND OTHER ITEMS BELONGING TO THE MANAGERS

Unused lubricating oils and greases and the items set forth on Schedule 3 to this Agreement on board the Vessel at the time of delivery to the Owners and commencement of the Management Services under this Agreement are the property of the Managers. The Managers will provide lubricating oils and greases while this Agreement is in force pursuant to Clause 3.2 (iii). Upon termination of this Agreement for any reason, the Owners shall pay the Managers for the cost price of unused/unbroached lubricating oils and greases in sealed drums and in storage tanks and Managers shall remove the items set forth on Schedule 3 and any other items that it owns or leases at Managers' expense.

## 32. ISPS CODE

The Managers shall perform the duties of the "Company" as required by the ISPS Code. The Managers shall also perform the Owners' obligations and benefit from the Owner's rights under the BIMCO ISPS Code Time Charter Party Clause in the charterparty referred to in Clause 22 of this Agreement. The Managers shall be entitled to retain any sums received or recovered from charterers or from any other party in relation to ISPS Code actions and duties. If the Managers incur expenditure as a result of complying with the ISPS Code or making prudent security precautions that does not fall to be apportioned or is not recoverable from sub-charterers pursuant to the BIMCO ISPS Code Time Charter Party Clause, the Owners shall indemnify the Managers for such expenditure as invoiced to the Owners with full supporting documentation.

### SCHEDULE 1

#### M/T Overseas Chris – Management Fee and Drydock Fee Component

CHARTER YEAR	COMMENCING (0001 GMT)	ENDING (2400 GMT)	MANAGEMENT FEE	DRYDOCK FEE COMPONENT
1	October 17, 2005	October 16, 2006	USD 6,500 per day	USD 750 per day
2	October 17, 2006	October 16, 2007	USD 6,500 per day	USD 750 per day
3	October 17, 2007	October 16, 2008	USD 6,663 per day	USD 769 per day
4	October 17, 2008	October 16, 2009	USD 6,829 per day	USD 788 per day
5	October 17, 2009	October 16, 2010	USD 7,000 per day	USD 808 per day
6	October 17, 2010	October 16, 2011	USD 7,175 per day	USD 828 per day

  

OPTION YEAR	COMMENCING (0001 GMT)	ENDING (2400 GMT)	MANAGEMENT FEE	TIME CHARTER RATE
1	October 17, 2011	October 16, 2012	USD 7,354 per day	USD 849 per day
2	October 17, 2012	October 16, 2013	USD 7,538 per day	USD 870 per day
3	October 17, 2013	October 16, 2014	USD 7,726 per day	USD 892 per day
4	October 17, 2014	October 16, 2015	USD 7,920 per day	USD 914 per day
5	October 17, 2015	October 16, 2016	USD 8,118 per day	USD 937 per day
6	October 17, 2016	October 16, 2017	USD 8,321 per day	USD 960 per day
7	October 17, 2017	October 16, 2018	USD 8,529 per day	USD 984 per day
8	October 17, 2018	October 16, 2019	USD 8,742 per day	USD 1,009 per day

## SCHEDULE 2

### M/T Overseas Chris – Estimated Date of Anticipated Drydocking and Agreed Drydocking Cost

<b>ESTIMATED DATE OF ANTICIPATED DRYDOCKING</b>	<b>AGREED DRYDOCKING COST</b>
4q 2006	\$ 470,000
2q 2009	\$ 315,000
4q 2011	\$ 940,000
2q 2014	\$ 850,000
4q 2016	\$ 1,545,000
2q 2019	\$ 1,280,000

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## SCHEDULE 3

The following items that are on board the Vessel as of the effective date of this Agreement are and will remain the property of the Managers. These items may remain on board at the sole discretion of and for the use and convenience of the Managers and may be removed at any time after the effective date of this Agreement at the expense of the Managers.

1. Bunkers (IFO and MDO/MGO)
  2. Victualling (provisions)
  3. All onboard log books up to the time and date of delivery for deck, engine and radio
  4. Seller's company forms, documents / stationery and all correspondence and company manuals
  5. All ISPS, ISM and quality documentation and correspondence
  6. Vessel's Rydex communications e-mail system and server
  7. Training video library, books
  8. Oxygen / acetylene / freon / nitrogen / argon cylinders / bottles
  9. Crew/officers library / walport videos
  10. Master's slopchest/bonded stores; personal effects of master, officers and crew
  11. Personal hand-held computers
  12. Personal cell phones
  13. Contents of master's safe
  14. Arms / ammunition
  15. Works of art, originals, copies, prints, statues
  16. Safety clothing / hats or other shirts/hats with OSG logo
  17. Certificates/documents to be returned to authorities
  18. Seagull training software
  19. All Seller's non-class computer software and server
  20. Chartco digital chart updates system software
  21. Any rented or leased or third party's equipment
-

**Part I****SHIP MANAGEMENT AGREEMENT**

1. Date of Agreement

**October 6 , 2005**

2. Owners (name, place of registered office and law of registry) (CI. 1)

Name

**Regal Unity Tanker Corporation**

Place of registered office

**Majuro, Marshall Islands**

Law of registry

**Marshall Islands**

3. Managers (name, place of registered office and law of registry) (CI.1).

Name

**Tanker Management Ltd.**

Place of registered office

**England**

Law of registry

**England**

4. Day and year of commencement of Agreement (CI. 2)

**See Clause 2**

5. Crew management (state “yes” or “no” as agreed) (CI. 3.1)

**Yes**

6. Technical Management (state “yes” or “no” as agreed) (CI. 3.2)

**Yes**

7. Commercial Management (state “yes” or “no” as agreed) (CI. 3.3)

**No.**

8. Insurance Arrangements (state “yes” or “no” as agreed) (CI. 3.4)

**Yes**

9. Accounting Services (state “yes” or “no” as agreed) (CI. 3.5)

**Yes, as per Clause 3.5 only**

10. Sale or purchase of the Vessel (state “yes” or “no” as agreed) (CI. 3.6)

**No**

11. Provisions (state “yes” or “no” as agreed) (CI. 3.7)

**Yes**

12. Bunkering (state “yes” or “no” as agreed) (CI. 3.8)

**No**

13. Chartering Services Period (only to be filled in if “yes” stated in Box 7) (CI. 3.3(i))

**N/A**

14. Owners’ Insurance

**See Clause 6.3**



15. Annual Management Fee

**See Clause 8.1**

16. Severance Costs (state maximum amount) (CL 8.4(ii))

**None**

17. Day and year of termination of Agreement (CL 17)

**See Clause 17**

18. Law and Arbitration

**See Clause 19**

19. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Owners (CL 20)

**Regal Unity Tanker Corporation**  
**26 New Street**  
**St. Helier, Jersey JE 23R4**  
**Channel Islands**

20. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Managers) (CL 20)

**Tanker Management Ltd.**  
**Quorum 4, Balliol Business Park East, Benton Lane,**  
**Newcastle upon Tyne NE 12 8EZ England**

It is mutually agreed between the party stated in Box 2 and the party stated in Box 3 that this Agreement consisting of PART I and PART II and Schedules 1, 2 and 3 attached hereto, shall be performed subject to the conditions contained herein. In the event of a conflict of conditions, the provisions of PART I shall prevail over those of PART II and Schedules 1, 2 and 3 to the extent of such conflict but no further.

Signature(s) (Owners)

Signature(s) (Managers)

REGAL UNITY TANKER CORPORATION

TANKER MANAGEMENT LTD.

By: /s/ Ole Jacob Diesen

By: /s/ Ian Blackley

Name: Ole Jacob Diesen

Name: Ian Blackley

Title: Chief Executive Officer

Title: Director

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## PART II

### Ship Management Agreement

#### 1. Definitions

In this Agreement save where the context otherwise requires, the following words and expressions shall have the meanings hereby assigned to them.

“Owners” means the party identified in Box 2.

“Managers” means the party identified in Box 3.

“Vessel” means the M/T Regal Unity, IMO Number 9217981, built in March 1997 by Hitachi Zosen Corp. in Ariake, Japan.

“Charter” means the time charter between the Owners and DHT Regal Unity VLCC Corp. dated October 6, 2005 relating to the Vessel.

“Crew” means the Master, officers and ratings of the Vessel.

“Crew Support Costs” means all expenses of a general nature which are not particularly referable to any individual vessel for the time being managed by the Managers and which are incurred by the Managers for the purpose of providing an efficient and economic management service and, without prejudice to the generality of the foregoing, shall include the cost of crew standby pay, training schemes for officers and ratings, cadet training schemes, sick pay, study pay, recruitment and interviews.

“Crew Insurances” means insurances against crew risks which shall include but not be limited to death, sickness, repatriation, injury, shipwreck unemployment indemnity and loss of personal effects.

“Management Services” means the services specified in subclauses 3.1 to 3.8 as indicated affirmatively in Boxes 5, 6, 8, 9 and 11.

“ISM Code” means the International Management Code for the Safe Operation of Ships and for Pollution Prevention as adopted by the International Maritime Organization (IMO) by resolution A.741(18) or any subsequent amendment thereto.

“STCW 95” means the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, as amended in 1995 or any subsequent amendment thereto.

## 2. Appointment of Managers

With effect from the day and year of delivery of the Vessel to the Owners pursuant to a Memorandum of Agreement between Owners and Regency Tankers Corporation dated September 20, 2005 and continuing unless and until terminated as provided herein, the Owners hereby appoint the Managers and the Managers hereby agree to act as the Managers of the Vessel.

## 3. Basis of Agreement

Subject to the terms and conditions herein provided, during the period of this Agreement, the Managers shall carry out Management Services in respect of the Vessel as agents for and on behalf of the Owners. The Managers shall have authority to take such actions as they may from time to time in their absolute discretion consider to be necessary to enable them to perform this Agreement in accordance with sound ship management practice.

### 3.1 Crew Management

*(only applicable if agreed according to Box 5)*

The Managers shall provide suitably qualified Crew for the Vessel as required by the Owners in accordance with the STCW 95 requirements, provision of which includes but is not limited to the following functions:

- (i) selecting and engaging in Vessel’s Crew, including payroll arrangements, pension administration, and insurances for the Crew;
- (ii) ensuring that the applicable requirements of the law of the flag of the Vessel are satisfied in respect of manning levels, rank qualification and certification of the Crew and employment regulations including Crew’s tax, social insurance, discipline and other requirements;
- (iii) ensuring that all members of the Crew have passed a medical examination with a qualified doctor certifying that they are fit for the duties for which they are engaged and are in possession of valid medical certificates issued in accordance with appropriate flag State requirements. In the absence of applicable flag State requirements the medical certificate shall be dated not more than three months prior to the respective Crew members leaving their country of domicile and maintained for the duration of their service on board the Vessel;
- (iv) ensuring that the Crew shall have a command of the English language of a sufficient standard to enable them to perform their duties safely;
- (v) arranging transportation of the Crew, including repatriation;
- (vi) training of the Crew and supervising their efficiency;
- (vii) conducting union negotiations;
- (viii) operating the Managers’ drug and alcohol policy unless otherwise agreed;
- (ix) If the Owners complain of the conduct of any of the Crew, the Managers shall immediately investigate the complaint. If the complaint proves to be well founded, Managers shall, without delay, make a change in the appointments and the Managers shall in any event communicate the result of their investigation to the Owners as soon as possible.

### 3.2 Technical Management

*(only applicable if agreed according to Box 6)*

The Managers shall provide technical management which includes, but is not limited to, the following functions:

- (i) provision of competent personnel to supervise the maintenance and general efficiency of the Vessel;
- (ii) arrangement and supervision of dry dockings, repairs, alterations and the upkeep of the Vessel necessary to ensure that the Vessel will comply with the requirements of the Charter, the law of the flag of the Vessel and of the places where she trades, and all requirements and recommendations of the classification society;
- (iii) arrangement of the supply of necessary stores, spares and lubricating oil and greases. The level and time of the supply of such items shall be based on that which a prudent owner of a vessel of the age and characteristics of the Vessel (including but not limited its operating history, planned maintenance and known wear and tear) would arrange so as to minimize off-hire time and to undertake such maintenance as may safely be carried out at sea by the crew;
- (iv) appointment of surveyors and technical consultants as the Managers may consider from time to time to be necessary;
- (v) development, implementation and maintenance of a Safety Management System (SMS) in accordance with the ISM Code (see subclause 4.2);
- (vi) ensuring that the Vessel receives at least two visits per year from one of the Managers’ technical superintendents; and.

- 
- (vii) arrangement of oil company vetting so as to comply with the Owner’s obligations under the Charter.

### 3.3 Commercial Management

N/A

### **3.4 Insurance Arrangements**

*(only applicable if agreed according to Box 8)*

The Managers shall arrange insurances in accordance with Clause 6 subject to the following:

Throughout the term of this Agreement, the Managers shall consult with the Owners prior to the time of each renewal of the Owners' Insurances (as defined in Clause 6.1) and, unless the Owners obtain insurance coverage from other parties as set forth below in this Clause 3.4, the Managers shall secure coverage for the Owners' Insurances for the Vessel at the Owners' expense through the Managers' insurance program on coverage amounts (except for hull and machinery insurance in which is subject to Clause 6.6 of this Agreement), terms and conditions that the Managers shall determine. The Managers shall obtain insurance coverage for the Vessel through the Managers' insurance program that is in accordance with the best practice of prudent owners of vessels of a similar type to the Vessel, with first class insurance companies, underwriters or associations. If the Owners can demonstrate that the insurance coverage provided by the Managers is not in accordance with the preceding sentence and the Managers do not make the amendments necessary for such coverage to meet such standards, the Owners shall have the right to place the Owners' Insurances through third parties, provided that (x) the terms and conditions of the Owners' Insurances proposed by the Owners to be placed with third parties do not, in the reasonable opinion of the Managers, impose any additional cost or liability on the Managers under the Charter and (y) prior to placing the insurance through third parties, Owners shall agree to indemnify Managers for any additional cost or liability on the Managers under the Charter resulting from any such insurance placement. If the Owners place any component policy of the Owners' Insurances through third parties in accordance with the preceding sentence, the Managers shall have the right to terminate any other policy placed by it on behalf of the Owners, and (i) any unearned premium advanced by the Owners shall be refunded to the Owners and (ii) any premium due and any liability for calls for the period of coverage placed by the Managers shall remain for the account of the Owners until fully discharged.

The Managers shall arrange for the Owners' Insurances to be in place as of the effective date of this Agreement and shall maintain the insurance cover existing immediately prior to such effective date at least until the discharge of the cargo from its then current voyage.

### **3.5 Accounting Services**

*(only applicable if agreed according to Box 9)*

The Managers shall maintain records relating to those expenditures incurred and monies received in the performance of the Management Services that are necessary for the settlement of accounts between the parties

### **3.6 Sale or Purchase of the Vessel**

N/A.

### **3.7 Provisions**

*(only applicable if agreed according to Box 11)*

The Managers shall arrange for the supply of provisions.

### **3.8 Bunkering**

N/A.

## **4. Managers' Obligations**

**4.1** The Managers undertake to use their best endeavours to provide the agreed Management Services as agents for and on behalf of the Owners in accordance with sound ship management practice customary in the trade and at least equivalent to the standards followed with respect to other vessels for which the Managers provide Management Services, if any, and to protect and promote the interests of the Owners in all matters relating to the provision of services hereunder. Provided, however, that the Managers in the performance of their management responsibilities under this Agreement shall be entitled to have regard to their overall responsibility in relation to all vessels as may from time to time be entrusted to their management and in particular, but without prejudice to the generality of the foregoing, the Managers shall be entitled to allocate available supplies, manpower and services in such manner as in the prevailing circumstances the Managers in their absolute discretion consider to be fair and reasonable.

**4.2** Where the Managers are providing Technical Management in accordance with sub-clause 3.2, they shall procure that the requirements of the law of the flag of the Vessel are satisfied and they shall in particular be deemed to be the "Company" as defined by the ISM Code, assuming the responsibility for the operation of the Vessel and taking over the duties and responsibilities imposed by the ISM Code when applicable.

**4.3** The Management Services as such term is used herein includes the discharge on behalf of the Owners of the Owners' technical and operational obligations to charterers pursuant to the Charter, a copy of which has been supplied to the Managers, including, but not limited to the Owners' technical and operational obligations under Clauses 73A and 75 of such Charter.

**4.4** Managers shall maintain records of technical matters relating to the Vessel including maintenance, repairs and equipment replacement ("Technical Vessel Matters"). Three months after commencement of the Management Services, or such other date as agreed to by the Managers and the Owners, and quarterly thereafter, the Managers shall issue a report to the Owners providing a summary of the Technical Vessel Matters carried out in the previous quarter.

## **5. Owners' Obligations**

**5.1** The Owners shall pay all sums due to the Managers punctually in accordance with the terms of this Agreement.

## 6. Insurance Policies

For so long as the Managers continue to place the Owners' Insurances (as defined below) on behalf of the Owners in accordance with Clause 3.4 of this Agreement, The Managers shall procure that:

- 6.1 at the Owners' expense, the Vessel is insured for not less than her sound market value or entered for her full gross tonnage, as the case may be for:
- (i) usual hull and machinery marine risks (including crew negligence) and excess liabilities,
  - (ii) protection and indemnity risks (including pollution risks and Crew Insurances), and
  - (iii) war risks (including protection and indemnity and crew risks)
- 

in each case in accordance with the best practice of prudent owners of vessels of a similar type to the Vessel, with first class insurance companies, underwriters or associations ("the Owners' Insurances");

6.2 all premiums and calls on the Owners' Insurances are paid by their due date at Owners' expense and deductibles up to the amount (per claim) of (i) \$185,000 for hull and machinery marine risks insurance and (ii) \$100,000 for claims under the "Running Down Clause" and the "Fixed and Floating Objects Clause" under the protection and indemnity risks insurance and \$15,000 for all other protection and indemnity claims shall be paid at the Managers' expense. In the event the level of deductibles set for a policy period are increased above the amounts set forth in the preceding sentence, whether by the action of the Owners, the Managers or the insurers, any such incremental increase shall be for the Owners' account. The Owners shall be liable for the allocated cost of any broker's fee paid by the Managers as determined by the Managers on a fair and equitable basis.

6.3 the Owners' Insurances name the Managers and, subject to underwriters' agreement, any third party designated by the Managers as a joint assured, with full cover, with the Managers obtaining cover in respect of each of the Owners' Insurances on terms whereby the Managers and any such third party are liable in respect of premiums or calls arising in connection with the Owners' Insurances.

6.4 written evidence is provided, to the reasonable satisfaction of the Owners, of Managers' compliance with their obligations under Clause 6 within a reasonable time of the commencement of the Agreement, and of each renewal date and, if specifically requested, of each payment date of the Owners' Insurances.

6.5 loss of hire insurance is maintained in accordance with Clause 29.

6.6 the Managers shall obtain hull and machinery insurance in accordance with Clause 6.1 based upon the sound market value as notified to the Managers by the Owners in writing prior to the effective date of this Agreement. The Owners shall notify the Managers in writing if they reasonably require cover for a different value from time to time, which shall not exceed 120% of the sound market value of the Vessel. The Owners alone shall be responsible for assessing and notifying the Managers of the necessary level of cover.

6.7 the Managers shall obtain a certificate of financial responsibility in accordance with the terms of the Charter, and any costs relating to such certificate shall be for the Owners' account.

## 7. Income Collected and Expenses Paid on Behalf of Owners

7.1 All moneys collected by the Managers under the terms of this Agreement (other than moneys payable by the Owners to the Managers) and any interest thereon shall be held to the credit of the Owners in a separate bank account.

7.2 All expenses incurred by the Managers under the terms of this Agreement on behalf of the Owners (including expenses as provided in Clause 8) may be debited against the Owners in the account referred to under sub-clause 7.1 but shall in any event remain payable by the Owners to the Managers on demand.

## 8. Management Fee

8.1 The Owners shall pay to the Managers for their services as Managers under this Agreement a management fee as set forth in Clause 21 (the "Management Fee").

8.2 The Managers shall, at no extra cost to the Owners, provide their own office accommodation, office staff, facilities and stationery.

8.3 In the event of the appointment of the Managers being terminated by the Owners or the Managers in accordance with the provisions of Clauses 18 and 22 other than by reason of default by the Managers, or if the Vessel is lost, sold or otherwise disposed of, in addition to any applicable Management Fee payments for the 90-day notice period set forth in Clause 22, a one-time additional fee of \$45,000, which is to cover the Managers' cancellation costs, shall be due and payable.

8.4 Unless otherwise agreed in writing all discounts and commissions obtained by the Managers in the course of the management of the Vessel shall be credited to the Managers.

## 9. Budgets and Management of Funds

N/A.

## 10. Managers Right to Sub-Contract

The Managers shall not have the right to sub-contract any of their obligations hereunder without the prior written consent of the Owners which shall not be unreasonably withheld; provided however, that the Managers may (i) freely assign any obligations hereunder to any affiliate of the Managers at any

time and (ii) utilize the services of third parties to fulfill the Managers' obligations hereunder. In the event of such a sub-contract the Managers shall remain fully liable for the due performance of their obligations under this Agreement.

## 11. Responsibilities

**11.1 Force Majeure** - Neither the Owners nor the Managers shall be under any liability for any failure to perform any of their obligations hereunder by reason of any cause whatsoever of any nature or kind beyond their reasonable control.

**11.2 Liability to Owners** - (i) Without prejudice to sub-clause 11.1, the Managers shall be under no liability whatsoever to the Owners for any loss, damage, delay or expense of whatsoever nature, whether direct or indirect, (including but not limited to loss of profit arising out of or in connection with detention of or delay to the Vessel) and howsoever arising in the course of performance of the Management Services **UNLESS** same is proved to have resulted solely from the negligence or wilful default of the Managers or their employees, or agents or sub-contractors employed by them in connection with the Vessel, in which case (save where loss, damage, delay or expense has resulted from the Managers' personal act or omission committed with the intent to cause same or recklessly and with knowledge that such loss, damage, delay or expense would probably result) the Managers' liability for each incident or series of incidents giving rise to a claim or claims shall never exceed a total of \$2 million.

(ii) Notwithstanding anything that may appear to the contrary in this Agreement, the Managers shall not be liable for any of the actions of the Crew, even if such actions are negligent or wilful, except only to the extent that they are shown to have resulted from a failure by the Managers to discharge their obligations under sub-clause 3.1

**11.3 Indemnity** - Except to the extent and solely for the amount therein set out that the Managers would be liable under sub-clause 11.2, the Owners hereby undertake to keep the Managers and their employees, agents and sub-contractors indemnified and to hold them harmless against

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all actions, proceedings, claims, demands or liabilities whatsoever or howsoever arising which may be brought against them or incurred or suffered by them arising out of or in connection with the performance of the Agreement, and against and in respect of all costs, losses, damages and expenses (including legal costs and expenses on a full indemnity basis) which the Managers may suffer or incur (either directly or indirectly) in the course of the performance of this Agreement.

**11.4 "Himalaya"** - It is hereby expressly agreed that no employee or agent of the Managers (including every sub-contractor from time to time employed by the Managers) shall in any circumstances whatsoever be under any liability whatsoever to the Owners for any loss, damage or delay of whatsoever kind arising or resulting directly or indirectly from any act, neglect or default on his part while acting in the course of or in connection with his employment and, without prejudice to the generality of the foregoing provisions in this Clause 11, every exemption, limitation, condition and liberty herein contained and every right, exemption from liability, defence and immunity of whatsoever nature applicable to the Managers or to which the Managers are entitled hereunder shall also be available and shall extend to protect every such employee or agent of the Managers acting as aforesaid and for the purpose of all the foregoing provisions of this Clause 11 the Managers are or shall be deemed to be acting as agent or trustee on behalf and for the benefit of all persons who are or might be their servants or agents from time to time (including sub-contractors as aforesaid) and all such persons shall to this extent be or be deemed to be parties to this Agreement.

## 12. Documentation

Where the Managers are providing Technical Management in accordance with sub-clause 3.2 and/or Crew Management in accordance with sub-clause 3.1, they shall make available, upon Owners' request, all documentation and records related to the Safety Management System (SMS) and/or the Crew which the Owners need in order to demonstrate compliance with the ISM Code and STCW 95 or to defend a claim against a third party. The Owner shall make available, upon Managers' request, all information, documentation and records required under any flag state law, regulation or international convention and to inform the Managers of any changes to those of the Owner's details that are required in the Vessel's continuous synopsis record for the purposes of the ISPS Code .

## 13. General Administration

**13.1** The Managers shall handle and settle all claims arising out of the Management Services hereunder and keep the Owners informed regarding any incident of which the Managers become aware which gives or may give rise to claims or disputes involving third parties; provided, that the settlement of any claims relating to general average or total constructive loss must be done at the direction of the Owners with the Owners' involvement in such settlements..

**13.2** The Managers shall, as instructed by the Owners, bring or defend actions, suits or proceedings in connection with matters entrusted to the Managers according to this Agreement.

**13.3** The Managers shall also have power to obtain legal or technical or other outside expert advice in relation to the handling and settlement of claims and disputes or all other matters affecting the interests of the Owners in respect of the Vessel.

**13.4** The Owners shall arrange for the provision of any necessary guarantee bond or other security.

**13.5** Any costs reasonably incurred by Managers in carrying out its obligations according to Clause 13 in connection with matters entrusted to the Managers under this Agreement shall be reimbursed by the Owners.

**13.6** The Managers are authorized to receive sums payable by third parties to the Owners, including, but not limited to the proceeds of insurance subject to Clause 30, the settlement of claims and under any legal proceedings or arbitrations or any settlement of claims. Where the event(s) which form the subject of such claims have caused the Managers expense under this Agreement, the Managers are entitled to retain all or part of such settlements equal to the amount expended by the Managers.

## 14. Auditing

N/A

## 15. Inspection of Vessel

The Owners shall have the right at any time after giving reasonable notice to the Managers to inspect the Vessel for any reason they consider necessary. The Owners and Managers agree to meet on a quarterly basis at the offices of the Managers to discuss the technical management of the Vessel.

## 16. Compliance with Laws and Regulations

The Managers will not do or permit to be done anything which might cause any breach or infringement of the laws and regulations of the Vessel's flag, or of the places where she trades.

## 17. Duration of the Agreement

This Agreement shall come into effect in accordance with Clause 2 and terminate in accordance with Clauses 18 and 22.

## 18. Termination

### 18.1 Owners' default

- (i) The Managers shall be entitled to terminate the Agreement with immediate effect by notice in writing if any moneys payable by the Owners under this Agreement shall not have been received in the Managers' nominated account within ten running days of receipt by the Owners of the Managers' written request or if the Vessel is repossessed by the Mortgagees.
- (ii) If the Owners: proceed with the employment of or continue to employ the Vessel in the carriage of contraband, blockade running, or in an unlawful trade, or on a voyage which in the reasonable opinion of the Managers is unduly hazardous or improper, the Managers may give notice of the default to the Owners, requiring them to remedy it as soon as practically possible. In the event that the Owners fail to remedy it within a reasonable time to the satisfaction of the Managers, the Managers shall be entitled to terminate the Agreement with immediate effect by notice in writing.

### 18.2 Managers' Default

If the Managers fail to meet their obligations under Clauses 3 and 4 of this Agreement for any reason within the control of the Managers, the Owners may give notice to the Managers of the default, requiring them to remedy it as soon as practically possible. In the event that the Managers fail to remedy it within a reasonable time to the satisfaction of the Owners, the Owners shall be entitled to terminate the Agreement with immediate effect by notice in writing.

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### 18.3 Extraordinary Termination

This Agreement shall be deemed to be terminated in the case of the sale of the Vessel or if the Vessel becomes a total loss or is declared as a constructive or compromised or arranged total loss or is requisitioned.

### 18.4 For the purpose of sub-clause 8.3 hereof

- (i) the date upon which the Vessel is to be treated as having been sold or otherwise disposed of shall be the date on which the Owners cease to be registered as Owners of the Vessel;
- (ii) the Vessel shall not be deemed to be lost unless either she has become an actual total loss or agreement has been reached with her underwriters in respect of her constructive, comprised or arranged total loss or if such agreement with her underwriters is not reached it is adjudged by a competent tribunal that a constructive loss of the Vessel has occurred.

18.5 This Agreement shall terminate forthwith in the event of an order being made or resolution passed for the winding up, dissolution, liquidation or bankruptcy of either party (otherwise than for the purpose of reconstruction or amalgamation) or if a receiver is appointed, or if it suspends payment, ceases to carry on business or makes any special arrangement or composition with its creditors.

18.6 The termination of this Agreement shall be without prejudice to all rights accrued due between the parties prior to the date of termination.

## 19. Law and Arbitration

19.1 This Agreement shall be construed and the relations between the parties determined in accordance with the laws of the State of New York, U.S.A.

19.2 All disputes arising out of this Agreement shall be referred to arbitration in New York in accordance with the Rules of the Society of Marine Arbitrators, Inc., New York (SMA). Any award of the arbitrator(s) shall be final and binding and not subject to appeal.

## 20. Notices

20.1 Any notice to be given by either party to the other party shall be in writing and may be sent by fax, telex, registered or recorded mail or by personal service.

20.2 The address of the Parties for service of such communication shall be as stated in Boxes 19 and 20, respectively.

## 21. MANAGEMENT FEE

During the first two years following the effective date of this Agreement as set forth in Clause 2, the Owners shall pay to the Managers for the Management Services under this Agreement a fixed daily management fee (the "Management Fee"), of \$6,500 per day, or part of a day, payable monthly in advance based on the actual number of days in the applicable month. The Management Fee shall increase by 2.5% per contract year thereafter for so long as this Agreement is in effect. Unless otherwise expressly provided in this Agreement, the Management Fee shall constitute payment in full for all of the Management Services, (which expression, for the avoidance of doubt for these purposes, includes the cost of insurance deductibles pursuant to Clause 6.2 (but not insurance premiums or calls), drydocking (subject to Clause 28), repairs (subject to Clauses 27 and 28) and the personnel and items supplied and arranged as part of the Management Services, including but not limited to the Crew, stores, spares and lubricating oil and their transportation).

## **22. DURATION AND TERMINATION**

The term of this Agreement shall begin at the time specified in Clause 2 and shall continue in force until the expiration of the Charter, unless terminated in accordance with Clause 18 of this Agreement; provided, however, that (i) the Managers shall have the right to terminate this Agreement upon 90 days, prior written notice to the Owners following the second anniversary of the effective date of this Agreement and (ii) the Owners shall have the right to terminate this Agreement upon 90 days prior written notice to the Managers at any time.

## **23. COMMUNICATIONS**

All communications under this Agreement shall be in the English language.

## **24. ASSIGNMENT CLAUSE**

The Owners may, upon giving notice to the Managers, assign all of their rights under this Agreement to any mortgagee of the Vessel provided that such assignment shall not otherwise prejudice any of the rights of the Managers under this Agreement. The Managers shall acknowledge any assignment that complies with this Clause in such form as the mortgagee may reasonably request.

## **25. THIRD PARTY RIGHTS**

Except as stated in this Clause, the parties to this Agreement do not intend that any of the terms will be enforceable by any person not a party to it. This clause shall not apply to companies in the same groups as either the Owners or the Managers or to crew or to employees, sub-contractors and agents of the Managers to whom Clause 11.4 "Himalaya" would apply but for this clause.

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## **26. INDEMNIFICATION**

Notwithstanding anything to the contrary in this Agreement, but subject to Clause 11.2, the Managers shall indemnify the Owners against the consequences of any failure by Managers to comply with the requirements of this Agreement. This indemnity shall include (without limitation) liabilities which the Owners may incur to the Charterers pursuant to the Charter resulting from a failure of the Managers to perform their obligations under this Agreement. The Managers' liability under this indemnity in relation to environmental claims and such third party claims against the Vessel or the Owners that are included in the terms of the protection and indemnity insurance of the Vessel shall be limited to the terms of such protection and indemnity insurance.

## **27. CHANGES AND/OR IMPROVEMENT NECESSARY FOR THE OPERATION OF THE VESSEL OR IMPOSED BY LEGISLATION, CLASS OR VETTING APPROVALS**

In the event that any improvement, structural change or the installation of new equipment is imposed by (a) compulsory legislation, (b) class rules or (c) an oil company whose vetting approval is required pursuant to Clause 57 of the Charter, the Managers shall, at the expense of the Owners effect such improvement, structural change or installation. The Owners shall reimburse the Managers for all costs arising under this clause no later than the fifth business day following notice from the Managers. Owners shall not be liable for the cost of any improvement, structural change or installation that is requested by or made for the account of the Charterer or for which the Charterer is otherwise responsible.

In the event any improvement, structural change or the installation of new equipment is deemed necessary by the Managers but is not imposed or required pursuant to the first paragraph of this Clause 27, Managers shall have the right, at their own cost, to effect such improvement, structural change or installation, with the Owners consent which shall not be unreasonably withheld.

The Owners shall be notified in writing in advance by the Managers about any changes and/or improvements under this Clause 27.

Any change, improvement or installation made pursuant to this Clause 27 (other than any change or improvement to, or installation of, equipment that belongs to the Managers or a third party) shall be the property of Owners.

## **28. REIMBURSEMENT OF DRYDOCKING EXPENSES; UNANTICIPATED REPAIRS**

Such portion of the Management Fee under this Agreement set forth on Schedule 1 hereto (the "Drydock Fee Component") is deemed to be attributed to the cost of the drydockings scheduled to be performed on the Vessel during the term of this Agreement (each an "Anticipated Drydocking"). Schedule 2 attached hereto sets forth the dates of the Anticipated Drydocking and the associated drydocking costs agreed to by the Managers and the Owners (the "Agreed Drydocking Cost"). Throughout the term of the Agreement, the Managers shall maintain the balance of a notional account (the "Drydock Account") which (a) shall be credited in an amount equal to the applicable Drydock Fee Component at the time of each monthly payment of the Management Fee and (b) shall be debited in an amount equal to the Agreed Drydocking Cost at the time any Anticipated Drydocking is completed (regardless of whether the drydock costs actually incurred by the Managers are in fact less than or greater than the Agreed Drydocking Cost). The Managers are not required to physically maintain the Drydock Account in a bank account, nor provide for any interest thereon.

Upon the termination of this Agreement by either party, (i) to the extent the Drydock has a credit balance, the Managers shall pay to the Owners an amount equal to such credit balance, and (ii) to the extent the Drydock Account has a debit balance, the Owners shall pay to the Managers an amount equal to such debit balance.

In the event any repairs to the Vessel are required to be made following the initial Anticipated Drydocking that are reasonably unanticipated by the Managers and not due to the fair wear and tear of the Vessel or its components and are not fully covered by hull and machinery insurance or warranty, the cost attributable to such repairs in excess of such insurance coverage and deductibles which may occur at a subsequent Anticipated Drydocking or otherwise (in excess of any applicable insurance or warranty payments) shall be for the account of the Owner.

## 29. LOSS OF HIRE INSURANCE

The Managers shall procure, at the Owners' expense, loss of hire insurance on behalf of Owners on terms and conditions as requested by the Owners subject to the availability of such coverage on commercially reasonable terms. The Managers shall not be responsible for any deductible payments with respect to such loss of hire insurance. The Managers shall arrange for loss of hire insurance, with a deductible of 21 days and maximum coverage of 120 days, to be in place as of the effective date of this Agreement.

## 30. PROCEEDS OF INSURANCES

The Managers shall procure, with the Owners' cooperation where required, that loss payable clauses are attached to the various policies of insurance over the Vessel so as to direct the proceeds of insurance as follows:

a) In the event of actual or constructive total loss of the Vessel, the hull and machinery insurance proceeds shall be paid by the insurer directly to the Owners or their assignees;

b) In the event of damage or partial loss to the Vessel, the hull and machinery insurance proceeds shall be paid by the insurer directly to the Managers or their assignees to be held and utilized in accordance with Clause 7.

## 31. LUBRICATING OILS AND GREASES AND OTHER ITEMS BELONGING TO THE MANAGERS

Unused lubricating oils and greases and the items set forth on Schedule 3 to this Agreement on board the Vessel at the time of delivery to the Owners and commencement of the Management Services under this Agreement are the property of the Managers. The Managers will provide lubricating oils and greases while this Agreement is in force pursuant to Clause 3.2 (iii). Upon termination of this Agreement for any reason, the Owners shall pay the Managers for the cost price of unused/unbroached lubricating oils and greases in sealed drums and in storage tanks and Managers shall remove the items set forth on Schedule 3 and any other items that it owns or leases at Managers' expense.

## 32. ISPS CODE

The Managers shall perform the duties of the "Company" as required by the ISPS Code. The Managers shall also perform the Owners' obligations and benefit from the Owner's rights under the BIMCO ISPS Code Time Charter Party Clause in the charterparty referred to in Clause 22 of this Agreement. The Managers shall be entitled to retain any sums received or recovered from charterers or from any other party in relation to ISPS Code actions and duties. If the Managers incur expenditure as a result of complying with the ISPS Code or making prudent security precautions that does not fall to be apportioned or is not recoverable from sub-charterers pursuant to the BIMCO ISPS Code Time Charter Party Clause, the Owners shall indemnify the Managers for such expenditure as invoiced to the Owners with full supporting documentation.

### SCHEDULE 1

#### M/T Regal Unity – Management Fee and Drydock Fee Component

CHARTER YEAR	COMMENCING (0001 GMT)	ENDING (2400 GMT)	MANAGEMENT FEE	DRYDOCK FEE COMPONENT
1	October 17, 2005	October 16, 2006	USD 6,500 per day	USD 750 per day
2	October 17, 2006	October 16, 2007	USD 6,500 per day	USD 750 per day
3	October 17, 2007	October 16, 2008	USD 6,663 per day	USD 769 per day
4	October 17, 2008	October 16, 2009	USD 6,829 per day	USD 788 per day
5	October 17, 2009	October 16, 2010	USD 7,000 per day	USD 808 per day
to 5 ½	October 17, 2010	April 16, 2011	USD 7,175 per day	USD 828 per day

OPTION YEAR	COMMENCING (0001 GMT)	ENDING (2400 GMT)	MANAGEMENT FEE	TIME CHARTER RATE
1	April 17, 2011	October 16, 2011	USD 7,175 per day	USD 828 per day
	October 17, 2011	April 16, 2012	USD 7,354 per day	USD 849 per day
2	April 17, 2012	October 16, 2012	USD 7,354 per day	USD 849 per day
	October 17, 2012	April 16, 2013	USD 7,538 per day	USD 870 per day
3	April 17, 2013	October 16, 2013	USD 7,538 per day	USD 870 per day
	October 17, 2013	April 16, 2014	USD 7,726 per day	USD 892 per day
4	April 17, 2014	October 16, 2014	USD 7,726 per day	USD 892 per day
	October 17, 2014	April 16, 2015	USD 7,920 per day	USD 914 per day
5	April 17, 2015	October 16, 2015	USD 7,920 per day	USD 914 per day
	October 17, 2015	April 16, 2016	USD 8,118 per day	USD 937 per day
6	April 17, 2016	October 16, 2016	USD 8,118 per day	USD 937 per day
	October 17, 2016	April 16, 2017	USD 8,321 per day	USD 960 per day



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## SCHEDULE 2

### M/T Regal Unity – Estimated Date of Anticipated Drydocking and Agreed Drydocking Cost

<b>ESTIMATED DATE OF ANTICIPATED DRYDOCKING</b>	<b>AGREED DRYDOCKING COST</b>
1q 2007	\$ 665,000
4q 2009	\$ 370,000
1q 2012	\$ 1,585,000
4q 2014	\$ 1,130,000
1q 2017	\$ 1,705,000

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## SCHEDULE 3

The following items that are on board the Vessel as of the effective date of this Agreement are and will remain the property of the Managers. These items may remain on board at the sole discretion of and for the use and convenience of the Managers and may be removed at any time after the effective date of this Agreement at the expense of the Managers.

1. Bunkers (IFO and MDO/MGO)
  2. Victualling (provisions)
  3. All onboard log books up to the time and date of delivery for deck, engine and radio
  4. Seller's company forms, documents / stationery and all correspondence and company manuals
  5. All ISPS, ISM and quality documentation and correspondence
  6. Vessel's Rydex communications e-mail system and server
  7. Training video library, books
  8. Oxygen / acetylene / freon / nitrogen / argon cylinders / bottles
  9. Crew/officers library / walport videos
  10. Master's slopchest/bonded stores; personal effects of master, officers and crew
  11. Personal hand-held computers
  12. Personal cell phones
  13. Contents of master's safe
  14. Arms / ammunition
  15. Works of art, originals, copies, prints, statues
  16. Safety clothing / hats or other shirts/hats with OSG logo
  17. Certificates/documents to be returned to authorities
  18. Seagull training software
  19. All Seller's non-class computer software and server
  20. Chartco digital chart updates system software
  21. Any rented or leased or third party's equipment
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## Part I

## SHIP MANAGEMENT AGREEMENT

1. Date of Agreement

**October 6, 2005**

2. Owners (name, place of registered office and law of registry) (CI. 1)

Name

**Cathy Tanker Corporation**

Place of registered office

**Majuro, Marshall Islands**

Law of registry

**Marshall Islands**

3. Managers (name, place of registered office and law of registry) (CI.1).

Name

**Tanker Management Ltd.**

Place of registered office

**England**

Law of registry

**England**

4. Day and year of commencement of Agreement (CI. 2)

**See Clause 2**

5. Crew management (state “yes” or “no” as agreed) (CI. 3.1)

**Yes**

6. Technical Management (state “yes” or “no” as agreed) (CI. 3.2)

**Yes**

7. Commercial Management (state “yes” or “no” as agreed) (CI. 3.3)

**No.**

8. Insurance Arrangements (state “yes” or “no” as agreed) (CI. 3.4)

**Yes**

9. Accounting Services (state “yes” or “no” as agreed) (CI. 3.5)

**Yes, as per Clause 3.5 only**

10. Sale or purchase of the Vessel (state “yes” or “no” as agreed) (CI. 3.6)

**No**

11. Provisions (state “yes” or “no” as agreed) (CI. 3.7)

**Yes**

12. Bunkering (state “yes” or “no” as agreed) (CI. 3.8)

**No**

13. Chartering Services Period (only to be filled in if “yes” stated in Box 7) (CI. 3.3(i))

**N/A**

14. Owners' Insurance

**See Clause 6.3**

15. Annual Management Fee

**See Clause 8.1**

16. Severance Costs (state maximum amount) (CL 8.4(ii))

**None**

17. Day and year of termination of Agreement (CL 17)

**See Clause 17**

18. Law and Arbitration

**See Clause 19**

19. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Owners (CL 20)

**Cathy Tanker Corporation**  
**26 New Street**  
**St. Helier, Jersey JE 23R4**  
**Channel Islands**

20. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Managers) (CL 20)

**Tanker Management Ltd.**  
**Quorum 4, Balliol Business Park East, Benton Lane,**  
**Newcastle upon Tyne NE 12 8EZ England**

It is mutually agreed between the party stated in Box 2 and the party stated in Box 3 that this Agreement consisting of PART I and PART II and Schedules 1, 2 and 3 attached hereto, shall be performed subject to the conditions contained herein. In the event of a conflict of conditions, the provisions of PART I shall prevail over those of PART II and Schedules 1, 2 and 3 to the extent of such conflict but no further.

Signature(s) (Owners)

Signature(s) (Managers)

CATHY TANKER CORPORATION

TANKER MANAGEMENT LTD.

By: /s/ Ole Jacob Diesen

By: /s/ Ian Blackley

Name: Ole Jacob Diesen

Name: Ian Blackley

Title: Chief Executive Officer

Title: Director

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## PART II

### Ship Management Agreement

#### 1. Definitions

In this Agreement save where the context otherwise requires, the following words and expressions shall have the meanings hereby assigned to them.

“*Owners*” means the party identified in Box 2.

“*Managers*” means the party identified in Box 3.

“*Vessel*” means the M/T Overseas Cathy, IMO Number 9248849, built in January 2004 by Hyundai Samho Heavy Industries Co. Ltd. in Mokpo, South Korea.

“*Charter*” means the time charter between the Owners and DHT Cathy Aframax Corp. dated October 6, 2005 relating to the Vessel.

“*Crew*” means the Master, officers and ratings of the Vessel.

“*Crew Support Costs*” means all expenses of a general nature which are not particularly referable to any individual vessel for the time being managed by the Managers and which are incurred by the Managers for the purpose of providing an efficient and economic management service and, without prejudice to the generality of the foregoing, shall include the cost of crew standby pay, training schemes for officers and ratings, cadet training schemes, sick pay, study pay, recruitment and interviews.

“*Crew Insurances*” means insurances against crew risks which shall include but not be limited to death, sickness, repatriation, injury, shipwreck unemployment indemnity and loss of personal effects.

“*Management Services*” means the services specified in subclauses 3.1 to 3.8 as indicated affirmatively in Boxes 5, 6, 8, 9 and 11.

“*ISM Code*” means the International Management Code for the Safe Operation of Ships and for Pollution Prevention as adopted by the International Maritime Organization (IMO) by resolution A.741(18) or any subsequent amendment thereto.

“STCW 95” means the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, as amended in 1995 or any subsequent amendment thereto.

## 2. Appointment of Managers

With effect from the day and year of delivery of the Vessel to the Owners pursuant to a Memorandum of Agreement between Owners and Tenth Aframax Tanker Corporation dated September 20, 2005 and continuing unless and until terminated as provided herein, the Owners hereby appoint the Managers and the Managers hereby agree to act as the Managers of the Vessel.

## 3. Basis of Agreement

Subject to the terms and conditions herein provided, during the period of this Agreement, the Managers shall carry out Management Services in respect of the Vessel as agents for and on behalf of the Owners. The Managers shall have authority to take such actions as they may from time to time in their absolute discretion consider to be necessary to enable them to perform this Agreement in accordance with sound ship management practice.

### 3.1 Crew Management

*(only applicable if agreed according to Box 5)*

The Managers shall provide suitably qualified Crew for the Vessel as required by the Owners in accordance with the STCW 95 requirements, provision of which includes but is not limited to the following functions:

- (i) selecting and engaging in Vessel’s Crew, including payroll arrangements, pension administration, and insurances for the Crew;
- (ii) ensuring that the applicable requirements of the law of the flag of the Vessel are satisfied in respect of manning levels, rank qualification and certification of the Crew and employment regulations including Crew’s tax, social insurance, discipline and other requirements;
- (iii) ensuring that all members of the Crew have passed a medical examination with a qualified doctor certifying that they are fit for the duties for which they are engaged and are in possession of valid medical certificates issued in accordance with appropriate flag State requirements. In the absence of applicable flag State requirements the medical certificate shall be dated not more than three months prior to the respective Crew members leaving their country of domicile and maintained for the duration of their service on board the Vessel;
- (iv) ensuring that the Crew shall have a command of the English language of a sufficient standard to enable them to perform their duties safely;
- (v) arranging transportation of the Crew, including repatriation;
- (vi) training of the Crew and supervising their efficiency;
- (vii) conducting union negotiations;
- (viii) operating the Managers’ drug and alcohol policy unless otherwise agreed;
- (ix) If the Owners complain of the conduct of any of the Crew, the Managers shall immediately investigate the complaint. If the complaint proves to be well founded, Managers shall, without delay, make a change in the appointments and the Managers shall in any event communicate the result of their investigation to the Owners as soon as possible.

### 3.2 Technical Management

*(only applicable if agreed according to Box 6)*

The Managers shall provide technical management which includes, but is not limited to, the following functions:

- (i) provision of competent personnel to supervise the maintenance and general efficiency of the Vessel;
- (ii) arrangement and supervision of dry dockings, repairs, alterations and the upkeep of the Vessel necessary to ensure that the Vessel will comply with the requirements of the Charter, the law of the flag of the Vessel and of the places where she trades, and all requirements and recommendations of the classification society;
- (iii) arrangement of the supply of necessary stores, spares and lubricating oil and greases. The level and time of the supply of such items shall be based on that which a prudent owner of a vessel of the age and characteristics of the Vessel (including but not limited its operating history, planned maintenance and known wear and tear) would arrange so as to minimize off-hire time and to undertake such maintenance as may safely be carried out at sea by the crew;
- (iv) appointment of surveyors and technical consultants as the Managers may consider from time to time to be necessary;
- (v) development, implementation and maintenance of a Safety Management System (SMS) in accordance with the ISM Code (see subclause 4.2);

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(vi) ensuring that the Vessel receives at least two visits per year from one of the Managers’ technical superintendents; and.

(vii) arrangement of oil company vetting so as to comply with the Owner’s obligations under the Charter.

### **3.3 Commercial Management**

N/A

### **3.4 Insurance Arrangements**

*(only applicable if agreed according to Box 8)*

The Managers shall arrange insurances in accordance with Clause 6 subject to the following:

Throughout the term of this Agreement, the Managers shall consult with the Owners prior to the time of each renewal of the Owners' Insurances (as defined in Clause 6.1) and, unless the Owners obtain insurance coverage from other parties as set forth below in this Clause 3.4, the Managers shall secure coverage for the Owners' Insurances for the Vessel at the Owners' expense through the Managers' insurance program on coverage amounts (except for hull and machinery insurance in which is subject to Clause 6.6 of this Agreement), terms and conditions that the Managers shall determine. The Managers shall obtain insurance coverage for the Vessel through the Managers' insurance program that is in accordance with the best practice of prudent owners of vessels of a similar type to the Vessel, with first class insurance companies, underwriters or associations. If the Owners can demonstrate that the insurance coverage provided by the Managers is not in accordance with the preceding sentence and the Managers do not make the amendments necessary for such coverage to meet such standards, the Owners shall have the right to place the Owners' Insurances through third parties, provided that (x) the terms and conditions of the Owners' Insurances proposed by the Owners to be placed with third parties do not, in the reasonable opinion of the Managers, impose any additional cost or liability on the Managers under the Charter and (y) prior to placing the insurance through third parties, Owners shall agree to indemnify Managers for any additional cost or liability on the Managers under the Charter resulting from any such insurance placement. If the Owners place any component policy of the Owners' Insurances through third parties in accordance with the preceding sentence, the Managers shall have the right to terminate any other policy placed by it on behalf of the Owners, and (i) any unearned premium advanced by the Owners shall be refunded to the Owners and (ii) any premium due and any liability for calls for the period of coverage placed by the Managers shall remain for the account of the Owners until fully discharged.

The Managers shall arrange for the Owners' Insurances to be in place as of the effective date of this Agreement and shall maintain the insurance cover existing immediately prior to such effective date at least until the discharge of the cargo from its then current voyage.

### **3.5 Accounting Services**

*(only applicable if agreed according to Box 9)*

The Managers shall maintain records relating to those expenditures incurred and monies received in the performance of the Management Services that are necessary for the settlement of accounts between the parties

### **3.6 Sale or Purchase of the Vessel**

N/A.

### **3.7 Provisions**

*(only applicable if agreed according to Box 11)*

The Managers shall arrange for the supply of provisions.

### **3.8 Bunkering**

N/A.

## **4. Managers' Obligations**

**4.1** The Managers undertake to use their best endeavours to provide the agreed Management Services as agents for and on behalf of the Owners in accordance with sound ship management practice customary in the trade and at least equivalent to the standards followed with respect to other vessels for which the Managers provide Management Services, if any, and to protect and promote the interests of the Owners in all matters relating to the provision of services hereunder. Provided, however, that the Managers in the performance of their management responsibilities under this Agreement shall be entitled to have regard to their overall responsibility in relation to all vessels as may from time to time be entrusted to their management and in particular, but without prejudice to the generality of the foregoing, the Managers shall be entitled to allocate available supplies, manpower and services in such manner as in the prevailing circumstances the Managers in their absolute discretion consider to be fair and reasonable.

**4.2** Where the Managers are providing Technical Management in accordance with sub-clause 3.2, they shall procure that the requirements of the law of the flag of the Vessel are satisfied and they shall in particular be deemed to be the "Company" as defined by the ISM Code, assuming the responsibility for the operation of the Vessel and taking over the duties and responsibilities imposed by the ISM Code when applicable.

**4.3** The Management Services as such term is used herein includes the discharge on behalf of the Owners of the Owners' technical and operational obligations to charterers pursuant to the Charter, a copy of which has been supplied to the Managers, including, but not limited to the Owners' technical and operational obligations under Clauses 73A and 75 of such Charter.

**4.4** Managers shall maintain records of technical matters relating to the Vessel including maintenance, repairs and equipment replacement ("Technical Vessel Matters"). Three months after commencement of the Management Services, or such other date as agreed to by the Managers and the Owners, and quarterly thereafter, the Managers shall issue a report to the Owners providing a summary of the Technical Vessel Matters carried out in the previous quarter.

## **5. Owners' Obligations**

**5.1** The Owners shall pay all sums due to the Managers punctually in accordance with the terms of this Agreement.

## 6. Insurance Policies

For so long as the Managers continue to place the Owners' Insurances (as defined below) on behalf of the Owners in accordance with Clause 3.4 of this Agreement, The Managers shall procure that:

6.1 at the Owners' expense, the Vessel is insured for not less than her sound market value or entered for her full gross tonnage, as the case may be for:

- (i) usual hull and machinery marine risks (including crew negligence) and excess liabilities,
- (ii) protection and indemnity risks (including pollution risks and Crew Insurances), and
- (iii) war risks (including protection and indemnity and crew risks)

in each case in accordance with the best practice of prudent owners of vessels of a similar type to the Vessel, with first class insurance companies, underwriters or associations ("the Owners' Insurances");

6.2 all premiums and calls on the Owners' Insurances are paid by their due date at Owners' expense and deductibles up to the amount (per claim) of (i) \$110,000 for hull and machinery marine risks insurance and (ii) \$100,000 for claims under the "Running Down Clause" and the "Fixed and Floating Objects Clause" under the protection and indemnity risks insurance and \$15,000 for all other protection and indemnity claims shall be paid at the Managers' expense. In the event the level of deductibles set for a policy period are increased above the amounts set forth in the preceding sentence, whether by the action of the Owners, the Managers or the insurers, any such incremental increase shall be for the Owners' account. The Owners shall be liable for the allocated cost of any broker's fee paid by the Managers as determined by the Managers on a fair and equitable basis.

6.3 the Owners' Insurances name the Managers and, subject to underwriters' agreement, any third party designated by the Managers as a joint assured, with full cover, with the Managers obtaining cover in respect of each of the Owners' Insurances on terms whereby the Managers and any such third party are liable in respect of premiums or calls arising in connection with the Owners' Insurances.

6.4 written evidence is provided, to the reasonable satisfaction of the Owners, of Managers' compliance with their obligations under Clause 6 within a reasonable time of the commencement of the Agreement, and of each renewal date and, if specifically requested, of each payment date of the Owners' Insurances.

6.5 loss of hire insurance is maintained in accordance with Clause 29.

6.6 the Managers shall obtain hull and machinery insurance in accordance with Clause 6.1 based upon the sound market value as notified to the Managers by the Owners in writing prior to the effective date of this Agreement. The Owners shall notify the Managers in writing if they reasonably require cover for a different value from time to time, which shall not exceed 120% of the sound market value of the Vessel. The Owners alone shall be responsible for assessing and notifying the Managers of the necessary level of cover.

6.7 the Managers shall obtain a certificate of financial responsibility in accordance with the terms of the Charter, and any costs relating to such certificate shall be for the Owners' account.

## 7. Income Collected and Expenses Paid on Behalf of Owners

7.1 All moneys collected by the Managers under the terms of this Agreement (other than moneys payable by the Owners to the Managers) and any interest thereon shall be held to the credit of the Owners in a separate bank account.

7.2 All expenses incurred by the Managers under the terms of this Agreement on behalf of the Owners (including expenses as provided in Clause 8) may be debited against the Owners in the account referred to under sub-clause 7.1 but shall in any event remain payable by the Owners to the Managers on demand.

## 8. Management Fee

8.1 The Owners shall pay to the Managers for their services as Managers under this Agreement a management fee as set forth in Clause 21 (the "Management Fee").

8.2 The Managers shall, at no extra cost to the Owners, provide their own office accommodation, office staff, facilities and stationery.

8.3 In the event of the appointment of the Managers being terminated by the Owners or the Managers in accordance with the provisions of Clauses 18 and 22 other than by reason of default by the Managers, or if the Vessel is lost, sold or otherwise disposed of, in addition to any applicable Management Fee payments for the 90-day notice period set forth in Clause 22, a one-time additional fee of \$45,000, which is to cover the Managers' cancellation costs, shall be due and payable.

8.4 Unless otherwise agreed in writing all discounts and commissions obtained by the Managers in the course of the management of the Vessel shall be credited to the Managers.

## 9. Budgets and Management of Funds

N/A.

## 10. Managers Right to Sub-Contract

The Managers shall not have the right to sub-contract any of their obligations hereunder without the prior written consent of the Owners which shall not be unreasonably withheld; provided however, that the Managers may (i) freely assign any obligations hereunder to any affiliate of the Managers at any time and (ii) utilize the services of third parties to fulfill the Managers' obligations hereunder. In the event of such a sub-contract the Managers shall remain fully liable for the due performance of their obligations under this Agreement.

## 11. Responsibilities

**11.1 Force Majeure** - Neither the Owners nor the Managers shall be under any liability for any failure to perform any of their obligations hereunder by reason of any cause whatsoever of any nature or kind beyond their reasonable control.

**11.2 Liability to Owners** - (i) Without prejudice to sub-clause 11.1, the Managers shall be under no liability whatsoever to the Owners for any loss, damage, delay or expense of whatsoever nature, whether direct or indirect, (including but not limited to loss of profit arising out of or in connection with detention of or delay to the Vessel) and howsoever arising in the course of performance of the Management Services **UNLESS** same is proved to have resulted solely from the negligence or wilful default of the Managers or their employees, or agents or sub-contractors employed by them in connection with the Vessel, in which case (save where loss, damage, delay or expense has resulted from the Managers' personal act or omission committed with the intent to cause same or recklessly and with knowledge that such loss, damage, delay or expense would probably result) the Managers' liability for each incident or series of incidents giving rise to a claim or claims shall never exceed a total of \$2 million.

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(ii) Notwithstanding anything that may appear to the contrary in this Agreement, the Managers shall not be liable for any of the actions of the Crew, even if such actions are negligent or wilful, except only to the extent that they are shown to have resulted from a failure by the Managers to discharge their obligations under sub-clause 3.1

**11.3 Indemnity** - Except to the extent and solely for the amount therein set out that the Managers would be liable under sub-clause 11.2, the Owners hereby undertake to keep the Managers and their employees, agents and sub-contractors indemnified and to hold them harmless against all actions, proceedings, claims, demands or liabilities whatsoever or howsoever arising which may be brought against them or incurred or suffered by them arising out of or in connection with the performance of the Agreement, and against and in respect of all costs, losses, damages and expenses (including legal costs and expenses on a full indemnity basis) which the Managers may suffer or incur (either directly or indirectly) in the course of the performance of this Agreement.

**11.4 "Himalaya"** - It is hereby expressly agreed that no employee or agent of the Managers (including every sub-contractor from time to time employed by the Managers) shall in any circumstances whatsoever be under any liability whatsoever to the Owners for any loss, damage or delay of whatsoever kind arising or resulting directly or indirectly from any act, neglect or default on his part while acting in the course of or in connection with his employment and, without prejudice to the generality of the foregoing provisions in this Clause 11, every exemption, limitation, condition and liberty herein contained and every right, exemption from liability, defence and immunity of whatsoever nature applicable to the Managers or to which the Managers are entitled hereunder shall also be available and shall extend to protect every such employee or agent of the Managers acting as aforesaid and for the purpose of all the foregoing provisions of this Clause 11 the Managers are or shall be deemed to be acting as agent or trustee on behalf and for the benefit of all persons who are or might be their servants or agents from time to time (including sub-contractors as aforesaid) and all such persons shall to this extent be or be deemed to be parties to this Agreement.

## 12. Documentation

Where the Managers are providing Technical Management in accordance with sub-clause 3.2 and/or Crew Management in accordance with sub-clause 3.1, they shall make available, upon Owners' request, all documentation and records related to the Safety Management System (SMS) and/or the Crew which the Owners need in order to demonstrate compliance with the ISM Code and STCW 95 or to defend a claim against a third party. The Owner shall make available, upon Managers' request, all information, documentation and records required under any flag state law, regulation or international convention and to inform the Managers of any changes to those of the Owner's details that that are required in the Vessel's continuous synopsis record for the purposes of the ISPS Code .

## 13. General Administration

**13.1** The Managers shall handle and settle all claims arising out of the Management Services hereunder and keep the Owners informed regarding any incident of which the Managers become aware which gives or may give rise to claims or disputes involving third parties; provided, that the settlement of any claims relating to general average or total constructive loss must be done at the direction of the Owners with the Owners' involvement in such settlements..

**13.2** The Managers shall, as instructed by the Owners, bring or defend actions, suits or proceedings in connection with matters entrusted to the Managers according to this Agreement.

**13.3** The Managers shall also have power to obtain legal or technical or other outside expert advice in relation to the handling and settlement of claims and disputes or all other matters affecting the interests of the Owners in respect of the Vessel.

**13.4** The Owners shall arrange for the provision of any necessary guarantee bond or other security.

**13.5** Any costs reasonably incurred by Managers in carrying out its obligations according to Clause 13 in connection with matters entrusted to the Managers under this Agreement shall be reimbursed by the Owners.

**13.6** The Managers are authorized to receive sums payable by third parties to the Owners, including, but not limited to the proceeds of insurance subject to Clause 30, the settlement of claims and under any legal proceedings or arbitrations or any settlement of claims. Where the event(s) which form the subject of such claims have caused the Managers expense under this Agreement, the Managers are entitled to retain all or part of such settlements equal to the amount expended by the Managers.

## 14. Auditing

## 15. Inspection of Vessel

The Owners shall have the right at any time after giving reasonable notice to the Managers to inspect the Vessel for any reason they consider necessary. The Owners and Managers agree to meet on a quarterly basis at the offices of the Managers to discuss the technical management of the Vessel.

## 16. Compliance with Laws and Regulations

The Managers will not do or permit to be done anything which might cause any breach or infringement of the laws and regulations of the Vessel's flag, or of the places where she trades.

## 17. Duration of the Agreement

This Agreement shall come into effect in accordance with Clause 2 and terminate in accordance with Clauses 18 and 22.

## 18. Termination

### 18.1 Owners' default

- (i) The Managers shall be entitled to terminate the Agreement with immediate effect by notice in writing if any moneys payable by the Owners under this Agreement shall not have been received in the Managers' nominated account within ten running days of receipt by the Owners of the Managers' written request or if the Vessel is repossessed by the Mortgagees.
- (ii) If the Owners: proceed with the employment of or continue to employ the Vessel in the carriage of contraband, blockade running, or in an unlawful trade, or on a voyage which in the reasonable opinion of the Managers is unduly hazardous or improper, the Managers may give notice of the default to the Owners, requiring them to remedy it as soon as practically possible. In the event that the Owners fail to remedy it within a reasonable time to the satisfaction of

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the Managers, the Managers shall be entitled to terminate the Agreement with immediate effect by notice in writing.

### 18.2 Managers' Default

If the Managers fail to meet their obligations under Clauses 3 and 4 of this Agreement for any reason within the control of the Managers, the Owners may give notice to the Managers of the default, requiring them to remedy it as soon as practically possible. In the event that the Managers fail to remedy it within a reasonable time to the satisfaction of the Owners, the Owners shall be entitled to terminate the Agreement with immediate effect by notice in writing.

### 18.3 Extraordinary Termination

This Agreement shall be deemed to be terminated in the case of the sale of the Vessel or if the Vessel becomes a total loss or is declared as a constructive or compromised or arranged total loss or is requisitioned.

### 18.4 For the purpose of sub-clause 8.3 hereof

- (i) the date upon which the Vessel is to be treated as having been sold or otherwise disposed of shall be the date on which the Owners cease to be registered as Owners of the Vessel;
- (ii) the Vessel shall not be deemed to be lost unless either she has become an actual total loss or agreement has been reached with her underwriters in respect of her constructive, comprised or arranged total loss or if such agreement with her underwriters is not reached it is adjudged by a competent tribunal that a constructive loss of the Vessel has occurred.

**18.5** This Agreement shall terminate forthwith in the event of an order being made or resolution passed for the winding up, dissolution, liquidation or bankruptcy of either party (otherwise than for the purpose of reconstruction or amalgamation) or if a receiver is appointed, or if it suspends payment, ceases to carry on business or makes any special arrangement or composition with its creditors.

**18.6** The termination of this Agreement shall be without prejudice to all rights accrued due between the parties prior to the date of termination.

## 19. Law and Arbitration

**19.1** This Agreement shall be construed and the relations between the parties determined in accordance with the laws of the State of New York, U.S.A.

**19.2** All disputes arising out of this Agreement shall be referred to arbitration in New York in accordance with the Rules of the Society of Marine Arbitrators, Inc., New York (SMA). Any award of the arbitrator(s) shall be final and binding and not subject to appeal.

## 20. Notices

**20.1** Any notice to be given by either party to the other party shall be in writing and may be sent by fax, telex, registered or recorded mail or by personal service.

**20.2** The address of the Parties for service of such communication shall be as stated in Boxes 19 and 20, respectively.

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## **21. MANAGEMENT FEE**

During the first two years following the effective date of this Agreement as set forth in Clause 2, the Owners shall pay to the Managers for the Management Services under this Agreement a fixed daily management fee (the "Management Fee"), of \$5,800 per day, or part of a day, payable monthly in advance based on the actual number of days in the applicable month. The Management Fee shall increase by 2.5% per contract year thereafter for so long as this Agreement is in effect. Unless otherwise expressly provided in this Agreement, the Management Fee shall constitute payment in full for all of the Management Services, (which expression, for the avoidance of doubt for these purposes, includes the cost of insurance deductibles pursuant to Clause 6.2 (but not insurance premiums or calls), drydocking (subject to Clause 28), repairs (subject to Clauses 27 and 28) and the personnel and items supplied and arranged as part of the Management Services, including but not limited to the Crew, stores, spares and lubricating oil and their transportation).

## **22. DURATION AND TERMINATION**

The term of this Agreement shall begin at the time specified in Clause 2 and shall continue in force until the expiration of the Charter, unless terminated in accordance with Clause 18 of this Agreement; provided, however, that (i) the Managers shall have the right to terminate this Agreement upon 90 days, prior written notice to the Owners following the second anniversary of the effective date of this Agreement and (ii) the Owners shall have the right to terminate this Agreement upon 90 days prior written notice to the Managers at any time.

## **23. COMMUNICATIONS**

All communications under this Agreement shall be in the English language.

## **24. ASSIGNMENT CLAUSE**

The Owners may, upon giving notice to the Managers, assign all of their rights under this Agreement to any mortgagee of the Vessel provided that such assignment shall not otherwise prejudice any of the rights of the Managers under this Agreement. The Managers shall acknowledge any assignment that complies with this Clause in such form as the mortgagee may reasonably request.

## **25. THIRD PARTY RIGHTS**

Except as stated in this Clause, the parties to this Agreement do not intend that any of the terms will be enforceable by any person not a party to it. This clause shall not apply to companies in the same groups as either the Owners or the Managers or to crew or to employees, sub-contractors and agents of the Managers to whom Clause 11.4 "Himalaya" would apply but for this clause.

## **26. INDEMNIFICATION**

Notwithstanding anything to the contrary in this Agreement, but subject to Clause 11.2, the Managers shall indemnify the Owners against the consequences of any failure by Managers to comply with the requirements of this Agreement. This indemnity shall include (without limitation) liabilities which the Owners may incur to the Charterers pursuant to the Charter resulting from a failure of the Managers to perform their obligations under this Agreement. The Managers' liability under this indemnity in relation to environmental claims and such third party claims against the Vessel or the Owners that are included in the terms of the protection and indemnity insurance of the Vessel shall be limited to the terms of such protection and indemnity insurance.

## **27. CHANGES AND/OR IMPROVEMENT NECESSARY FOR THE OPERATION OF THE VESSEL OR IMPOSED BY LEGISLATION, CLASS OR VETTING APPROVALS**

In the event that any improvement, structural change or the installation of new equipment is imposed by (a) compulsory legislation, (b) class rules or (c) an oil company whose vetting approval is required pursuant to Clause 57 of the Charter, the Managers shall, at the expense of the Owners effect such improvement, structural change or installation. The Owners shall reimburse the Managers for all costs arising under this clause no later than the fifth business day following notice from the Managers. Owners shall not be liable for the cost of any improvement, structural change or installation that is requested by or made for the account of the Charterer or for which the Charterer is otherwise responsible.

In the event any improvement, structural change or the installation of new equipment is deemed necessary by the Managers but is not imposed or required pursuant to the first paragraph of this Clause 27, Managers shall have the right,

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at their own cost, to effect such improvement, structural change or installation, with the Owners consent which shall not be unreasonably withheld.

The Owners shall be notified in writing in advance by the Managers about any changes and/or improvements under this Clause 27.

Any change, improvement or installation made pursuant to this Clause 27 (other than any change or improvement to, or installation of, equipment that belongs to the Managers or a third party) shall be the property of Owners.

## **28. REIMBURSEMENT OF DRYDOCKING EXPENSES; UNANTICIPATED REPAIRS**

Such portion of the Management Fee under this Agreement set forth on Schedule 1 hereto (the "Drydock Fee Component") is deemed to be attributed to the cost of the drydockings scheduled to be performed on the Vessel during the term of this Agreement (each an "Anticipated Drydocking"). Schedule 2 attached hereto sets forth the dates of the Anticipated Drydocking and the associated drydocking costs agreed to by the Managers and the Owners (the "Agreed Drydocking Cost"). Throughout the term of the Agreement, the Managers shall maintain the balance of a notional account (the "Drydock Account") which (a) shall be credited in an amount equal to the applicable Drydock Fee Component at the time of each monthly payment of the Management Fee and (b) shall be debited in an amount equal to the Agreed Drydocking Cost at the time any Anticipated Drydocking is completed (regardless of whether the drydock costs actually incurred by the Managers are in fact less than or greater than the Agreed Drydocking Cost). The Managers are not required to physically maintain the Drydock Account in a bank account, nor provide for any interest thereon.

Upon the termination of this Agreement by either party, (i) to the extent the Drydock has a credit balance, the Managers shall pay to the Owners an amount equal to such credit balance, and (ii) to the extent the Drydock Account has a debit balance, the Owners shall pay to the Managers an amount equal to such debit balance.

In the event any repairs to the Vessel are required to be made following the initial Anticipated Drydocking that are reasonably unanticipated by the Managers and not due to the fair wear and tear of the Vessel or its components and are not fully covered by hull and machinery insurance or warranty, the cost attributable to such repairs in excess of such insurance coverage and deductibles which may occur at a subsequent Anticipated Drydocking or otherwise (in excess of any applicable insurance or warranty payments) shall be for the account of the Owner.

## 29. LOSS OF HIRE INSURANCE

The Managers shall procure, at the Owners' expense, loss of hire insurance on behalf of Owners on terms and conditions as requested by the Owners subject to the availability of such coverage on commercially reasonable terms. The Managers shall not be responsible for any deductible payments with respect to such loss of hire insurance. The Managers shall arrange for loss of hire insurance, with a deductible of 14 days and maximum coverage of 120 days, to be in place as of the effective date of this Agreement.

## 30. PROCEEDS OF INSURANCES

The Managers shall procure, with the Owners' cooperation where required, that loss payable clauses are attached to the various policies of insurance over the Vessel so as to direct the proceeds of insurance as follows:

- a) In the event of actual or constructive total loss of the Vessel, the hull and machinery insurance proceeds shall be paid by the insurer directly to the Owners or their assignees;
- b) In the event of damage or partial loss to the Vessel, the hull and machinery insurance proceeds shall be paid by the insurer directly to the Managers or their assignees to be held and utilized in accordance with Clause 7.

## 31. LUBRICATING OILS AND GREASES AND OTHER ITEMS BELONGING TO THE MANAGERS

Unused lubricating oils and greases and the items set forth on Schedule 3 to this Agreement on board the Vessel at the time of delivery to the Owners and commencement of the Management Services under this Agreement are the property of the Managers. The Managers will provide lubricating oils and greases while this Agreement is in force pursuant to Clause 3.2 (iii). Upon termination of this Agreement for any reason, the Owners shall pay the Managers for the cost price of unused/unbroached lubricating oils and greases in sealed drums and in storage tanks and Managers shall remove the items set forth on Schedule 3 and any other items that it owns or leases at Managers' expense.

## 32. ISPS CODE

The Managers shall perform the duties of the "Company" as required by the ISPS Code. The Managers shall also perform the Owners' obligations and benefit from the Owner's rights under the BIMCO ISPS Code Time Charter Party Clause in the charterparty referred to in Clause 22 of this Agreement. The Managers shall be entitled to retain any sums received or recovered from charterers or from any other party in relation to ISPS Code actions and duties. If the Managers incur expenditure as a result of complying with the ISPS Code or making prudent security precautions that

### SCHEDULE 1

#### M/T Overseas Cathy – Management Fee and Drydock Fee Component

CHARTER YEAR	COMMENCING (0001 GMT)	ENDING (2400 GMT)	MANAGEMENT FEE	DRYDOCK FEE COMPONENT
1	October 17, 2005	October 16, 2006	USD 5,800 per day	USD 700 per day
2	October 17, 2006	October 16, 2007	USD 5,800 per day	USD 700 per day
3	October 17, 2007	October 16, 2008	USD 5,945 per day	USD 718 per day
4	October 17, 2008	October 16, 2009	USD 6,094 per day	USD 735 per day
5	October 17, 2009	October 16, 2010	USD 6,246 per day	USD 754 per day
6	October 17, 2010	October 16, 2011	USD 6,402 per day	USD 773 per day
to 6 ¼	October 17, 2011	January 16, 2012	USD 6,562 per day	USD 792 per day

OPTION YEAR	COMMENCING (0001 GMT)	ENDING (2400 GMT)	MANAGEMENT FEE	TIME CHARTER RATE
1	January 17, 2012	October 16, 2012	USD 6,562 per day	USD 792 per day
	October 17, 2012	January 16, 2013	USD 6,726 per day	USD 812 per day
2	January 17, 2013	October 16, 2013	USD 6,726 per day	USD 812 per day
	October 17, 2013	January 16, 2014	USD 6,894 per day	USD 832 per day
3	January 17, 2014	October 16, 2014	USD 6,894 per day	USD 832 per day
	October 17, 2014	January 16, 2015	USD 7,067 per day	USD 853 per day
4	January 17, 2015	October 16, 2015	USD 7,067 per day	USD 853 per day
	October 17, 2015	January 16, 2016	USD 7,243 per day	USD 874 per day
5	January 17, 2016	October 16, 2016	USD 7,243 per day	USD 874 per day
	October 17, 2016	January 16, 2017	USD 7,424 per day	USD 896 per day
6	January 17, 2017	October 16, 2017	USD 7,424 per day	USD 896 per day
	October 17, 2017	January 16, 2018	USD 7,610 per day	USD 918 per day
7	January 17, 2018	October 16, 2018	USD 7,610 per day	USD 918 per day
	October 17, 2018	January 16, 2019	USD 7,800 per day	USD 941 per day

**SCHEDULE 2****M/T Overseas Cathy – Estimated Date of Anticipated Drydocking  
and Agreed Drydocking Cost**

<b>ESTIMATED DATE OF ANTICIPATED DRYDOCKING</b>	<b>AGREED DRYDOCKING COST</b>
1q 2007	\$ 145,000
1q 2009	\$ 790,000
3q 2011	\$ 245,000
1q 2014	\$ 620,000
3q 2016	\$ 715,000
1q 2019	\$ 770,000

does not fall to be apportioned or is not recoverable from sub-charterers pursuant to the BIMCO ISPS Code Time Charter Party Clause, the Owners shall indemnify the Managers for such expenditure as invoiced to the Owners with full supporting documentation.

**SCHEDULE 3**

The following items that are on board the Vessel as of the effective date of this Agreement are and will remain the property of the Managers. These items may remain on board at the sole discretion of and for the use and convenience of the Managers and may be removed at any time after the effective date of this Agreement at the expense of the Managers.

1. Bunkers (IFO and MDO/MGO)
2. Victualling (provisions)
3. All onboard log books up to the time and date of delivery for deck, engine and radio
4. Seller's company forms, documents / stationery and all correspondence and company manuals
5. All ISPS, ISM and quality documentation and correspondence
6. Vessel's Rydex communications e-mail system and server
7. Training video library, books
8. Oxygen / acetylene / freon / nitrogen / argon cylinders / bottles
9. Crew/officers library / walport videos
10. Master's slopchest/bonded stores; personal effects of master, officers and crew
11. Personal hand-held computers
12. Personal cell phones
13. Contents of master's safe
14. Arms / ammunition
15. Works of art, originals, copies, prints, statues
16. Safety clothing / hats or other shirts/hats with OSG logo
17. Certificates/documents to be returned to authorities
18. Seagull training software
19. All Seller's non-class computer software and server
20. Chartco digital chart updates system software



## Part I

## SHIP MANAGEMENT AGREEMENT

1. Date of Agreement

**October 6, 2005**

2. Owners (name, place of registered office and law of registry) (CI. 1)

Name

**Sophie Tanker Corporation**

Place of registered office

**Majuro, Marshall Islands**

Law of registry

**Marshall Islands**

3. Managers (name, place of registered office and law of registry) (CI.1).

Name

**Tanker Management Ltd.**

Place of registered office

**England**

Law of registry

**England**

4. Day and year of commencement of Agreement (CI. 2)

**See Clause 2**

5. Crew management (state “yes” or “no” as agreed) (CI. 3.1)

**Yes**

6. Technical Management (state “yes” or “no” as agreed) (CI. 3.2)

**Yes**

7. Commercial Management (state “yes” or “no” as agreed) (CI. 3.3)

**No.**

8. Insurance Arrangements (state “yes” or “no” as agreed) (CI. 3.4)

**Yes**

9. Accounting Services (state “yes” or “no” as agreed) (CI. 3.5)

**Yes, as per Clause 3.5 only**

10. Sale or purchase of the Vessel (state “yes” or “no” as agreed) (CI. 3.6)

**No**

11. Provisions (state “yes” or “no” as agreed) (CI. 3.7)

**Yes**

12. Bunkering (state “yes” or “no” as agreed) (CI. 3.8)

**No**

13. Chartering Services Period (only to be filled in if “yes” stated in Box 7) (CI. 3.3(i))

**N/A**

14. Owners' Insurance

**See Clause 6.3**

15. Annual Management Fee

**See Clause 8.1**

16. Severance Costs (state maximum amount) (CL 8.4(ii))

**None**

17. Day and year of termination of Agreement (CL 17)

**See Clause 17**

18. Law and Arbitration

**See Clause 19**

19. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Owners (CL 20)

**Sophie Tanker Corporation**  
**26 New Street**  
**St. Helier, Jersey JE 23R4**  
**Channel Islands**

20. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Managers) (CL 20)

**Tanker Management Ltd.**  
**Quorum 4, Balliol Business Park East, Benton Lane,**  
**Newcastle upon Tyne NE 12 8EZ England**

It is mutually agreed between the party stated in Box 2 and the party stated in Box 3 that this Agreement consisting of PART I and PART II and Schedules 1, 2 and 3 attached hereto, shall be performed subject to the conditions contained herein. In the event of a conflict of conditions, the provisions of PART I shall prevail over those of PART II and Schedules 1, 2 and 3 to the extent of such conflict but no further.

Signature(s) (Owners)

Signature(s) (Managers)

SOPHIE TANKER CORPORATION

TANKER MANAGEMENT LTD.

By: /s/ Ole Jacob Diesen

By: /s/ Ian Blackley

Name: Ole Jacob Diesen  
Title: Chief Executive Officer

Name: Ian Blackley  
Title: Director

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## PART II

### Ship Management Agreement

#### 1. Definitions

In this Agreement save where the context otherwise requires, the following words and expressions shall have the meanings hereby assigned to them.

“*Owners*” means the party identified in Box 2.

“*Managers*” means the party identified in Box 3.

“*Vessel*” means the M/T Overseas Sophie, IMO Number 9248837, built in October 2003 by Hyundai Samho Heavy Industries Co., Ltd. in Mokpo, South Korea.

“*Charter*” means the time charter between the Owners and DHT Sophie Aframax Corp. dated October 6, 2005 relating to the Vessel.

“*Crew*” means the Master, officers and ratings of the Vessel.

“*Crew Support Costs*” means all expenses of a general nature which are not particularly referable to any individual vessel for the time being managed by the Managers and which are incurred by the Managers for the purpose of providing an efficient and economic management service and, without prejudice to the generality of the foregoing, shall include the cost of crew standby pay, training schemes for officers and ratings, cadet training schemes, sick pay, study pay, recruitment and interviews.

“*Crew Insurances*” means insurances against crew risks which shall include but not be limited to death, sickness, repatriation, injury, shipwreck unemployment indemnity and loss of personal effects.

“*Management Services*” means the services specified in subclauses 3.1 to 3.8 as indicated affirmatively in Boxes 5, 6, 8, 9 and 11.

“*ISM Code*” means the International Management Code for the Safe Operation of Ships and for Pollution Prevention as adopted by the International Maritime Organization (IMO) by resolution A.741(18) or any subsequent amendment thereto.

“STCW 95” means the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, as amended in 1995 or any subsequent amendment thereto.

## 2. Appointment of Managers

With effect from the day and year of delivery of the Vessel to the Owners pursuant to a Memorandum of Agreement between Owners and Ninth Aframax Tanker Corporation dated September 20, 2005 and continuing unless and until terminated as provided herein, the Owners hereby appoint the Managers and the Managers hereby agree to act as the Managers of the Vessel.

## 3. Basis of Agreement

Subject to the terms and conditions herein provided, during the period of this Agreement, the Managers shall carry out Management Services in respect of the Vessel as agents for and on behalf of the Owners. The Managers shall have authority to take such actions as they may from time to time in their absolute discretion consider to be necessary to enable them to perform this Agreement in accordance with sound ship management practice.

### 3.1 Crew Management

*(only applicable if agreed according to Box 5)*

The Managers shall provide suitably qualified Crew for the Vessel as required by the Owners in accordance with the STCW 95 requirements, provision of which includes but is not limited to the following functions:

- (i) selecting and engaging in Vessel’s Crew, including payroll arrangements, pension administration, and insurances for the Crew;
- (ii) ensuring that the applicable requirements of the law of the flag of the Vessel are satisfied in respect of manning levels, rank qualification and certification of the Crew and employment regulations including Crew’s tax, social insurance, discipline and other requirements;
- (iii) ensuring that all members of the Crew have passed a medical examination with a qualified doctor certifying that they are fit for the duties for which they are engaged and are in possession of valid medical certificates issued in accordance with appropriate flag State requirements. In the absence of applicable flag State requirements the medical certificate shall be dated not more than three months prior to the respective Crew members leaving their country of domicile and maintained for the duration of their service on board the Vessel;
- (iv) ensuring that the Crew shall have a command of the English language of a sufficient standard to enable them to perform their duties safely;
- (v) arranging transportation of the Crew, including repatriation;
- (vi) training of the Crew and supervising their efficiency;
- (vii) conducting union negotiations;
- (viii) operating the Managers’ drug and alcohol policy unless otherwise agreed;
- (ix) If the Owners complain of the conduct of any of the Crew, the Managers shall immediately investigate the complaint. If the complaint proves to be well founded, Managers shall, without delay, make a change in the appointments and the Managers shall in any event communicate the result of their investigation to the Owners as soon as possible.

### 3.2 Technical Management

*(only applicable if agreed according to Box 6)*

The Managers shall provide technical management which includes, but is not limited to, the following functions:

- (i) provision of competent personnel to supervise the maintenance and general efficiency of the Vessel;
- (ii) arrangement and supervision of dry dockings, repairs, alterations and the upkeep of the Vessel necessary to ensure that the Vessel will comply with the requirements of the Charter, the law of the flag of the Vessel and of the places where she trades, and all requirements and recommendations of the classification society;
- (iii) arrangement of the supply of necessary stores, spares and lubricating oil and greases. The level and time of the supply of such items shall be based on that which a prudent owner of a vessel of the age and characteristics of the Vessel (including but not limited its operating history, planned maintenance and known wear and tear) would arrange so as to minimize off-hire time and to undertake such maintenance as may safely be carried out at sea by the crew;
- (iv) appointment of surveyors and technical consultants as the Managers may consider from time to time to be necessary;
- (v) development, implementation and maintenance of a Safety Management System (SMS) in accordance with the ISM Code (see subclause 4.2);

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(vi) ensuring that the Vessel receives at least two visits per year from one of the Managers’ technical superintendents; and.

(vii) arrangement of oil company vetting so as to comply with the Owner’s obligations under the Charter.

### **3.3 Commercial Management**

N/A

### **3.4 Insurance Arrangements**

*(only applicable if agreed according to Box 8)*

The Managers shall arrange insurances in accordance with Clause 6 subject to the following:

Throughout the term of this Agreement, the Managers shall consult with the Owners prior to the time of each renewal of the Owners' Insurances (as defined in Clause 6.1) and, unless the Owners obtain insurance coverage from other parties as set forth below in this Clause 3.4, the Managers shall secure coverage for the Owners' Insurances for the Vessel at the Owners' expense through the Managers' insurance program on coverage amounts (except for hull and machinery insurance in which is subject to Clause 6.6 of this Agreement), terms and conditions that the Managers shall determine. The Managers shall obtain insurance coverage for the Vessel through the Managers' insurance program that is in accordance with the best practice of prudent owners of vessels of a similar type to the Vessel, with first class insurance companies, underwriters or associations. If the Owners can demonstrate that the insurance coverage provided by the Managers is not in accordance with the preceding sentence and the Managers do not make the amendments necessary for such coverage to meet such standards, the Owners shall have the right to place the Owners' Insurances through third parties, provided that (x) the terms and conditions of the Owners' Insurances proposed by the Owners to be placed with third parties do not, in the reasonable opinion of the Managers, impose any additional cost or liability on the Managers under the Charter and (y) prior to placing the insurance through third parties, Owners shall agree to indemnify Managers for any additional cost or liability on the Managers under the Charter resulting from any such insurance placement. If the Owners place any component policy of the Owners' Insurances through third parties in accordance with the preceding sentence, the Managers shall have the right to terminate any other policy placed by it on behalf of the Owners, and (i) any unearned premium advanced by the Owners shall be refunded to the Owners and (ii) any premium due and any liability for calls for the period of coverage placed by the Managers shall remain for the account of the Owners until fully discharged.

The Managers shall arrange for the Owners' Insurances to be in place as of the effective date of this Agreement and shall maintain the insurance cover existing immediately prior to such effective date at least until the discharge of the cargo from its then current voyage.

### **3.5 Accounting Services**

*(only applicable if agreed according to Box 9)*

The Managers shall maintain records relating to those expenditures incurred and monies received in the performance of the Management Services that are necessary for the settlement of accounts between the parties

### **3.6 Sale or Purchase of the Vessel**

N/A.

### **3.7 Provisions**

*(only applicable if agreed according to Box 11)*

The Managers shall arrange for the supply of provisions.

### **3.8 Bunkering**

N/A.

## **4. Managers' Obligations**

**4.1** The Managers undertake to use their best endeavours to provide the agreed Management Services as agents for and on behalf of the Owners in accordance with sound ship management practice customary in the trade and at least equivalent to the standards followed with respect to other vessels for which the Managers provide Management Services, if any, and to protect and promote the interests of the Owners in all matters relating to the provision of services hereunder. Provided, however, that the Managers in the performance of their management responsibilities under this Agreement shall be entitled to have regard to their overall responsibility in relation to all vessels as may from time to time be entrusted to their management and in particular, but without prejudice to the generality of the foregoing, the Managers shall be entitled to allocate available supplies, manpower and services in such manner as in the prevailing circumstances the Managers in their absolute discretion consider to be fair and reasonable.

**4.2** Where the Managers are providing Technical Management in accordance with sub-clause 3.2, they shall procure that the requirements of the law of the flag of the Vessel are satisfied and they shall in particular be deemed to be the "Company" as defined by the ISM Code, assuming the responsibility for the operation of the Vessel and taking over the duties and responsibilities imposed by the ISM Code when applicable.

**4.3** The Management Services as such term is used herein includes the discharge on behalf of the Owners of the Owners' technical and operational obligations to charterers pursuant to the Charter, a copy of which has been supplied to the Managers, including, but not limited to the Owners' technical and operational obligations under Clauses 73A and 75 of such Charter.

**4.4** Managers shall maintain records of technical matters relating to the Vessel including maintenance, repairs and equipment replacement ("Technical Vessel Matters"). Three months after commencement of the Management Services, or such other date as agreed to by the Managers and the Owners, and quarterly thereafter, the Managers shall issue a report to the Owners providing a summary of the Technical Vessel Matters carried out in the previous quarter.

## **5. Owners' Obligations**

**5.1** The Owners shall pay all sums due to the Managers punctually in accordance with the terms of this Agreement.



## 6. Insurance Policies

For so long as the Managers continue to place the Owners' Insurances (as defined below) on behalf of the Owners in accordance with Clause 3.4 of this Agreement, The Managers shall procure that:

6.1 at the Owners' expense, the Vessel is insured for not less than her sound market value or entered for her full gross tonnage, as the case may be for:

- (i) usual hull and machinery marine risks (including crew negligence) and excess liabilities,
- (ii) protection and indemnity risks (including pollution risks and Crew Insurances), and
- (iii) war risks (including protection and indemnity and crew risks)

in each case in accordance with the best practice of prudent owners of vessels of a similar type to the Vessel, with first class insurance companies, underwriters or associations ("the Owners' Insurances");

6.2 all premiums and calls on the Owners' Insurances are paid by their due date at Owners' expense and deductibles up to the amount (per claim) of (i) \$110,000 for hull and machinery marine risks insurance and (ii) \$100,000 for claims under the "Running Down Clause" and the "Fixed and Floating Objects Clause" under the protection and indemnity risks insurance and \$15,000 for all other protection and indemnity claims shall be paid at the Managers' expense. In the event the level of deductibles set for a policy period are increased above the amounts set forth in the preceding sentence, whether by the action of the Owners, the Managers or the insurers, any such incremental increase shall be for the Owners' account. The Owners shall be liable for the allocated cost of any broker's fee paid by the Managers as determined by the Managers on a fair and equitable basis.

6.3 the Owners' Insurances name the Managers and, subject to underwriters' agreement, any third party designated by the Managers as a joint assured, with full cover, with the Managers obtaining cover in respect of each of the Owners' Insurances on terms whereby the Managers and any such third party are liable in respect of premiums or calls arising in connection with the Owners' Insurances.

6.4 written evidence is provided, to the reasonable satisfaction of the Owners, of Managers' compliance with their obligations under Clause 6 within a reasonable time of the commencement of the Agreement, and of each renewal date and, if specifically requested, of each payment date of the Owners' Insurances.

6.5 loss of hire insurance is maintained in accordance with Clause 29.

6.6 the Managers shall obtain hull and machinery insurance in accordance with Clause 6.1 based upon the sound market value as notified to the Managers by the Owners in writing prior to the effective date of this Agreement. The Owners shall notify the Managers in writing if they reasonably require cover for a different value from time to time, which shall not exceed 120% of the sound market value of the Vessel. The Owners alone shall be responsible for assessing and notifying the Managers of the necessary level of cover.

6.7 the Managers shall obtain a certificate of financial responsibility in accordance with the terms of the Charter, and any costs relating to such certificate shall be for the Owners' account.

## 7. Income Collected and Expenses Paid on Behalf of Owners

7.1 All moneys collected by the Managers under the terms of this Agreement (other than moneys payable by the Owners to the Managers) and any interest thereon shall be held to the credit of the Owners in a separate bank account.

7.2 All expenses incurred by the Managers under the terms of this Agreement on behalf of the Owners (including expenses as provided in Clause 8) may be debited against the Owners in the account referred to under sub-clause 7.1 but shall in any event remain payable by the Owners to the Managers on demand.

## 8. Management Fee

8.1 The Owners shall pay to the Managers for their services as Managers under this Agreement a management fee as set forth in Clause 21 (the "Management Fee").

8.2 The Managers shall, at no extra cost to the Owners, provide their own office accommodation, office staff, facilities and stationery.

8.3 In the event of the appointment of the Managers being terminated by the Owners or the Managers in accordance with the provisions of Clauses 18 and 22 other than by reason of default by the Managers, or if the Vessel is lost, sold or otherwise disposed of, in addition to any applicable Management Fee payments for the 90-day notice period set forth in Clause 22, a one-time additional fee of \$45,000, which is to cover the Managers' cancellation costs, shall be due and payable.

8.4 Unless otherwise agreed in writing all discounts and commissions obtained by the Managers in the course of the management of the Vessel shall be credited to the Managers.

## 9. Budgets and Management of Funds

N/A.

## 10. Managers Right to Sub-Contract

The Managers shall not have the right to sub-contract any of their obligations hereunder without the prior written consent of the Owners which shall not be unreasonably withheld; provided however, that the Managers may (i) freely assign any obligations hereunder to any affiliate of the Managers at any time and (ii) utilize the services of third parties to fulfill the Managers' obligations hereunder. In the event of such a sub-contract the Managers shall remain fully liable for the due performance of their obligations under this Agreement.

## 11. Responsibilities

**11.1 Force Majeure** - Neither the Owners nor the Managers shall be under any liability for any failure to perform any of their obligations hereunder by reason of any cause whatsoever of any nature or kind beyond their reasonable control.

**11.2 Liability to Owners** - (i) Without prejudice to sub-clause 11.1, the Managers shall be under no liability whatsoever to the Owners for any loss, damage, delay or expense of whatsoever nature, whether direct or indirect, (including but not limited to loss of profit arising out of or in connection with detention of or delay to the Vessel) and howsoever arising in the course of performance of the Management Services **UNLESS** same is proved to have resulted solely from the negligence or wilful default of the Managers or their employees, or agents or sub-contractors employed by them in connection with the Vessel, in which case (save where loss, damage, delay or expense has resulted from the Managers' personal act or omission committed with the intent to cause same or recklessly and with knowledge that such loss, damage, delay or expense would probably result) the Managers' liability for each incident or series of incidents giving rise to a claim or claims shall never exceed a total of \$2 million.

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(ii) Notwithstanding anything that may appear to the contrary in this Agreement, the Managers shall not be liable for any of the actions of the Crew, even if such actions are negligent or wilful, except only to the extent that they are shown to have resulted from a failure by the Managers to discharge their obligations under sub-clause 3.1

**11.3 Indemnity** - Except to the extent and solely for the amount therein set out that the Managers would be liable under sub-clause 11.2, the Owners hereby undertake to keep the Managers and their employees, agents and sub-contractors indemnified and to hold them harmless against all actions, proceedings, claims, demands or liabilities whatsoever or howsoever arising which may be brought against them or incurred or suffered by them arising out of or in connection with the performance of the Agreement, and against and in respect of all costs, losses, damages and expenses (including legal costs and expenses on a full indemnity basis) which the Managers may suffer or incur (either directly or indirectly) in the course of the performance of this Agreement.

**11.4 "Himalaya"** - It is hereby expressly agreed that no employee or agent of the Managers (including every sub-contractor from time to time employed by the Managers) shall in any circumstances whatsoever be under any liability whatsoever to the Owners for any loss, damage or delay of whatsoever kind arising or resulting directly or indirectly from any act, neglect or default on his part while acting in the course of or in connection with his employment and, without prejudice to the generality of the foregoing provisions in this Clause 11, every exemption, limitation, condition and liberty herein contained and every right, exemption from liability, defence and immunity of whatsoever nature applicable to the Managers or to which the Managers are entitled hereunder shall also be available and shall extend to protect every such employee or agent of the Managers acting as aforesaid and for the purpose of all the foregoing provisions of this Clause 11 the Managers are or shall be deemed to be acting as agent or trustee on behalf and for the benefit of all persons who are or might be their servants or agents from time to time (including sub-contractors as aforesaid) and all such persons shall to this extent be or be deemed to be parties to this Agreement.

## 12. Documentation

Where the Managers are providing Technical Management in accordance with sub-clause 3.2 and/or Crew Management in accordance with sub-clause 3.1, they shall make available, upon Owners' request, all documentation and records related to the Safety Management System (SMS) and/or the Crew which the Owners need in order to demonstrate compliance with the ISM Code and STCW 95 or to defend a claim against a third party. The Owner shall make available, upon Managers' request, all information, documentation and records required under any flag state law, regulation or international convention and to inform the Managers of any changes to those of the Owner's details that are required in the Vessel's continuous synopsis record for the purposes of the ISPS Code .

## 13. General Administration

**13.1** The Managers shall handle and settle all claims arising out of the Management Services hereunder and keep the Owners informed regarding any incident of which the Managers become aware which gives or may give rise to claims or disputes involving third parties; provided, that the settlement of any claims relating to general average or total constructive loss must be done at the direction of the Owners with the Owners' involvement in such settlements..

**13.2** The Managers shall, as instructed by the Owners, bring or defend actions, suits or proceedings in connection with matters entrusted to the Managers according to this Agreement.

**13.3** The Managers shall also have power to obtain legal or technical or other outside expert advice in relation to the handling and settlement of claims and disputes or all other matters affecting the interests of the Owners in respect of the Vessel.

**13.4** The Owners shall arrange for the provision of any necessary guarantee bond or other security.

**13.5** Any costs reasonably incurred by Managers in carrying out its obligations according to Clause 13 in connection with matters entrusted to the Managers under this Agreement shall be reimbursed by the Owners.

**13.6** The Managers are authorized to receive sums payable by third parties to the Owners, including, but not limited to the proceeds of insurance subject to Clause 30, the settlement of claims and under any legal proceedings or arbitrations or any settlement of claims. Where the event(s) which form the subject of such claims have caused the Managers expense under this Agreement, the Managers are entitled to retain all or part of such settlements equal to the amount expended by the Managers.

## 14. Auditing

## 15. Inspection of Vessel

The Owners shall have the right at any time after giving reasonable notice to the Managers to inspect the Vessel for any reason they consider necessary. The Owners and Managers agree to meet on a quarterly basis at the offices of the Managers to discuss the technical management of the Vessel.

## 16. Compliance with Laws and Regulations

The Managers will not do or permit to be done anything which might cause any breach or infringement of the laws and regulations of the Vessel's flag, or of the places where she trades.

## 17. Duration of the Agreement

This Agreement shall come into effect in accordance with Clause 2 and terminate in accordance with Clauses 18 and 22.

## 18. Termination

### 18.1 Owners' default

- (i) The Managers shall be entitled to terminate the Agreement with immediate effect by notice in writing if any moneys payable by the Owners under this Agreement shall not have been received in the Managers' nominated account within ten running days of receipt by the Owners of the Managers' written request or if the Vessel is repossessed by the Mortgagees.
- (ii) If the Owners: proceed with the employment of or continue to employ the Vessel in the carriage of contraband, blockade running, or in an unlawful trade, or on a voyage which in the reasonable opinion of the Managers is unduly hazardous or improper, the Managers may give notice of the default to the Owners, requiring them to remedy it as soon as practically possible. In the event that the Owners fail to remedy it within a reasonable time to the satisfaction of

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the Managers, the Managers shall be entitled to terminate the Agreement with immediate effect by notice in writing.

### 18.2 Managers' Default

If the Managers fail to meet their obligations under Clauses 3 and 4 of this Agreement for any reason within the control of the Managers, the Owners may give notice to the Managers of the default, requiring them to remedy it as soon as practically possible. In the event that the Managers fail to remedy it within a reasonable time to the satisfaction of the Owners, the Owners shall be entitled to terminate the Agreement with immediate effect by notice in writing.

### 18.3 Extraordinary Termination

This Agreement shall be deemed to be terminated in the case of the sale of the Vessel or if the Vessel becomes a total loss or is declared as a constructive or compromised or arranged total loss or is requisitioned.

### 18.4 For the purpose of sub-clause 8.3 hereof

- (i) the date upon which the Vessel is to be treated as having been sold or otherwise disposed of shall be the date on which the Owners cease to be registered as Owners of the Vessel;
- (ii) the Vessel shall not be deemed to be lost unless either she has become an actual total loss or agreement has been reached with her underwriters in respect of her constructive, comprised or arranged total loss or if such agreement with her underwriters is not reached it is adjudged by a competent tribunal that a constructive loss of the Vessel has occurred.

**18.5** This Agreement shall terminate forthwith in the event of an order being made or resolution passed for the winding up, dissolution, liquidation or bankruptcy of either party (otherwise than for the purpose of reconstruction or amalgamation) or if a receiver is appointed, or if it suspends payment, ceases to carry on business or makes any special arrangement or composition with its creditors.

**18.6** The termination of this Agreement shall be without prejudice to all rights accrued due between the parties prior to the date of termination.

## 19. Law and Arbitration

**19.1** This Agreement shall be construed and the relations between the parties determined in accordance with the laws of the State of New York, U.S.A.

**19.2** All disputes arising out of this Agreement shall be referred to arbitration in New York in accordance with the Rules of the Society of Marine Arbitrators, Inc., New York (SMA). Any award of the arbitrator(s) shall be final and binding and not subject to appeal.

## 20. Notices

**20.1** Any notice to be given by either party to the other party shall be in writing and may be sent by fax, telex, registered or recorded mail or by personal service.

**20.2** The address of the Parties for service of such communication shall be as stated in Boxes 19 and 20, respectively.

## 21. MANAGEMENT FEE

During the first two years following the effective date of this Agreement as set forth in Clause 2, the Owners shall pay to the Managers for the Management Services under this Agreement a fixed daily management fee (the "Management Fee"), of \$5,800 per day, or part of a day, payable monthly in advance based on the actual number of days in the applicable month. The Management Fee shall increase by 2.5% per contract year thereafter for so long as this Agreement is in effect. Unless otherwise expressly provided in this Agreement, the Management Fee shall constitute payment in full for all of the Management Services, (which expression, for the avoidance of doubt for these purposes, includes the cost of insurance deductibles pursuant to Clause 6.2 (but not insurance premiums or calls), drydocking (subject to Clause 28), repairs (subject to Clauses 27 and 28) and the personnel and items supplied and arranged as part of the Management Services, including but not limited to the Crew, stores, spares and lubricating oil and their transportation).

## **22. DURATION AND TERMINATION**

The term of this Agreement shall begin at the time specified in Clause 2 and shall continue in force until the expiration of the Charter, unless terminated in accordance with Clause 18 of this Agreement; provided, however, that (i) the Managers shall have the right to terminate this Agreement upon 90 days, prior written notice to the Owners following the second anniversary of the effective date of this Agreement and (ii) the Owners shall have the right to terminate this Agreement upon 90 days prior written notice to the Managers at any time.

## **23. COMMUNICATIONS**

All communications under this Agreement shall be in the English language.

## **24. ASSIGNMENT CLAUSE**

The Owners may, upon giving notice to the Managers, assign all of their rights under this Agreement to any mortgagee of the Vessel provided that such assignment shall not otherwise prejudice any of the rights of the Managers under this Agreement. The Managers shall acknowledge any assignment that complies with this Clause in such form as the mortgagee may reasonably request.

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## **25. THIRD PARTY RIGHTS**

Except as stated in this Clause, the parties to this Agreement do not intend that any of the terms will be enforceable by any person not a party to it. This clause shall not apply to companies in the same groups as either the Owners or the Managers or to crew or to employees, sub-contractors and agents of the Managers to whom Clause 11.4 "Himalaya" would apply but for this clause.

## **26. INDEMNIFICATION**

Notwithstanding anything to the contrary in this Agreement, but subject to Clause 11.2, the Managers shall indemnify the Owners against the consequences of any failure by Managers to comply with the requirements of this Agreement. This indemnity shall include (without limitation) liabilities which the Owners may incur to the Charterers pursuant to the Charter resulting from a failure of the Managers to perform their obligations under this Agreement. The Managers' liability under this indemnity in relation to environmental claims and such third party claims against the Vessel or the Owners that are included in the terms of the protection and indemnity insurance of the Vessel shall be limited to the terms of such protection and indemnity insurance.

## **27. CHANGES AND/OR IMPROVEMENT NECESSARY FOR THE OPERATION OF THE VESSEL OR IMPOSED BY LEGISLATION, CLASS OR VETTING APPROVALS**

In the event that any improvement, structural change or the installation of new equipment is imposed by (a) compulsory legislation, (b) class rules or (c) an oil company whose vetting approval is required pursuant to Clause 57 of the Charter, the Managers shall, at the expense of the Owners effect such improvement, structural change or installation. The Owners shall reimburse the Managers for all costs arising under this clause no later than the fifth business day following notice from the Managers. Owners shall not be liable for the cost of any improvement, structural change or installation that is requested by or made for the account of the Charterer or for which the Charterer is otherwise responsible.

In the event any improvement, structural change or the installation of new equipment is deemed necessary by the Managers but is not imposed or required pursuant to the first paragraph of this Clause 27, Managers shall have the right, at their own cost, to effect such improvement, structural change or installation, with the Owners consent which shall not be unreasonably withheld.

The Owners shall be notified in writing in advance by the Managers about any changes and/or improvements under this Clause 27.

Any change, improvement or installation made pursuant to this Clause 27 (other than any change or improvement to, or installation of, equipment that belongs to the Managers or a third party) shall be the property of Owners.

## **28. REIMBURSEMENT OF DRYDOCKING EXPENSES; UNANTICIPATED REPAIRS**

Such portion of the Management Fee under this Agreement set forth on Schedule 1 hereto (the "Drydock Fee Component") is deemed to be attributed to the cost of the drydockings scheduled to be performed on the Vessel during the term of this Agreement (each an "Anticipated Drydocking"). Schedule 2 attached hereto sets forth the dates of the Anticipated Drydocking and the associated drydocking costs agreed to by the Managers and the Owners (the "Agreed Drydocking Cost"). Throughout the term of the Agreement, the Managers shall maintain the balance of a notional account (the "Drydock Account") which (a) shall be credited in an amount equal to the applicable Drydock Fee Component at the time of each monthly payment of the Management Fee and (b) shall be debited in an amount equal to the Agreed Drydocking Cost at the time any Anticipated Drydocking is completed (regardless of whether the drydock costs actually incurred by the Managers are in fact less than or greater than the Agreed Drydocking Cost). The Managers are not required to physically maintain the Drydock Account in a bank account, nor provide for any interest thereon.

Upon the termination of this Agreement by either party, (i) to the extent the Drydock has a credit balance, the Managers shall pay to the Owners an amount equal to such credit balance, and (ii) to the extent the Drydock Account has a debit balance, the Owners shall pay to the Managers an amount equal to such debit balance.

In the event any repairs to the Vessel are required to be made following the initial Anticipated Drydocking that are reasonably unanticipated by the Managers and not due to the fair wear and tear of the Vessel or its components and are not fully covered by hull and machinery insurance or warranty, the cost attributable to such repairs in excess of such insurance coverage and deductibles which may occur at a subsequent Anticipated Drydocking or otherwise (in excess of any applicable insurance or warranty payments) shall be for the account of the Owner.

## 29. LOSS OF HIRE INSURANCE

The Managers shall procure, at the Owners' expense, loss of hire insurance on behalf of Owners on terms and conditions as requested by the Owners subject to the availability of such coverage on commercially reasonable terms. The Managers shall not be responsible for any deductible payments with respect to such loss of hire insurance. The Managers shall arrange for loss of hire insurance, with a deductible of 14 days and maximum coverage of 120 days, to be in place as of the effective date of this Agreement.

## 30. PROCEEDS OF INSURANCES

The Managers shall procure, with the Owners' cooperation where required, that loss payable clauses are attached to the various policies of insurance over the Vessel so as to direct the proceeds of insurance as follows:

- a) In the event of actual or constructive total loss of the Vessel, the hull and machinery insurance proceeds shall be paid by the insurer directly to the Owners or their assignees;
- b) In the event of damage or partial loss to the Vessel, the hull and machinery insurance proceeds shall be paid by the insurer directly to the Managers or their assignees to be held and utilized in accordance with Clause 7.

## 31. LUBRICATING OILS AND GREASES AND OTHER ITEMS BELONGING TO THE MANAGERS

Unused lubricating oils and greases and the items set forth on Schedule 3 to this Agreement on board the Vessel at the time of delivery to the Owners and commencement of the Management Services under this Agreement are the property of the Managers. The Managers will provide lubricating oils and greases while this Agreement is in force pursuant to Clause 3.2 (iii). Upon termination of this Agreement for any reason, the Owners shall pay the Managers for the cost price of unused/unbroached lubricating oils and greases in sealed drums and in storage tanks and Managers shall remove the items set forth on Schedule 3 and any other items that it owns or leases at Managers' expense.

## 32. ISPS CODE

The Managers shall perform the duties of the "Company" as required by the ISPS Code. The Managers shall also perform the Owners' obligations and benefit from the Owner's rights under the BIMCO ISPS Code Time Charter Party Clause in the charterparty referred to in Clause 22 of this Agreement. The Managers shall be entitled to retain any sums received or recovered from charterers or from any other party in relation to ISPS Code actions and duties. If the Managers incur expenditure as a result of complying with the ISPS Code or making prudent security precautions that does not fall to be apportioned or is not recoverable from sub-charterers pursuant to the BIMCO ISPS Code Time Charter Party Clause, the Owners shall indemnify the Managers for such expenditure as invoiced to the Owners with full supporting documentation.

### SCHEDULE 1

#### M/T Overseas Sophie – Management Fee and Drydock Fee Component

CHARTER YEAR	COMMENCING (0001 GMT)	ENDING (2400 GMT)	MANAGEMENT FEE	DRYDOCK FEE COMPONENT
1	October 17, 2005	October 16, 2006	USD 5,800 per day	USD 700 per day
2	October 17, 2006	October 16, 2007	USD 5,800 per day	USD 700 per day
3	October 17, 2007	October 16, 2008	USD 5,945 per day	USD 718 per day
4	October 17, 2008	October 16, 2009	USD 6,094 per day	USD 735 per day
5	October 17, 2009	October 16, 2010	USD 6,246 per day	USD 754 per day
to 5 ¾	October 17, 2010	July 16, 2011	USD 6,402 per day	USD 773 per day
OPTION YEAR	COMMENCING (0001 GMT)	ENDING (2400 GMT)	MANAGEMENT FEE	TIME CHARTER RATE
1	July 17, 2011	October 16, 2011	USD 6,402 per day	USD 773 per day
	October 17, 2011	July 16, 2012	USD 6,562 per day	USD 792 per day
2	July 17, 2012	October 16, 2012	USD 6,562 per day	USD 792 per day
	October 17, 2012	July 16, 2013	USD 6,726 per day	USD 812 per day
3	July 17, 2013	October 16, 2013	USD 6,726 per day	USD 812 per day
	October 17, 2013	July 16, 2014	USD 6,894 per day	USD 832 per day
4	July 17, 2014	October 16, 2014	USD 6,894 per day	USD 832 per day
	October 17, 2014	July 16, 2015	USD 7,067 per day	USD 853 per day
5	July 17, 2015	October 16, 2015	USD 7,067 per day	USD 853 per day
	October 17, 2015	July 16, 2016	USD 7,243 per day	USD 874 per day
6	July 17, 2016	October 16, 2016	USD 7,243 per day	USD 874 per day
	October 17, 2016	July 16, 2017	USD 7,424 per day	USD 896 per day

7	July 17, 2017	October 16, 2017	USD 7,424 per day	USD 896 per day
	October 17, 2017	July 16, 2018	USD 7,610 per day	USD 918 per day
8	July 17, 2018	October 16, 2018	USD 7,610 per day	USD 918 per day
	October 17, 2018	July 16, 2019	USD 7,800 per day	USD 941 per day

## SCHEDULE 2

### M/T Overseas Sophie – Estimated Date of Anticipated Drydocking and Agreed Drydocking Cost

ESTIMATED DATE OF ANTICIPATED DRYDOCKING	AGREED DRYDOCKING COST
1q 2006	\$ 45,000
4q 2008	\$ 770,000
2q 2011	\$ 245,000
4q 2013	\$ 605,000
2q 2016	\$ 715,000
4q 2018	\$ 750,000

## SCHEDULE 3

The following items that are on board the Vessel as of the effective date of this Agreement are and will remain the property of the Managers. These items may remain on board at the sole discretion of and for the use and convenience of the Managers and may be removed at any time after the effective date of this Agreement at the expense of the Managers.

1. Bunkers (IFO and MDO/MGO)
2. Victualling (provisions)
3. All onboard log books up to the time and date of delivery for deck, engine and radio
4. Seller's company forms, documents / stationery and all correspondence and company manuals
5. All ISPS, ISM and quality documentation and correspondence
6. Vessel's Rydex communications e-mail system and server
7. Training video library, books
8. Oxygen / acetylene / freon / nitrogen / argon cylinders / bottles
9. Crew/officers library / walport videos
10. Master's slopchest/bonded stores; personal effects of master, officers and crew
11. Personal hand-held computers
12. Personal cell phones
13. Contents of master's safe
14. Arms / ammunition
15. Works of art, originals, copies, prints, statues
16. Safety clothing / hats or other shirts/hats with OSG logo
17. Certificates/documents to be returned to authorities
18. Seagull training software
19. All Seller's non-class computer software and server
20. Chartco digital chart updates system software
21. Any rented or leased or third party's equipment

## Part I

## SHIP MANAGEMENT AGREEMENT

1. Date of Agreement

**October 6, 2005**

2. Owners (name, place of registered office and law of registry) (CI. 1)

Name

**Rebecca Tanker Corporation**

Place of registered office

**Majuro, Marshall Islands**

Law of registry

**Marshall Islands**

3. Managers (name, place of registered office and law of registry) (CI.1).

Name

**Tanker Management Ltd.**

Place of registered office

**England**

Law of registry

**England**

4. Day and year of commencement of Agreement (CI. 2)

**See Clause 2**

5. Crew management (state “yes” or “no” as agreed) (CI. 3.1)

**Yes**

6. Technical Management (state “yes” or “no” as agreed) (CI. 3.2)

**Yes**

7. Commercial Management (state “yes” or “no” as agreed) (CI. 3.3)

**No.**

8. Insurance Arrangements (state “yes” or “no” as agreed) (CI. 3.4)

**Yes**

9. Accounting Services (state “yes” or “no” as agreed) (CI. 3.5)

**Yes, as per Clause 3.5 only**

10. Sale or purchase of the Vessel (state “yes” or “no” as agreed) (CI. 3.6)

**No**

11. Provisions (state “yes” or “no” as agreed) (CI. 3.7)

**Yes**

12. Bunkering (state “yes” or “no” as agreed) (CI. 3.8)

**No**

13. Chartering Services Period (only to be filled in if “yes” stated in Box 7) (CI. 3.3(i))

**N/A**

14. Owners’ Insurance

**See Clause 6.3**

15. Annual Management Fee

**See Clause 8.1**

16. Severance Costs (state maximum amount) (CL 8.4(ii))

**None**

17. Day and year of termination of Agreement (CL 17)

**See Clause 17**

18. Law and Arbitration

**See Clause 19**

19. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Owners (CL 20))

**Rebecca Tanker Corporation**  
**26 New Street**  
**St. Helier, Jersey JE 23R4**  
**Channel Islands**

20. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Managers) (CL 20)

**Tanker Management Ltd.**  
**Quorum 4, Balliol Business Park East, Benton Lane,**  
**Newcastle upon Tyne NE 12 8EZ England**

It is mutually agreed between the party stated in Box 2 and the party stated in Box 3 that this Agreement consisting of PART I and PART II and Schedules 1, 2 and 3 attached hereto, shall be performed subject to the conditions contained herein. In the event of a conflict of conditions, the provisions of PART I shall prevail over those of PART II and Schedules 1, 2 and 3 to the extent of such conflict but no further.

Signature(s) (Owners)

Signature(s) (Managers)

REBECCA TANKER CORPORATION

TANKER MANAGEMENT LTD.

By: /s/ Ole Jacob Diesen

By: /s/ Ian Blackley

Name: Ole Jacob Diesen

Name: Ian Blackley

Title: Chief Executive Officer

Title: Director

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## PART II

### Ship Management Agreement

#### 1. Definitions

In this Agreement save where the context otherwise requires, the following words and expressions shall have the meanings hereby assigned to them.

“*Owners*” means the party identified in Box 2.

“*Managers*” means the party identified in Box 3.

“*Vessel*” means the M/T Rebecca, IMO Number 9043031, build in March 1994 by Hyundai Heavy Industries Co., Ltd. in Ulsan, South Korea.

“*Charter*” means the time charter between the Owners and DHT Rebecca Aframax Corporation dated October 6, 2005 relating to the Vessel.

“*Crew*” means the Master, officers and ratings of the Vessel.

“*Crew Support Costs*” means all expenses of a general nature which are not particularly referable to any individual vessel for the time being managed by the Managers and which are incurred by the Managers for the purpose of providing an efficient and economic management service and, without prejudice to the generality of the foregoing, shall include the cost of crew standby pay, training schemes for officers and ratings, cadet training schemes, sick pay, study pay, recruitment and interviews.

“*Crew Insurances*” means insurances against crew risks which shall include but not be limited to death, sickness, repatriation, injury, shipwreck unemployment indemnity and loss of personal effects.

“*Management Services*” means the services specified in subclauses 3.1 to 3.8 as indicated affirmatively in Boxes 5, 6, 8, 9 and 11.

“*ISM Code*” means the International Management Code for the Safe Operation of Ships and for Pollution Prevention as adopted by the International Maritime Organization (IMO) by resolution A.741(18) or any subsequent amendment thereto.



“STCW 95” means the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, as amended in 1995 or any subsequent amendment thereto.

## 2. Appointment of Managers

With effect from the day and year of delivery of the Vessel to the Owners pursuant to a Memorandum of Agreement between Owners and Third Aframax Tanker Corporation dated September 20, 2005 and continuing unless and until terminated as provided herein, the Owners hereby appoint the Managers and the Managers hereby agree to act as the Managers of the Vessel.

## 3. Basis of Agreement

Subject to the terms and conditions herein provided, during the period of this Agreement, the Managers shall carry out Management Services in respect of the Vessel as agents for and on behalf of the Owners. The Managers shall have authority to take such actions as they may from time to time in their absolute discretion consider to be necessary to enable them to perform this Agreement in accordance with sound ship management practice.

### 3.1 Crew Management

*(only applicable if agreed according to Box 5)*

The Managers shall provide suitably qualified Crew for the Vessel as required by the Owners in accordance with the STCW 95 requirements, provision of which includes but is not limited to the following functions:

- (i) selecting and engaging in Vessel’s Crew, including payroll arrangements, pension administration, and insurances for the Crew;
- (ii) ensuring that the applicable requirements of the law of the flag of the Vessel are satisfied in respect of manning levels, rank qualification and certification of the Crew and employment regulations including Crew’s tax, social insurance, discipline and other requirements;
- (iii) ensuring that all members of the Crew have passed a medical examination with a qualified doctor certifying that they are fit for the duties for which they are engaged and are in possession of valid medical certificates issued in accordance with appropriate flag State requirements. In the absence of applicable flag State requirements the medical certificate shall be dated not more than three months prior to the respective Crew members leaving their country of domicile and maintained for the duration of their service on board the Vessel;
- (iv) ensuring that the Crew shall have a command of the English language of a sufficient standard to enable them to perform their duties safely;
- (v) arranging transportation of the Crew, including repatriation;
- (vi) training of the Crew and supervising their efficiency;
- (vii) conducting union negotiations;
- (viii) operating the Managers’ drug and alcohol policy unless otherwise agreed;
- (ix) If the Owners complain of the conduct of any of the Crew, the Managers shall immediately investigate the complaint. If the complaint proves to be well founded, Managers shall, without delay, make a change in the appointments and the Managers shall in any event communicate the result of their investigation to the Owners as soon as possible.

### 3.2 Technical Management

*(only applicable if agreed according to Box 6)*

The Managers shall provide technical management which includes, but is not limited to, the following functions:

- (i) provision of competent personnel to supervise the maintenance and general efficiency of the Vessel;
- (ii) arrangement and supervision of dry dockings, repairs, alterations and the upkeep of the Vessel necessary to ensure that the Vessel will comply with the requirements of the Charter, the law of the flag of the Vessel and of the places where she trades, and all requirements and recommendations of the classification society;
- (iii) arrangement of the supply of necessary stores, spares and lubricating oil and greases. The level and time of the supply of such items shall be based on that which a prudent owner of a vessel of the age and characteristics of the Vessel (including but not limited its operating history, planned maintenance and known wear and tear) would arrange so as to minimize off-hire time and to undertake such maintenance as may safely be carried out at sea by the crew;
- (iv) appointment of surveyors and technical consultants as the Managers may consider from time to time to be necessary;
- (v) development, implementation and maintenance of a Safety Management System (SMS) in accordance with the ISM Code (see subclause 4.2);

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(vi) ensuring that the Vessel receives at least two visits per year from one of the Managers’ technical superintendents; and.

(vii) arrangement of oil company vetting so as to comply with the Owner’s obligations under the Charter.

### 3.3 Commercial Management

N/A

### **3.4 Insurance Arrangements**

*(only applicable if agreed according to Box 8)*

The Managers shall arrange insurances in accordance with Clause 6 subject to the following:

Throughout the term of this Agreement, the Managers shall consult with the Owners prior to the time of each renewal of the Owners' Insurances (as defined in Clause 6.1) and, unless the Owners obtain insurance coverage from other parties as set forth below in this Clause 3.4, the Managers shall secure coverage for the Owners' Insurances for the Vessel at the Owners' expense through the Managers' insurance program on coverage amounts (except for hull and machinery insurance in which is subject to Clause 6.6 of this Agreement), terms and conditions that the Managers shall determine. The Managers shall obtain insurance coverage for the Vessel through the Managers' insurance program that is in accordance with the best practice of prudent owners of vessels of a similar type to the Vessel, with first class insurance companies, underwriters or associations. If the Owners can demonstrate that the insurance coverage provided by the Managers is not in accordance with the preceding sentence and the Managers do not make the amendments necessary for such coverage to meet such standards, the Owners shall have the right to place the Owners' Insurances through third parties, provided that (x) the terms and conditions of the Owners' Insurances proposed by the Owners to be placed with third parties do not, in the reasonable opinion of the Managers, impose any additional cost or liability on the Managers under the Charter and (y) prior to placing the insurance through third parties, Owners shall agree to indemnify Managers for any additional cost or liability on the Managers under the Charter resulting from any such insurance placement. If the Owners place any component policy of the Owners' Insurances through third parties in accordance with the preceding sentence, the Managers shall have the right to terminate any other policy placed by it on behalf of the Owners, and (i) any unearned premium advanced by the Owners shall be refunded to the Owners and (ii) any premium due and any liability for calls for the period of coverage placed by the Managers shall remain for the account of the Owners until fully discharged.

The Managers shall arrange for the Owners' Insurances to be in place as of the effective date of this Agreement and shall maintain the insurance cover existing immediately prior to such effective date at least until the discharge of the cargo from its then current voyage.

### **3.5 Accounting Services**

*(only applicable if agreed according to Box 9)*

The Managers shall maintain records relating to those expenditures incurred and monies received in the performance of the Management Services that are necessary for the settlement of accounts between the parties

### **3.6 Sale or Purchase of the Vessel**

N/A.

### **3.7 Provisions**

*(only applicable if agreed according to Box 11)*

The Managers shall arrange for the supply of provisions.

### **3.8 Bunkering**

N/A.

## **4. Managers' Obligations**

**4.1** The Managers undertake to use their best endeavours to provide the agreed Management Services as agents for and on behalf of the Owners in accordance with sound ship management practice customary in the trade and at least equivalent to the standards followed with respect to other vessels for which the Managers provide Management Services, if any, and to protect and promote the interests of the Owners in all matters relating to the provision of services hereunder. Provided, however, that the Managers in the performance of their management responsibilities under this Agreement shall be entitled to have regard to their overall responsibility in relation to all vessels as may from time to time be entrusted to their management and in particular, but without prejudice to the generality of the foregoing, the Managers shall be entitled to allocate available supplies, manpower and services in such manner as in the prevailing circumstances the Managers in their absolute discretion consider to be fair and reasonable.

**4.2** Where the Managers are providing Technical Management in accordance with sub-clause 3.2, they shall procure that the requirements of the law of the flag of the Vessel are satisfied and they shall in particular be deemed to be the "Company" as defined by the ISM Code, assuming the responsibility for the operation of the Vessel and taking over the duties and responsibilities imposed by the ISM Code when applicable.

**4.3** The Management Services as such term is used herein includes the discharge on behalf of the Owners of the Owners' technical and operational obligations to charterers pursuant to the Charter, a copy of which has been supplied to the Managers, including, but not limited to the Owners' technical and operational obligations under Clauses 73A and 75 of such Charter.

**4.4** Managers shall maintain records of technical matters relating to the Vessel including maintenance, repairs and equipment replacement ("Technical Vessel Matters"). Three months after commencement of the Management Services, or such other date as agreed to by the Managers and the Owners, and quarterly thereafter, the Managers shall issue a report to the Owners providing a summary of the Technical Vessel Matters carried out in the previous quarter.

## **5. Owners' Obligations**

**5.1** The Owners shall pay all sums due to the Managers punctually in accordance with the terms of this Agreement.

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## 6. Insurance Policies

For so long as the Managers continue to place the Owners' Insurances (as defined below) on behalf of the Owners in accordance with Clause 3.4 of this Agreement, The Managers shall procure that:

- 6.1 at the Owners' expense, the Vessel is insured for not less than her sound market value or entered for her full gross tonnage, as the case may be for:
- (i) usual hull and machinery marine risks (including crew negligence) and excess liabilities,
  - (ii) protection and indemnity risks (including pollution risks and Crew Insurances), and
  - (iii) war risks (including protection and indemnity and crew risks)

in each case in accordance with the best practice of prudent owners of vessels of a similar type to the Vessel, with first class insurance companies, underwriters or associations ("the Owners' Insurances");

6.2 all premiums and calls on the Owners' Insurances are paid by their due date at Owners' expense and deductibles up to the amount (per claim) of (i) \$110,000 for hull and machinery marine risks insurance and (ii) \$100,000 for claims under the "Running Down Clause" and the "Fixed and Floating Objects Clause" under the protection and indemnity risks insurance and \$15,000 for all other protection and indemnity claims shall be paid at the Managers' expense. In the event the level of deductibles set for a policy period are increased above the amounts set forth in the preceding sentence, whether by the action of the Owners, the Managers or the insurers, any such incremental increase shall be for the Owners' account. The Owners shall be liable for the allocated cost of any broker's fee paid by the Managers as determined by the Managers on a fair and equitable basis.

6.3 the Owners' Insurances name the Managers and, subject to underwriters' agreement, any third party designated by the Managers as a joint assured, with full cover, with the Managers obtaining cover in respect of each of the Owners' Insurances on terms whereby the Managers and any such third party are liable in respect of premiums or calls arising in connection with the Owners' Insurances.

6.4 written evidence is provided, to the reasonable satisfaction of the Owners, of Managers' compliance with their obligations under Clause 6 within a reasonable time of the commencement of the Agreement, and of each renewal date and, if specifically requested, of each payment date of the Owners' Insurances.

6.5 loss of hire insurance is maintained in accordance with Clause 29.

6.6 the Managers shall obtain hull and machinery insurance in accordance with Clause 6.1 based upon the sound market value as notified to the Managers by the Owners in writing prior to the effective date of this Agreement. The Owners shall notify the Managers in writing if they reasonably require cover for a different value from time to time, which shall not exceed 120% of the sound market value of the Vessel. The Owners alone shall be responsible for assessing and notifying the Managers of the necessary level of cover.

6.7 the Managers shall obtain a certificate of financial responsibility in accordance with the terms of the Charter, and any costs relating to such certificate shall be for the Owners' account.

## 7. Income Collected and Expenses Paid on Behalf of Owners

7.1 All moneys collected by the Managers under the terms of this Agreement (other than moneys payable by the Owners to the Managers) and any interest thereon shall be held to the credit of the Owners in a separate bank account.

7.2 All expenses incurred by the Managers under the terms of this Agreement on behalf of the Owners (including expenses as provided in Clause 8) may be debited against the Owners in the account referred to under sub-clause 7.1 but shall in any event remain payable by the Owners to the Managers on demand.

## 8. Management Fee

8.1 The Owners shall pay to the Managers for their services as Managers under this Agreement a management fee as set forth in Clause 21 (the "Management Fee").

8.2 The Managers shall, at no extra cost to the Owners, provide their own office accommodation, office staff, facilities and stationery.

8.3 In the event of the appointment of the Managers being terminated by the Owners or the Managers in accordance with the provisions of Clauses 18 and 22 other than by reason of default by the Managers, or if the Vessel is lost, sold or otherwise disposed of, in addition to any applicable Management Fee payments for the 90-day notice period set forth in Clause 22, a one-time additional fee of \$45,000, which is to cover the Managers' cancellation costs, shall be due and payable.

8.4 Unless otherwise agreed in writing all discounts and commissions obtained by the Managers in the course of the management of the Vessel shall be credited to the Managers.

## 9. Budgets and Management of Funds

N/A.

## 10. Managers Right to Sub-Contract

The Managers shall not have the right to sub-contract any of their obligations hereunder without the prior written consent of the Owners which shall not be unreasonably withheld; provided however, that the Managers may (i) freely assign any obligations hereunder to any affiliate of the Managers at any

time and (ii) utilize the services of third parties to fulfill the Managers' obligations hereunder. In the event of such a sub-contract the Managers shall remain fully liable for the due performance of their obligations under this Agreement.

## 11. Responsibilities

**11.1 Force Majeure** - Neither the Owners nor the Managers shall be under any liability for any failure to perform any of their obligations hereunder by reason of any cause whatsoever of any nature or kind beyond their reasonable control.

**11.2 Liability to Owners** - (i) Without prejudice to sub-clause 11.1, the Managers shall be under no liability whatsoever to the Owners for any loss, damage, delay or expense of whatsoever nature, whether direct or indirect, (including but not limited to loss of profit arising out of or in connection with detention of or delay to the Vessel) and howsoever arising in the course of performance of the Management Services UNLESS same is proved to have resulted solely from the negligence or wilful default of the Managers or their employees, or agents or sub-contractors employed by them in connection with the Vessel, in which case (save where loss, damage, delay or expense has resulted from the Managers' personal act or omission committed with the intent to cause same or recklessly and with knowledge that such loss, damage, delay or expense would probably result) the Managers' liability for each incident or series of incidents giving rise to a claim or claims shall never exceed a total of \$2 million.

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(ii) Notwithstanding anything that may appear to the contrary in this Agreement, the Managers shall not be liable for any of the actions of the Crew, even if such actions are negligent or wilful, except only to the extent that they are shown to have resulted from a failure by the Managers to discharge their obligations under sub-clause 3.1

**11.3 Indemnity** - Except to the extent and solely for the amount therein set out that the Managers would be liable under sub-clause 11.2, the Owners hereby undertake to keep the Managers and their employees, agents and sub-contractors indemnified and to hold them harmless against all actions, proceedings, claims, demands or liabilities whatsoever or howsoever arising which may be brought against them or incurred or suffered by them arising out of or in connection with the performance of the Agreement, and against and in respect of all costs, losses, damages and expenses (including legal costs and expenses on a full indemnity basis) which the Managers may suffer or incur (either directly or indirectly) in the course of the performance of this Agreement.

**11.4 "Himalaya"** - It is hereby expressly agreed that no employee or agent of the Managers (including every sub-contractor from time to time employed by the Managers) shall in any circumstances whatsoever be under any liability whatsoever to the Owners for any loss, damage or delay of whatsoever kind arising or resulting directly or indirectly from any act, neglect or default on his part while acting in the course of or in connection with his employment and, without prejudice to the generality of the foregoing provisions in this Clause 11, every exemption, limitation, condition and liberty herein contained and every right, exemption from liability, defence and immunity of whatsoever nature applicable to the Managers or to which the Managers are entitled hereunder shall also be available and shall extend to protect every such employee or agent of the Managers acting as aforesaid and for the purpose of all the foregoing provisions of this Clause 11 the Managers are or shall be deemed to be acting as agent or trustee on behalf and for the benefit of all persons who are or might be their servants or agents from time to time (including sub-contractors as aforesaid) and all such persons shall to this extent be or be deemed to be parties to this Agreement.

## 12. Documentation

Where the Managers are providing Technical Management in accordance with sub-clause 3.2 and/or Crew Management in accordance with sub-clause 3.1, they shall make available, upon Owners' request, all documentation and records related to the Safety Management System (SMS) and/or the Crew which the Owners need in order to demonstrate compliance with the ISM Code and STCW 95 or to defend a claim against a third party. The Owner shall make available, upon Managers' request, all information, documentation and records required under any flag state law, regulation or international convention and to inform the Managers of any changes to those of the Owner's details that that are required in the Vessel's continuous synopsis record for the purposes of the ISPS Code .

## 13. General Administration

**13.1** The Managers shall handle and settle all claims arising out of the Management Services hereunder and keep the Owners informed regarding any incident of which the Managers become aware which gives or may give rise to claims or disputes involving third parties; provided, that the settlement of any claims relating to general average or total constructive loss must be done at the direction of the Owners with the Owners' involvement in such settlements..

**13.2** The Managers shall, as instructed by the Owners, bring or defend actions, suits or proceedings in connection with matters entrusted to the Managers according to this Agreement.

**13.3** The Managers shall also have power to obtain legal or technical or other outside expert advice in relation to the handling and settlement of claims and disputes or all other matters affecting the interests of the Owners in respect of the Vessel.

**13.4** The Owners shall arrange for the provision of any necessary guarantee bond or other security.

**13.5** Any costs reasonably incurred by Managers in carrying out its obligations according to Clause 13 in connection with matters entrusted to the Managers under this Agreement shall be reimbursed by the Owners.

**13.6** The Managers are authorized to receive sums payable by third parties to the Owners, including, but not limited to the proceeds of insurance subject to Clause 30, the settlement of claims and under any legal proceedings or arbitrations or any settlement of claims. Where the event(s) which form the subject of such claims have caused the Managers expense under this Agreement, the Managers are entitled to retain all or part of such settlements equal to the amount expended by the Managers.

## 14. Auditing

N/A

## 15. Inspection of Vessel

The Owners shall have the right at any time after giving reasonable notice to the Managers to inspect the Vessel for any reason they consider necessary. The Owners and Managers agree to meet on a quarterly basis at the offices of the Managers to discuss the technical management of the Vessel.

## 16. Compliance with Laws and Regulations

The Managers will not do or permit to be done anything which might cause any breach or infringement of the laws and regulations of the Vessel's flag, or of the places where she trades.

## 17. Duration of the Agreement

This Agreement shall come into effect in accordance with Clause 2 and terminate in accordance with Clauses 18 and 22.

## 18. Termination

### 18.1 Owners' default

- (i) The Managers shall be entitled to terminate the Agreement with immediate effect by notice in writing if any moneys payable by the Owners under this Agreement shall not have been received in the Managers' nominated account within ten running days of receipt by the Owners of the Managers' written request or if the Vessel is repossessed by the Mortgagees.
- (ii) If the Owners: proceed with the employment of or continue to employ the Vessel in the carriage of contraband, blockade running, or in an unlawful trade, or on a voyage which in the reasonable opinion of the Managers is unduly hazardous or improper, the Managers may give notice of the default to the Owners, requiring them to remedy it as soon as practically possible. In the event that the Owners fail to remedy it within a reasonable time to the satisfaction of

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the Managers, the Managers shall be entitled to terminate the Agreement with immediate effect by notice in writing.

### 18.2 Managers' Default

If the Managers fail to meet their obligations under Clauses 3 and 4 of this Agreement for any reason within the control of the Managers, the Owners may give notice to the Managers of the default, requiring them to remedy it as soon as practically possible. In the event that the Managers fail to remedy it within a reasonable time to the satisfaction of the Owners, the Owners shall be entitled to terminate the Agreement with immediate effect by notice in writing.

### 18.3 Extraordinary Termination

This Agreement shall be deemed to be terminated in the case of the sale of the Vessel or if the Vessel becomes a total loss or is declared as a constructive or compromised or arranged total loss or is requisitioned.

### 18.4 For the purpose of sub-clause 8.3 hereof

- (i) the date upon which the Vessel is to be treated as having been sold or otherwise disposed of shall be the date on which the Owners cease to be registered as Owners of the Vessel;
- (ii) the Vessel shall not be deemed to be lost unless either she has become an actual total loss or agreement has been reached with her underwriters in respect of her constructive, comprised or arranged total loss or if such agreement with her underwriters is not reached it is adjudged by a competent tribunal that a constructive loss of the Vessel has occurred.

**18.5** This Agreement shall terminate forthwith in the event of an order being made or resolution passed for the winding up, dissolution, liquidation or bankruptcy of either party (otherwise than for the purpose of reconstruction or amalgamation) or if a receiver is appointed, or if it suspends payment, ceases to carry on business or makes any special arrangement or composition with its creditors.

**18.6** The termination of this Agreement shall be without prejudice to all rights accrued due between the parties prior to the date of termination.

## 19. Law and Arbitration

**19.1** This Agreement shall be construed and the relations between the parties determined in accordance with the laws of the State of New York, U.S.A.

**19.2** All disputes arising out of this Agreement shall be referred to arbitration in New York in accordance with the Rules of the Society of Marine Arbitrators, Inc., New York (SMA). Any award of the arbitrator(s) shall be final and binding and not subject to appeal.

## 20. Notices

**20.1** Any notice to be given by either party to the other party shall be in writing and may be sent by fax, telex, registered or recorded mail or by personal service.

**20.2** The address of the Parties for service of such communication shall be as stated in Boxes 19 and 20, respectively.

## 21. MANAGEMENT FEE

During the first two years following the effective date of this Agreement as set forth in Clause 2, the Owners shall pay to the Managers for the Management Services under this Agreement a fixed daily management fee (the "Management Fee"), of \$5,800 per day, or part of a day, payable monthly in advance based on the actual number of days in the applicable month. The Management Fee shall increase by 2.5% per contract year thereafter for so long as this Agreement is in effect. Unless otherwise expressly provided in this Agreement, the Management Fee shall constitute payment in full for all of the Management Services, (which expression, for the avoidance of doubt for these purposes, includes the cost of insurance deductibles pursuant to Clause 6.2 (but not insurance premiums or calls), drydocking (subject to Clause 28), repairs (subject to Clauses 27 and 28) and the personnel and items supplied and arranged as part of the Management Services, including but not limited to the Crew, stores, spares and lubricating oil and their transportation).

## **22. DURATION AND TERMINATION**

The term of this Agreement shall begin at the time specified in Clause 2 and shall continue in force until the expiration of the Charter, unless terminated in accordance with Clause 18 of this Agreement; provided, however, that (i) the Managers shall have the right to terminate this Agreement upon 90 days, prior written notice to the Owners following the second anniversary of the effective date of this Agreement and (ii) the Owners shall have the right to terminate this Agreement upon 90 days prior written notice to the Managers at any time.

## **23. COMMUNICATIONS**

All communications under this Agreement shall be in the English language.

## **24. ASSIGNMENT CLAUSE**

The Owners may, upon giving notice to the Managers, assign all of their rights under this Agreement to any mortgagee of the Vessel provided that such assignment shall not otherwise prejudice any of the rights of the Managers under this Agreement. The Managers shall acknowledge any assignment that complies with this Clause in such form as the mortgagee may reasonably request.

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## **25. THIRD PARTY RIGHTS**

Except as stated in this Clause, the parties to this Agreement do not intend that any of the terms will be enforceable by any person not a party to it. This clause shall not apply to companies in the same groups as either the Owners or the Managers or to crew or to employees, sub-contractors and agents of the Managers to whom Clause 11.4 "Himalaya" would apply but for this clause.

## **26. INDEMNIFICATION**

Notwithstanding anything to the contrary in this Agreement, but subject to Clause 11.2, the Managers shall indemnify the Owners against the consequences of any failure by Managers to comply with the requirements of this Agreement. This indemnity shall include (without limitation) liabilities which the Owners may incur to the Charterers pursuant to the Charter resulting from a failure of the Managers to perform their obligations under this Agreement. The Managers' liability under this indemnity in relation to environmental claims and such third party claims against the Vessel or the Owners that are included in the terms of the protection and indemnity insurance of the Vessel shall be limited to the terms of such protection and indemnity insurance.

## **27. CHANGES AND/OR IMPROVEMENT NECESSARY FOR THE OPERATION OF THE VESSEL OR IMPOSED BY LEGISLATION, CLASS OR VETTING APPROVALS**

In the event that any improvement, structural change or the installation of new equipment is imposed by (a) compulsory legislation, (b) class rules or (c) an oil company whose vetting approval is required pursuant to Clause 57 of the Charter, the Managers shall, at the expense of the Owners effect such improvement, structural change or installation. The Owners shall reimburse the Managers for all costs arising under this clause no later than the fifth business day following notice from the Managers. Owners shall not be liable for the cost of any improvement, structural change or installation that is requested by or made for the account of the Charterer or for which the Charterer is otherwise responsible.

In the event any improvement, structural change or the installation of new equipment is deemed necessary by the Managers but is not imposed or required pursuant to the first paragraph of this Clause 27, Managers shall have the right, at their own cost, to effect such improvement, structural change or installation, with the Owners consent which shall not be unreasonably withheld.

The Owners shall be notified in writing in advance by the Managers about any changes and/or improvements under this Clause 27.

Any change, improvement or installation made pursuant to this Clause 27 (other than any change or improvement to, or installation of, equipment that belongs to the Managers or a third party) shall be the property of Owners.

## **28. REIMBURSEMENT OF DRYDOCKING EXPENSES; UNANTICIPATED REPAIRS**

Such portion of the Management Fee under this Agreement set forth on Schedule 1 hereto (the "Drydock Fee Component") is deemed to be attributed to the cost of the drydockings scheduled to be performed on the Vessel during the term of this Agreement (each an "Anticipated Drydocking"). Schedule 2 attached hereto sets forth the dates of the Anticipated Drydocking and the associated drydocking costs agreed to by the Managers and the Owners (the "Agreed Drydocking Cost"). Throughout the term of the Agreement, the Managers shall maintain the balance of a notional account (the "Drydock Account") which (a) shall be credited in an amount equal to the applicable Drydock Fee Component at the time of each monthly payment of the Management Fee and (b) shall be debited in an amount equal to the Agreed Drydocking Cost at the time any Anticipated Drydocking is completed (regardless of whether the drydock costs actually incurred by the Managers are in fact less than or greater than the Agreed Drydocking Cost). The Managers are not required to physically maintain the Drydock Account in a bank account, nor provide for any interest thereon.

Upon the termination of this Agreement by either party, (i) to the extent the Drydock has a credit balance, the Managers shall pay to the Owners an amount equal to such credit balance, and (ii) to the extent the Drydock Account has a debit balance, the Owners shall pay to the Managers an amount equal to such debit balance.

In the event any repairs to the Vessel are required to be made following the initial Anticipated Drydocking that are reasonably unanticipated by the Managers and not due to the fair wear and tear of the Vessel or its components and are not fully covered by hull and machinery insurance or warranty, the cost attributable to such repairs in excess of such insurance coverage and deductibles which may occur at a subsequent Anticipated Drydocking or otherwise (in excess of any applicable insurance or warranty payments) shall be for the account of the Owner.

## 29. LOSS OF HIRE INSURANCE

The Managers shall procure, at the Owners' expense, loss of hire insurance on behalf of Owners on terms and conditions as requested by the Owners subject to the availability of such coverage on commercially reasonable terms. The Managers shall not be responsible for any deductible payments with respect to such loss of hire insurance. The Managers shall arrange for loss of hire insurance, with a deductible of 14 days and maximum coverage of 120 days, to be in place as of the effective date of this Agreement.

## 30. PROCEEDS OF INSURANCES

The Managers shall procure, with the Owners' cooperation where required, that loss payable clauses are attached to the various policies of insurance over the Vessel so as to direct the proceeds of insurance as follows:

- a) In the event of actual or constructive total loss of the Vessel, the hull and machinery insurance proceeds shall be paid by the insurer directly to the Owners or their assignees;
- b) In the event of damage or partial loss to the Vessel, the hull and machinery insurance proceeds shall be paid by the insurer directly to the Managers or their assignees to be held and utilized in accordance with Clause 7.

## 31. LUBRICATING OILS AND GREASES AND OTHER ITEMS BELONGING TO THE MANAGERS

Unused lubricating oils and greases and the items set forth on Schedule 3 to this Agreement on board the Vessel at the time of delivery to the Owners and commencement of the Management Services under this Agreement are the property of the Managers. The Managers will provide lubricating oils and greases while this Agreement is in force pursuant to Clause 3.2 (iii). Upon termination of this Agreement for any reason, the Owners shall pay the Managers for the cost price of unused/unbroached lubricating oils and greases in sealed drums and in storage tanks and Managers shall remove the items set forth on Schedule 3 and any other items that it owns or leases at Managers' expense.

## 32. ISPS CODE

The Managers shall perform the duties of the "Company" as required by the ISPS Code. The Managers shall also perform the Owners' obligations and benefit from the Owner's rights under the BIMCO ISPS Code Time Charter Party Clause in the charterparty referred to in Clause 22 of this Agreement. The Managers shall be entitled to retain any sums received or recovered from charterers or from any other party in relation to ISPS Code actions and duties. If the Managers incur expenditure as a result of complying with the ISPS Code or making prudent security precautions that does not fall to be apportioned or is not recoverable from sub-charterers pursuant to the BIMCO ISPS Code Time Charter Party Clause, the Owners shall indemnify the Managers for such expenditure as invoiced to the Owners with full supporting documentation.

### SCHEDULE 1

#### M/T Rebecca – Management Fee and Drydock Fee Component

CHARTER YEAR	COMMENCING (0001 GMT)	ENDING (2400 GMT)	MANAGEMENT FEE	DRYDOCK FEE COMPONENT
1	October 17, 2005	October 16, 2006	USD 5,800 per day	USD 700 per day
2	October 17, 2006	October 16, 2007	USD 5,800 per day	USD 700 per day
3	October 17, 2007	October 16, 2008	USD 5,945 per day	USD 718 per day
4	October 17, 2008	October 16, 2009	USD 6,094 per day	USD 735 per day
5	October 17, 2009	October 16, 2010	USD 6,246 per day	USD 754 per day

  

OPTION YEAR	COMMENCING (0001 GMT)	ENDING (2400 GMT)	MANAGEMENT FEE	TIME CHARTER RATE
1	October 17, 2010	October 16, 2011	USD 6,402 per day	USD 773 per day
2	October 17, 2011	October 16, 2012	USD 6,562 per day	USD 792 per day
3	October 17, 2012	October 16, 2013	USD 6,726 per day	USD 812 per day
4	October 17, 2013	October 16, 2014	USD 6,894 per day	USD 832 per day
5	October 17, 2014	October 16, 2015	USD 7,067 per day	USD 853 per day

### SCHEDULE 2

#### M/T Rebecca – Estimated Date of Anticipated Drydocking and Agreed Drydocking Cost

ESTIMATED DATE OF ANTICIPATED DRYDOCKING	AGREED DRYDOCKING COST
3q 2006	\$ 120,000
1q 2009	\$ 1,050,000
3q 2011	\$ 715,000
1q 2014	\$ 790,000

### SCHEDULE 3

The following items that are on board the Vessel as of the effective date of this Agreement are and will remain the property of the Managers. These items may remain on board at the sole discretion of and for the use and convenience of the Managers and may be removed at any time after the effective date of this Agreement at the expense of the Managers.

1. Bunkers (IFO and MDO/MGO)
2. Victualling (provisions)
3. All onboard log books up to the time and date of delivery for deck, engine and radio
4. Seller's company forms, documents / stationery and all correspondence and company manuals
5. All ISPS, ISM and quality documentation and correspondence
6. Vessel's Rydex communications e-mail system and server
7. Training video library, books
8. Oxygen / acetylene / freon / nitrogen / argon cylinders / bottles
9. Crew/officers library / walport videos
10. Master's slopchest/bonded stores; personal effects of master, officers and crew
11. Personal hand-held computers
12. Personal cell phones
13. Contents of master's safe
14. Arms / ammunition
15. Works of art, originals, copies, prints, statues
16. Safety clothing / hats or other shirts/hats with OSG logo
17. Certificates/documents to be returned to authorities
18. Seagull training software
19. All Seller's non-class computer software and server
20. Chartco digital chart updates system software
21. Any rented or leased or third party's equipment



## Part I

## SHIP MANAGEMENT AGREEMENT

1. Date of Agreement  
**October 6 , 2005**
2. Owners (name, place of registered office and law of registry) (CI. 1)  
Name  
**Ania Aframax Corporation**  
Place of registered office  
**Majuro, Marshall Islands**  
Law of registry  
**Marshall Islands**
3. Managers (name, place of registered office and law of registry) (CI.1).  
Name  
**Tanker Management Ltd.**  
Place of registered office  
**England**  
Law of registry  
**England**
4. Day and year of commencement of Agreement (CI. 2)  
**See Clause 2**
5. Crew management (state “yes” or “no” as agreed) (CI. 3.1)  
**Yes**
6. Technical Management (state “yes” or “no” as agreed) (CI. 3.2)  
**Yes**
7. Commercial Management (state “yes” or “no” as agreed) (CI. 3.3)  
**No.**
8. Insurance Arrangements (state “yes” or “no” as agreed) (CI. 3.4)  
**Yes**
9. Accounting Services (state “yes” or “no” as agreed) (CI. 3.5)  
**Yes, as per Clause 3.5 only**
10. Sale or purchase of the Vessel (state “yes” or “no” as agreed) (CI. 3.6)  
**No**
11. Provisions (state “yes” or “no” as agreed) (CI. 3.7)  
**Yes**
12. Bunkering (state “yes” or “no” as agreed) (CI. 3.8)  
**No**
13. Chartering Services Period (only to be filled in if “yes” stated in Box 7) (CI. 3.3(i))  
**N/A**
14. Owners’ Insurance  
**See Clause 6.3**

15. Annual Management Fee

**See Clause 8.1**

16. Severance Costs (state maximum amount) (CL. 8.4(ii))

**None**

17. Day and year of termination of Agreement (CL. 17)

**See Clause 17**

18. Law and Arbitration

**See Clause 19**

19. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Owners (CL. 20)

**Ania Aframax Corporation**  
**26 New Street**  
**St. Helier, Jersey JE 23R4**  
**Channel Islands**

20. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Managers) (CL. 20)

**Tanker Management Ltd.**  
**Quorum 4, Balliol Business Park East, Benton Lane,**  
**Newcastle upon Tyne NE 12 8EZ England**

It is mutually agreed between the party stated in Box 2 and the party stated in Box 3 that this Agreement consisting of PART I and PART II and Schedules 1, 2 and 3 attached hereto, shall be performed subject to the conditions contained herein. In the event of a conflict of conditions, the provisions of PART I shall prevail over those of PART II and Schedules 1, 2 and 3 to the extent of such conflict but no further.

Signature(s) (Owners)

Signature(s) (Managers)

ANIA AFRAMAX CORPORATION

TANKER MANAGEMENT LTD.

By: /s/ Ole Jacob Diesen

By: /s/ Ian Blackley

Name: Ole Jacob Diesen

Name: Ian Blackley

Title: Chief Executive Officer

Title: Director

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## PART II

### Ship Management Agreement

#### 1. Definitions

In this Agreement save where the context otherwise requires, the following words and expressions shall have the meanings hereby assigned to them.

“*Owners*” means the party identified in Box 2.

“*Managers*” means the party identified in Box 3.

“*Vessel*” means the M/T Ania, IMO Number 9053672, built in December 1994 by Hyundai Heavy Industries Co., Ltd. in Ulsan, South Korea.

“*Charter*” means the time charter between the Owners and DHT Ania Aframax Corporation dated October 6, 2005 relating to the Vessel.

“*Crew*” means the Master, officers and ratings of the Vessel.

“*Crew Support Costs*” means all expenses of a general nature which are not particularly referable to any individual vessel for the time being managed by the Managers and which are incurred by the Managers for the purpose of providing an efficient and economic management service and, without prejudice to the generality of the foregoing, shall include the cost of crew standby pay, training schemes for officers and ratings, cadet training schemes, sick pay, study pay, recruitment and interviews.

“*Crew Insurances*” means insurances against crew risks which shall include but not be limited to death, sickness, repatriation, injury, shipwreck unemployment indemnity and loss of personal effects.

“*Management Services*” means the services specified in subclauses 3.1 to 3.8 as indicated affirmatively in Boxes 5, 6, 8, 9 and 11.

“*ISM Code*” means the International Management Code for the Safe Operation of Ships and for Pollution Prevention as adopted by the International Maritime Organization (IMO) by resolution A.741(18) or any subsequent amendment thereto.

“STCW 95” means the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, as amended in 1995 or any subsequent amendment thereto.

## 2. Appointment of Managers

With effect from the day and year of delivery of the Vessel to the Owners pursuant to a Memorandum of Agreement between Owners and Sargasso Tanker Corporation dated September 20, 2005 and continuing unless and until terminated as provided herein, the Owners hereby appoint the Managers and the Managers hereby agree to act as the Managers of the Vessel.

## 3. Basis of Agreement

Subject to the terms and conditions herein provided, during the period of this Agreement, the Managers shall carry out Management Services in respect of the Vessel as agents for and on behalf of the Owners. The Managers shall have authority to take such actions as they may from time to time in their absolute discretion consider to be necessary to enable them to perform this Agreement in accordance with sound ship management practice.

### 3.1 Crew Management

*(only applicable if agreed according to Box 5)*

The Managers shall provide suitably qualified Crew for the Vessel as required by the Owners in accordance with the STCW 95 requirements, provision of which includes but is not limited to the following functions:

- (i) selecting and engaging in Vessel’s Crew, including payroll arrangements, pension administration, and insurances for the Crew;
- (ii) ensuring that the applicable requirements of the law of the flag of the Vessel are satisfied in respect of manning levels, rank qualification and certification of the Crew and employment regulations including Crew’s tax, social insurance, discipline and other requirements;
- (iii) ensuring that all members of the Crew have passed a medical examination with a qualified doctor certifying that they are fit for the duties for which they are engaged and are in possession of valid medical certificates issued in accordance with appropriate flag State requirements. In the absence of applicable flag State requirements the medical certificate shall be dated not more than three months prior to the respective Crew members leaving their country of domicile and maintained for the duration of their service on board the Vessel;
- (iv) ensuring that the Crew shall have a command of the English language of a sufficient standard to enable them to perform their duties safely;
- (v) arranging transportation of the Crew, including repatriation;
- (vi) training of the Crew and supervising their efficiency;
- (vii) conducting union negotiations;
- (viii) operating the Managers’ drug and alcohol policy unless otherwise agreed;
- (ix) If the Owners complain of the conduct of any of the Crew, the Managers shall immediately investigate the complaint. If the complaint proves to be well founded, Managers shall, without delay, make a change in the appointments and the Managers shall in any event communicate the result of their investigation to the Owners as soon as possible.

### 3.2 Technical Management

*(only applicable if agreed according to Box 6)*

The Managers shall provide technical management which includes, but is not limited to, the following functions:

- (i) provision of competent personnel to supervise the maintenance and general efficiency of the Vessel;
- (ii) arrangement and supervision of dry dockings, repairs, alterations and the upkeep of the Vessel necessary to ensure that the Vessel will comply with the requirements of the Charter, the law of the flag of the Vessel and of the places where she trades, and all requirements and recommendations of the classification society;
- (iii) arrangement of the supply of necessary stores, spares and lubricating oil and greases. The level and time of the supply of such items shall be based on that which a prudent owner of a vessel of the age and characteristics of the Vessel (including but not limited its operating history, planned maintenance and known wear and tear) would arrange so as to minimize off-hire time and to undertake such maintenance as may safely be carried out at sea by the crew;
- (iv) appointment of surveyors and technical consultants as the Managers may consider from time to time to be necessary;
- (v) development, implementation and maintenance of a Safety Management System (SMS) in accordance with the ISM Code (see subclause 4.2);

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(vi) ensuring that the Vessel receives at least two visits per year from one of the Managers’ technical superintendents; and.

(vii) arrangement of oil company vetting so as to comply with the Owner’s obligations under the Charter.

### 3.3 Commercial Management

N/A

### 3.4 Insurance Arrangements

*(only applicable if agreed according to Box 8)*

The Managers shall arrange insurances in accordance with Clause 6 subject to the following:

Throughout the term of this Agreement, the Managers shall consult with the Owners prior to the time of each renewal of the Owners' Insurances (as defined in Clause 6.1) and, unless the Owners obtain insurance coverage from other parties as set forth below in this Clause 3.4, the Managers shall secure coverage for the Owners' Insurances for the Vessel at the Owners' expense through the Managers' insurance program on coverage amounts (except for hull and machinery insurance in which is subject to Clause 6.6 of this Agreement), terms and conditions that the Managers shall determine. The Managers shall obtain insurance coverage for the Vessel through the Managers' insurance program that is in accordance with the best practice of prudent owners of vessels of a similar type to the Vessel, with first class insurance companies, underwriters or associations. If the Owners can demonstrate that the insurance coverage provided by the Managers is not in accordance with the preceding sentence and the Managers do not make the amendments necessary for such coverage to meet such standards, the Owners shall have the right to place the Owners' Insurances through third parties, provided that (x) the terms and conditions of the Owners' Insurances proposed by the Owners to be placed with third parties do not, in the reasonable opinion of the Managers, impose any additional cost or liability on the Managers under the Charter and (y) prior to placing the insurance through third parties, Owners shall agree to indemnify Managers for any additional cost or liability on the Managers under the Charter resulting from any such insurance placement. If the Owners place any component policy of the Owners' Insurances through third parties in accordance with the preceding sentence, the Managers shall have the right to terminate any other policy placed by it on behalf of the Owners, and (i) any unearned premium advanced by the Owners shall be refunded to the Owners and (ii) any premium due and any liability for calls for the period of coverage placed by the Managers shall remain for the account of the Owners until fully discharged.

The Managers shall arrange for the Owners' Insurances to be in place as of the effective date of this Agreement and shall maintain the insurance cover existing immediately prior to such effective date at least until the discharge of the cargo from its then current voyage.

### 3.5 Accounting Services

*(only applicable if agreed according to Box 9)*

The Managers shall maintain records relating to those expenditures incurred and monies received in the performance of the Management Services that are necessary for the settlement of accounts between the parties

### 3.6 Sale or Purchase of the Vessel

N/A.

### 3.7 Provisions

*(only applicable if agreed according to Box 11)*

The Managers shall arrange for the supply of provisions.

### 3.8 Bunkering

N/A.

## 4. Managers' Obligations

4.1 The Managers undertake to use their best endeavours to provide the agreed Management Services as agents for and on behalf of the Owners in accordance with sound ship management practice customary in the trade and at least equivalent to the standards followed with respect to other vessels for which the Managers provide Management Services, if any, and to protect and promote the interests of the Owners in all matters relating to the provision of services hereunder. Provided, however, that the Managers in the performance of their management responsibilities under this Agreement shall be entitled to have regard to their overall responsibility in relation to all vessels as may from time to time be entrusted to their management and in particular, but without prejudice to the generality of the foregoing, the Managers shall be entitled to allocate available supplies, manpower and services in such manner as in the prevailing circumstances the Managers in their absolute discretion consider to be fair and reasonable.

4.2 Where the Managers are providing Technical Management in accordance with sub-clause 3.2, they shall procure that the requirements of the law of the flag of the Vessel are satisfied and they shall in particular be deemed to be the "Company" as defined by the ISM Code, assuming the responsibility for the operation of the Vessel and taking over the duties and responsibilities imposed by the ISM Code when applicable.

4.3 The Management Services as such term is used herein includes the discharge on behalf of the Owners of the Owners' technical and operational obligations to charterers pursuant to the Charter, a copy of which has been supplied to the Managers, including, but not limited to the Owners' technical and operational obligations under Clauses 73A and 75 of such Charter.

4.4 Managers shall maintain records of technical matters relating to the Vessel including maintenance, repairs and equipment replacement ("Technical Vessel Matters"). Three months after commencement of the Management Services, or such other date as agreed to by the Managers and the Owners, and quarterly thereafter, the Managers shall issue a report to the Owners providing a summary of the Technical Vessel Matters carried out in the previous quarter.

## 5. Owners' Obligations

5.1 The Owners shall pay all sums due to the Managers punctually in accordance with the terms of this Agreement.

## 6. Insurance Policies

For so long as the Managers continue to place the Owners' Insurances (as defined below) on behalf of the Owners in accordance with Clause 3.4 of this Agreement, The Managers shall procure that:

6.1 at the Owners' expense, the Vessel is insured for not less than her sound market value or entered for her full gross tonnage, as the case may be for:

- (i) usual hull and machinery marine risks (including crew negligence) and excess liabilities,
- (ii) protection and indemnity risks (including pollution risks and Crew Insurances), and
- (iii) war risks (including protection and indemnity and crew risks)

in each case in accordance with the best practice of prudent owners of vessels of a similar type to the Vessel, with first class insurance companies, underwriters or associations ("the Owners' Insurances");

6.2 all premiums and calls on the Owners' Insurances are paid by their due date at Owners' expense and deductibles up to the amount (per claim) of (i) \$110,000 for hull and machinery marine risks insurance and (ii) \$100,000 for claims under the "Running Down Clause" and the "Fixed and Floating Objects Clause" under the protection and indemnity risks insurance and \$15,000 for all other protection and indemnity claims shall be paid at the Managers' expense. In the event the level of deductibles set for a policy period are increased above the amounts set forth in the preceding sentence, whether by the action of the Owners, the Managers or the insurers, any such incremental increase shall be for the Owners' account. The Owners shall be liable for the allocated cost of any broker's fee paid by the Managers as determined by the Managers on a fair and equitable basis.

6.3 the Owners' Insurances name the Managers and, subject to underwriters' agreement, any third party designated by the Managers as a joint assured, with full cover, with the Managers obtaining cover in respect of each of the Owners' Insurances on terms whereby the Managers and any such third party are liable in respect of premiums or calls arising in connection with the Owners' Insurances.

6.4 written evidence is provided, to the reasonable satisfaction of the Owners, of Managers' compliance with their obligations under Clause 6 within a reasonable time of the commencement of the Agreement, and of each renewal date and, if specifically requested, of each payment date of the Owners' Insurances.

6.5 loss of hire insurance is maintained in accordance with Clause 29.

6.6 the Managers shall obtain hull and machinery insurance in accordance with Clause 6.1 based upon the sound market value as notified to the Managers by the Owners in writing prior to the effective date of this Agreement. The Owners shall notify the Managers in writing if they reasonably require cover for a different value from time to time, which shall not exceed 120% of the sound market value of the Vessel. The Owners alone shall be responsible for assessing and notifying the Managers of the necessary level of cover.

6.7 the Managers shall obtain a certificate of financial responsibility in accordance with the terms of the Charter, and any costs relating to such certificate shall be for the Owners' account.

## 7. Income Collected and Expenses Paid on Behalf of Owners

7.1 All moneys collected by the Managers under the terms of this Agreement (other than moneys payable by the Owners to the Managers) and any interest thereon shall be held to the credit of the Owners in a separate bank account.

7.2 All expenses incurred by the Managers under the terms of this Agreement on behalf of the Owners (including expenses as provided in Clause 8) may be debited against the Owners in the account referred to under sub-clause 7.1 but shall in any event remain payable by the Owners to the Managers on demand.

## 8. Management Fee

8.1 The Owners shall pay to the Managers for their services as Managers under this Agreement a management fee as set forth in Clause 21 (the "Management Fee").

8.2 The Managers shall, at no extra cost to the Owners, provide their own office accommodation, office staff, facilities and stationery.

8.3 In the event of the appointment of the Managers being terminated by the Owners or the Managers in accordance with the provisions of Clauses 18 and 22 other than by reason of default by the Managers, or if the Vessel is lost, sold or otherwise disposed of, in addition to any applicable Management Fee payments for the 90-day notice period set forth in Clause 22, a one-time additional fee of \$45,000, which is to cover the Managers' cancellation costs, shall be due and payable.

8.4 Unless otherwise agreed in writing all discounts and commissions obtained by the Managers in the course of the management of the Vessel shall be credited to the Managers.

## 9. Budgets and Management of Funds

N/A.

## 10. Managers Right to Sub-Contract

The Managers shall not have the right to sub-contract any of their obligations hereunder without the prior written consent of the Owners which shall not be unreasonably withheld; provided however, that the Managers may (i) freely assign any obligations hereunder to any affiliate of the Managers at any time and (ii) utilize the services of third parties to fulfill the Managers' obligations hereunder. In the event of such a sub-contract the Managers shall remain fully liable for the due performance of their obligations under this Agreement.

## 11. Responsibilities

**11.1 Force Majeure** - Neither the Owners nor the Managers shall be under any liability for any failure to perform any of their obligations hereunder by reason of any cause whatsoever of any nature or kind beyond their reasonable control.

**11.2 Liability to Owners** - (i) Without prejudice to sub-clause 11.1, the Managers shall be under no liability whatsoever to the Owners for any loss, damage, delay or expense of whatsoever nature, whether direct or indirect, (including but not limited to loss of profit arising out of or in connection with detention of or delay to the Vessel) and howsoever arising in the course of performance of the Management Services **UNLESS** same is proved to have resulted solely from the negligence or wilful default of the Managers or their employees, or agents or sub-contractors employed by them in connection with the Vessel, in which case (save where loss, damage, delay or expense has resulted from the Managers' personal act or omission committed with the intent to cause same or recklessly and with knowledge that such loss, damage, delay or expense would probably result) the Managers' liability for each incident or series of incidents giving rise to a claim or claims shall never exceed a total of \$2 million.

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(ii) Notwithstanding anything that may appear to the contrary in this Agreement, the Managers shall not be liable for any of the actions of the Crew, even if such actions are negligent or wilful, except only to the extent that they are shown to have resulted from a failure by the Managers to discharge their obligations under sub-clause 3.1

**11.3 Indemnity** - Except to the extent and solely for the amount therein set out that the Managers would be liable under sub-clause 11.2, the Owners hereby undertake to keep the Managers and their employees, agents and sub-contractors indemnified and to hold them harmless against all actions, proceedings, claims, demands or liabilities whatsoever or howsoever arising which may be brought against them or incurred or suffered by them arising out of or in connection with the performance of the Agreement, and against and in respect of all costs, losses, damages and expenses (including legal costs and expenses on a full indemnity basis) which the Managers may suffer or incur (either directly or indirectly) in the course of the performance of this Agreement.

**11.4 "Himalaya"** - It is hereby expressly agreed that no employee or agent of the Managers (including every sub-contractor from time to time employed by the Managers) shall in any circumstances whatsoever be under any liability whatsoever to the Owners for any loss, damage or delay of whatsoever kind arising or resulting directly or indirectly from any act, neglect or default on his part while acting in the course of or in connection with his employment and, without prejudice to the generality of the foregoing provisions in this Clause 11, every exemption, limitation, condition and liberty herein contained and every right, exemption from liability, defence and immunity of whatsoever nature applicable to the Managers or to which the Managers are entitled hereunder shall also be available and shall extend to protect every such employee or agent of the Managers acting as aforesaid and for the purpose of all the foregoing provisions of this Clause 11 the Managers are or shall be deemed to be acting as agent or trustee on behalf and for the benefit of all persons who are or might be their servants or agents from time to time (including sub-contractors as aforesaid) and all such persons shall to this extent be or be deemed to be parties to this Agreement.

## 12. Documentation

Where the Managers are providing Technical Management in accordance with sub-clause 3.2 and/or Crew Management in accordance with sub-clause 3.1, they shall make available, upon Owners' request, all documentation and records related to the Safety Management System (SMS) and/or the Crew which the Owners need in order to demonstrate compliance with the ISM Code and STCW 95 or to defend a claim against a third party. The Owner shall make available, upon Managers' request, all information, documentation and records required under any flag state law, regulation or international convention and to inform the Managers of any changes to those of the Owner's details that are required in the Vessel's continuous synopsis record for the purposes of the ISPS Code .

## 13. General Administration

**13.1** The Managers shall handle and settle all claims arising out of the Management Services hereunder and keep the Owners informed regarding any incident of which the Managers become aware which gives or may give rise to claims or disputes involving third parties; provided, that the settlement of any claims relating to general average or total constructive loss must be done at the direction of the Owners with the Owners' involvement in such settlements..

**13.2** The Managers shall, as instructed by the Owners, bring or defend actions, suits or proceedings in connection with matters entrusted to the Managers according to this Agreement.

**13.3** The Managers shall also have power to obtain legal or technical or other outside expert advice in relation to the handling and settlement of claims and disputes or all other matters affecting the interests of the Owners in respect of the Vessel.

**13.4** The Owners shall arrange for the provision of any necessary guarantee bond or other security.

**13.5** Any costs reasonably incurred by Managers in carrying out its obligations according to Clause 13 in connection with matters entrusted to the Managers under this Agreement shall be reimbursed by the Owners.

**13.6** The Managers are authorized to receive sums payable by third parties to the Owners, including, but not limited to the proceeds of insurance subject to Clause 30, the settlement of claims and under any legal proceedings or arbitrations or any settlement of claims. Where the event(s) which form the subject of such claims have caused the Managers expense under this Agreement, the Managers are entitled to retain all or part of such settlements equal to the amount expended by the Managers.

## 14. Auditing

## 15. Inspection of Vessel

The Owners shall have the right at any time after giving reasonable notice to the Managers to inspect the Vessel for any reason they consider necessary. The Owners and Managers agree to meet on a quarterly basis at the offices of the Managers to discuss the technical management of the Vessel.

## 16. Compliance with Laws and Regulations

The Managers will not do or permit to be done anything which might cause any breach or infringement of the laws and regulations of the Vessel's flag, or of the places where she trades.

## 17. Duration of the Agreement

This Agreement shall come into effect in accordance with Clause 2 and terminate in accordance with Clauses 18 and 22.

## 18. Termination

### 18.1 Owners' default

(i) The Managers shall be entitled to terminate the Agreement with immediate effect by notice in writing if any moneys payable by the Owners under this Agreement shall not have been received in the Managers' nominated account within ten running days of receipt by the Owners of the Managers' written request or if the Vessel is repossessed by the Mortgagees.

(ii) If the Owners:

proceed with the employment of or continue to employ the Vessel in the carriage of contraband, blockade running, or in an unlawful trade, or on a voyage which in the reasonable opinion of the Managers is unduly hazardous or improper,

the Managers may give notice of the default to the Owners, requiring them to remedy it as soon as practically possible. In the event that the Owners fail to remedy it within a reasonable time to the satisfaction of

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the Managers, the Managers shall be entitled to terminate the Agreement with immediate effect by notice in writing.

### 18.2 Managers' Default

If the Managers fail to meet their obligations under Clauses 3 and 4 of this Agreement for any reason within the control of the Managers, the Owners may give notice to the Managers of the default, requiring them to remedy it as soon as practically possible. In the event that the Managers fail to remedy it within a reasonable time to the satisfaction of the Owners, the Owners shall be entitled to terminate the Agreement with immediate effect by notice in writing.

### 18.3 Extraordinary Termination

This Agreement shall be deemed to be terminated in the case of the sale of the Vessel or if the Vessel becomes a total loss or is declared as a constructive or compromised or arranged total loss or is requisitioned.

18.4 For the purpose of sub-clause 8.3 hereof

(i) the date upon which the Vessel is to be treated as having been sold or otherwise disposed of shall be the date on which the Owners cease to be registered as Owners of the Vessel;

(ii) the Vessel shall not be deemed to be lost unless either she has become an actual total loss or agreement has been reached with her underwriters in respect of her constructive, comprised or arranged total loss or if such agreement with her underwriters is not reached it is adjudged by a competent tribunal that a constructive loss of the Vessel has occurred.

18.5 This Agreement shall terminate forthwith in the event of an order being made or resolution passed for the winding up, dissolution, liquidation or bankruptcy of either party (otherwise than for the purpose of reconstruction or amalgamation) or if a receiver is appointed, or if it suspends payment, ceases to carry on business or makes any special arrangement or composition with its creditors.

18.6 The termination of this Agreement shall be without prejudice to all rights accrued due between the parties prior to the date of termination.

## 19. Law and Arbitration

19.1 This Agreement shall be construed and the relations between the parties determined in accordance with the laws of the State of New York, U.S.A.

19.2 All disputes arising out of this Agreement shall be referred to arbitration in New York in accordance with the Rules of the Society of Marine Arbitrators, Inc., New York (SMA). Any award of the arbitrator(s) shall be final and binding and not subject to appeal.

## 20. Notices

20.1 Any notice to be given by either party to the other party shall be in writing and may be sent by fax, telex, registered or recorded mail or by personal service.

20.2 The address of the Parties for service of such communication shall be as stated in Boxes 19 and 20, respectively.

## 21. MANAGEMENT FEE

During the first two years following the effective date of this Agreement as set forth in Clause 2, the Owners shall pay to the Managers for the Management Services under this Agreement a fixed daily management fee (the "Management Fee"), of \$5,800 per day, or part of a day, payable monthly in advance based on the actual number of days in the applicable month. The Management Fee shall increase by 2.5% per contract year thereafter for so long as this Agreement is in effect. Unless otherwise expressly provided in this Agreement, the Management Fee shall constitute payment in full for all of the Management Services, (which expression, for the avoidance of doubt for these purposes, includes the cost of insurance deductibles pursuant to Clause 6.2 (but not insurance premiums or calls), drydocking (subject to Clause 28), repairs (subject to Clauses 27 and 28) and the personnel and items supplied and arranged as part of the Management Services, including but not limited to the Crew, stores, spares and lubricating oil and their transportation).

## 22. DURATION AND TERMINATION

The term of this Agreement shall begin at the time specified in Clause 2 and shall continue in force until the expiration of the Charter, unless terminated in accordance with Clause 18 of this Agreement; provided, however, that (i) the Managers shall have the right to terminate this Agreement upon 90 days, prior written notice to the Owners following the second anniversary of the effective date of this Agreement and (ii) the Owners shall have the right to terminate this Agreement upon 90 days prior written notice to the Managers at any time.

## 23. COMMUNICATIONS

All communications under this Agreement shall be in the English language.

## 24. ASSIGNMENT CLAUSE

The Owners may, upon giving notice to the Managers, assign all of their rights under this Agreement to any mortgagee of the Vessel provided that such assignment shall not otherwise prejudice any of the rights of the Managers under this Agreement. The Managers shall acknowledge any assignment that complies with this Clause in such form as the mortgagee may reasonably request.

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## 25. THIRD PARTY RIGHTS

Except as stated in this Clause, the parties to this Agreement do not intend that any of the terms will be enforceable by any person not a party to it. This clause shall not apply to companies in the same groups as either the Owners or the Managers or to crew or to employees, sub-contractors and agents of the Managers to whom Clause 11.4 "Himalaya" would apply but for this clause.

## 26. INDEMNIFICATION

Notwithstanding anything to the contrary in this Agreement, but subject to Clause 11.2, the Managers shall indemnify the Owners against the consequences of any failure by Managers to comply with the requirements of this Agreement. This indemnity shall include (without limitation) liabilities which the Owners may incur to the Charterers pursuant to the Charter resulting from a failure of the Managers to perform their obligations under this Agreement. The Managers' liability under this indemnity in relation to environmental claims and such third party claims against the Vessel or the Owners that are included in the terms of the protection and indemnity insurance of the Vessel shall be limited to the terms of such protection and indemnity insurance.

## 27. CHANGES AND/OR IMPROVEMENT NECESSARY FOR THE OPERATION OF THE VESSEL OR IMPOSED BY LEGISLATION, CLASS OR VETTING APPROVALS

In the event that any improvement, structural change or the installation of new equipment is imposed by (a) compulsory legislation, (b) class rules or (c) an oil company whose vetting approval is required pursuant to Clause 57 of the Charter, the Managers shall, at the expense of the Owners effect such improvement, structural change or installation. The Owners shall reimburse the Managers for all costs arising under this clause no later than the fifth business day following notice from the Managers. Owners shall not be liable for the cost of any improvement, structural change or installation that is requested by or made for the account of the Charterer or for which the Charterer is otherwise responsible.

In the event any improvement, structural change or the installation of new equipment is deemed necessary by the Managers but is not imposed or required pursuant to the first paragraph of this Clause 27, Managers shall have the right, at their own cost, to effect such improvement, structural change or installation, with the Owners consent which shall not be unreasonably withheld.

The Owners shall be notified in writing in advance by the Managers about any changes and/or improvements under this Clause 27.

Any change, improvement or installation made pursuant to this Clause 27 (other than any change or improvement to, or installation of, equipment that belongs to the Managers or a third party) shall be the property of Owners.

## 28. REIMBURSEMENT OF DRYDOCKING EXPENSES; UNANTICIPATED REPAIRS

Such portion of the Management Fee under this Agreement set forth on Schedule 1 hereto (the "Drydock Fee Component") is deemed to be attributed to the cost of the drydockings scheduled to be performed on the Vessel during the term of this Agreement (each an "Anticipated Drydocking"). Schedule 2 attached hereto sets forth the dates of the Anticipated Drydocking and the associated drydocking costs agreed to by the Managers and the Owners (the "Agreed Drydocking Cost"). Throughout the term of the Agreement, the Managers shall maintain the balance of a notional account (the "Drydock Account") which (a) shall be credited in an amount equal to the applicable Drydock Fee Component at the time of each monthly payment of the Management Fee and (b) shall be debited in an amount equal to the Agreed Drydocking Cost at the time any Anticipated Drydocking is completed (regardless of whether the drydock costs actually incurred by the Managers are in fact less than or greater than the Agreed Drydocking Cost). The Managers are not required to physically maintain the Drydock Account in a bank account, nor provide for any interest thereon.



Upon the termination of this Agreement by either party, (i) to the extent the Drydock has a credit balance, the Managers shall pay to the Owners an amount equal to such credit balance, and (ii) to the extent the Drydock Account has a debit balance, the Owners shall pay to the Managers an amount equal to such debit balance.

In the event any repairs to the Vessel are required to be made following the initial Anticipated Drydocking that are reasonably unanticipated by the Managers and not due to the fair wear and tear of the Vessel or its components and are not fully covered by hull and machinery insurance or warranty, the cost attributable to such repairs in excess of such insurance coverage and deductibles which may occur at a subsequent Anticipated Drydocking or otherwise (in excess of any applicable insurance or warranty payments) shall be for the account of the Owner.

## 29. LOSS OF HIRE INSURANCE

The Managers shall procure, at the Owners' expense, loss of hire insurance on behalf of Owners on terms and conditions as requested by the Owners subject to the availability of such coverage on commercially reasonable terms. The Managers shall not be responsible for any deductible payments with respect to such loss of hire insurance. The Managers shall arrange for loss of hire insurance, with a deductible of 14 days and maximum coverage of 120 days, to be in place as of the effective date of this Agreement.

## 30. PROCEEDS OF INSURANCES

The Managers shall procure, with the Owners' cooperation where required, that loss payable clauses are attached to the various policies of insurance over the Vessel so as to direct the proceeds of insurance as follows:

- a) In the event of actual or constructive total loss of the Vessel, the hull and machinery insurance proceeds shall be paid by the insurer directly to the Owners or their assignees;
- b) In the event of damage or partial loss to the Vessel, the hull and machinery insurance proceeds shall be paid by the insurer directly to the Managers or their assignees to be held and utilized in accordance with Clause 7.

## 31. LUBRICATING OILS AND GREASES AND OTHER ITEMS BELONGING TO THE MANAGERS

Unused lubricating oils and greases and the items set forth on Schedule 3 to this Agreement on board the Vessel at the time of delivery to the Owners and commencement of the Management Services under this Agreement are the property of the Managers. The Managers will provide lubricating oils and greases while this Agreement is in force pursuant to Clause 3.2 (iii). Upon termination of this Agreement for any reason, the Owners shall pay the Managers for the cost price of unused/unbroached lubricating oils and greases in sealed drums and in storage tanks and Managers shall remove the items set forth on Schedule 3 and any other items that it owns or leases at Managers' expense.

## 32. ISPS CODE

The Managers shall perform the duties of the "Company" as required by the ISPS Code. The Managers shall also perform the Owners' obligations and benefit from the Owner's rights under the BIMCO ISPS Code Time Charter Party Clause in the charterparty referred to in Clause 22 of this Agreement. The Managers shall be entitled to retain any sums received or recovered from charterers or from any other party in relation to ISPS Code actions and duties. If the Managers incur expenditure as a result of complying with the ISPS Code or making prudent security precautions that does not fall to be apportioned or is not recoverable from sub-charterers pursuant to the BIMCO ISPS Code Time Charter Party Clause, the Owners shall indemnify the Managers for such expenditure as invoiced to the Owners with full supporting documentation.

### SCHEDULE 1

#### M/T Ania — Management Fee and Drydock Fee Component

<u>CHARTER YEAR</u>	<u>COMMENCING (0001 GMT)</u>	<u>ENDING (2400 GMT)</u>	<u>MANAGEMENT FEE</u>	<u>DRYDOCK FEE COMPONENT</u>
1	October 17, 2005	October 16, 2006	USD 5,800 per day	USD 700 per day
2	October 17, 2006	October 16, 2007	USD 5,800 per day	USD 700 per day
3	October 17, 2007	October 16, 2008	USD 5,945 per day	USD 718 per day
4	October 17, 2008	October 16, 2009	USD 6,094 per day	USD 735 per day
5	October 17, 2009	October 16, 2010	USD 6,246 per day	USD 754 per day

  

<u>OPTION YEAR</u>	<u>COMMENCING (0001 GMT)</u>	<u>ENDING (2400 GMT)</u>	<u>MANAGEMENT FEE</u>	<u>TIME CHARTER RATE</u>
1	October 17, 2010	October 16, 2011	USD 6,402 per day	USD 773 per day
2	October 17, 2011	October 16, 2012	USD 6,562 per day	USD 792 per day
3	October 17, 2012	October 16, 2013	USD 6,726 per day	USD 812 per day
4	October 17, 2013	October 16, 2014	USD 6,894 per day	USD 832 per day
5	October 17, 2014	October 16, 2015	USD 7,067 per day	USD 853 per day

### SCHEDULE 2

#### M/T Ania – Estimated Date of Anticipated Drydocking

**and Agreed Drydocking Cost**

ESTIMATED DATE OF ANTICIPATED DRYDOCKING		AGREED DRYDOCKING COST
1q 2007	\$	185,000
4q 2009	\$	1,050,000
2q 2012	\$	735,000
4q 2014	\$	790,000

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**SCHEDULE 3**

The following items that are on board the Vessel as of the effective date of this Agreement are and will remain the property of the Managers. These items may remain on board at the sole discretion of and for the use and convenience of the Managers and may be removed at any time after the effective date of this Agreement at the expense of the Managers.

1. Bunkers (IFO and MDO/MGO)
  2. Victualling (provisions)
  3. All onboard log books up to the time and date of delivery for deck, engine and radio
  4. Seller's company forms, documents / stationery and all correspondence and company manuals
  5. All ISPS, ISM and quality documentation and correspondence
  6. Vessel's Rydex communications e-mail system and server
  7. Training video library, books
  8. Oxygen / acetylene / freon / nitrogen / argon cylinders / bottles
  9. Crew/officers library / walport videos
  10. Master's slopchest/bonded stores; personal effects of master, officers and crew
  11. Personal hand-held computers
  12. Personal cell phones
  13. Contents of master's safe
  14. Arms / ammunition
  15. Works of art, originals, copies, prints, statues
  16. Safety clothing / hats or other shirts/hats with OSG logo
  17. Certificates/documents to be returned to authorities
  18. Seagull training software
  19. All Seller's non-class computer software and server
  20. Chartco digital chart updates system software
  21. Any rented or leased or third party's equipment
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**CHARTER FRAMEWORK AGREEMENT**

by and among

**DOUBLE HULL TANKERS, INC.,**

**AND**

**OSG INTERNATIONAL, INC.**

**AND**

**EACH OF THE CHARTERERS NAMED HEREIN**

THIS CHARTER FRAMEWORK AGREEMENT is entered into as of October 6, 2005 by and among Double Hull Tankers, Inc., a Marshall Islands corporation (the "Company"), OSG International, Inc. ("OIN"), and each of the owners (the "Owners") and the charterers (the "Charterers") named on Schedule A hereto. The Company, the Owners, OIN and the Charterers are collectively referred to herein as the "Parties."

RECITALS:

WHEREAS, the Owners are the owners of those vessels (the "Vessels") set forth opposite their names on Schedule A hereto;

WHEREAS, pursuant to the Memoranda of Agreement, wholly owned subsidiaries of OIN have agreed to sell to the Owners, and the Owners have agreed to purchase from such subsidiaries, the Vessels on the terms and subject to the conditions set forth therein;

WHEREAS, pursuant to the Time Charters, each of the Owners has agreed to charter its Vessel to one of the Charterers, as set forth on Schedule A, on the terms and subject to the conditions set forth therein;

WHEREAS, the Parties desire to enter into this Agreement to evidence the Parties' understanding with respect to the calculation and payment of certain profit sharing payments related to the Time Charters;

NOW, THEREFORE, in consideration of the premises and the covenants, conditions, and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto hereby agree as follows:

**ARTICLE I**

DEFINITIONS

- (a) "Additional Hire Payment Amount" is defined in Section 2.01.
- (b) "Affiliate" of a Person means any Person directly or indirectly controlling, controlled by, or under common control with such Person.
- (c) "Aframax" means the *Overseas Cathy*, the *Overseas Sophie*, the *Rebecca* and the *Ania*.
- (d) "Agreement" means this Charter Framework Agreement, as it may be amended, modified, or supplemented from time to time.

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(e) "Basic Hire" shall have the meaning set forth in Clause 99 of each of the Time Charters.

(f) "Broker Panel" means The Association of Shipbrokers and Agents Tanker Broker Panel or another panel of brokers mutually acceptable to the Company and OIN.

(g) "Business Day" means any day other than (a) Saturday or Sunday or (b) any other day on which banks in New York, New York are permitted or required to be closed.

(h) "Calculated Additional Hire" means:

(A) if the Aggregate TCE Revenue exceeds the Aggregate Basic Hire Paid, an amount equal to (x) the difference of the Aggregate TCE Revenue minus the Aggregate Basic Hire Paid, times (y) 40%; and

(B) if the Aggregate TCE Revenue is less than the Aggregate Basic Hire Paid, zero dollars.

(i) "Calculation Period" is defined in Section 4.02(a) for the period commencing on the Effective Date through September 30, 2006 and in Section 4.03(a) for periods after September 30, 2006.

(j) “Effective Date” means the date on which the Owners have completed the purchase from OIN’s subsidiaries of the Vessels and the Time Charters become effective.

(k) “GAAP” means United States generally accepted accounting principles set forth in the opinions and pronouncements of the Public Company Accounting Oversight Board and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, which are in effect from time to time.

(l) “Memoranda of Agreement” means those certain Memoranda of Agreement, dated as of September 20, 2005, between certain subsidiaries of OIN and the Owners.

(m) “Monthly Pool Revenue” is defined in Section 3.02(c).

(n) “Offhire Adjustment” is defined in Section 2.03(b).

(o) “Operated in a Pool” is defined in Section 3.02.

(p) “Owners” means the vessel owning subsidiaries named on Schedule A hereto.

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(q) “Person” means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company, government or any agency or political subdivision thereof or any other entity.

(r) “Pool” means the Aframax International Pool, the Tankers International Pool and any other pooling arrangement that OIN subsequently selects to perform the commercial management of the Vessels on behalf of a Charterer or Charterers.

(s) “Pool Revenue” is defined in Section 3.02(b) when a Vessel is Operated in a Pool for all of a calendar quarter and in Section 3.02(c) when a Vessel is Operated in a Pool for part of a calendar quarter within a Pool.

(t) “Spot Revenue” is defined in Section 3.04.

(u) “Time Charters” means those certain Time Charters, dated as of October 6, 2005, between the Charterers and the Owners, in each case with respect to the Vessel owned by each such Owner, as set forth on Schedule A.

(v) “Time Charter Revenue” is defined in Section 3.03.

(w) “Transferee” is defined in Section 4.01(b).

(x) “Vessels” is defined in the first recital.

(y) “VLCC” means the *Overseas Ann*, the *Overseas Chris* and the *Regal Unity*.

## ARTICLE II

### ADDITIONAL HIRE

SECTION 2.01. Payment of Additional Hire. OIN hereby agrees to pay to the Company charter hire in addition to the Basic Hire payable under the Time Charter in accordance with the terms and conditions of this Agreement. Any such additional charter hire is referred to herein as “Additional Hire.” Any Additional Hire that is payable hereunder shall be paid quarterly in an amount equal to the “Additional Hire Payment Amount”, as that amount is calculated in accordance with Sections 4.02 and 4.03. OIN shall pay to the Company the Additional Hire Payment Amount on the 35th day following the last day of such calendar quarter (the “Additional Hire Payment Date”); provided that if such date is not a Business Day, then the Additional Hire Payment Date shall be the next succeeding Business Day following such date. Such payments shall be made by wire transfer of immediately available funds to the wire transfer address of the Company. All calculations necessary to determine the Additional Hire Payment Amount shall be made by OIN. All references to “days”, “months”, “quarters” or other time

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periods shall be interpreted to be references to such time periods or to any pro rata portion thereof, for purposes of the calculations set forth herein.

SECTION 2.02. Sample Calculations. Schedules B-1 and B-2 set forth sample calculations that illustrate the calculations that are used to determine both the Additional Hire Payment Amount and the Spot Revenue. These Schedules shall be interpreted to clarify, but not contradict, the terms set forth in this Agreement.

SECTION 2.03. Offhire Adjustment. (a) Although the parties contemplate that the Vessels shall be employed in such a manner that there shall not be any discrepancy between off-hire under the Time Charters and any employment of the Vessels by the Charterers, in the event of any such discrepancy, the Aggregate Basic Hire Paid shall be subject to an Offhire Adjustment during any quarter in which any Vessel:

(i) was on-hire while it Operated in a Pool or under a subcharter for a greater period than it was on-hire under its Time Charter or

(ii) was on-hire under its Time Charter for a greater period than it was on-hire while it Operated in a Pool or under a subcharter.

(b) The Offhire Adjustment shall be calculated for each Vessel to which Section 2.03(a) applies as follows:

(i) in the case of a Vessel to which Section 2.03(a)(i) applies, its share of Aggregate Basic Hire Paid shall be deemed to be equal to the amount of Basic Hire actually paid with respect to the Vessel increased by an amount equal to:

(A) the number of days the Vessel was on-hire while it Operated in a Pool or on-hire under a sub time charter minus the number of days the Vessel was on-hire under its Time Charter times (B) the Basic Hire rate for that Vessel for the relevant time period.

(ii) in the case of a Vessel to which Section 2.03(a)(ii) applies, its share of the Aggregate Basic Hire Paid shall be deemed to be equal to the amount of Basic Hire actually paid with respect to the Vessel decreased by an amount equal to:

(A) the number of days the Vessel was on-hire under its Time Charter minus the number of days the Vessel was on-hire while it Operated in a Pool or on-hire under a sub time charter times (B) the Basic Hire rate for that Vessel for the relevant time period.

(c) For the avoidance of doubt, the Offhire Adjustment shall be used only for the purpose of determining the Additional Hire Payment Amount and shall not affect the payment of Basic Hire to the Owners under the Time Charters.

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### ARTICLE III

#### CALCULATION OF REVENUE CONTRIBUTION BY TYPE OF EMPLOYMENT

SECTION 3.01. Each calendar quarter, OIN shall determine Additional Hire by referring to the type of employment that each Vessel engaged in during the relevant time period:

(a) for the days during the quarter that a Vessel Operated in a Pool, if any, Pool Revenue shall be calculated for the quarter;

(b) for the days during the quarter that a Vessel operated outside of a Pool and was subchartered under a time charter, if any, Time Charter Revenue shall be calculated for the quarter; and

(c) for the days during the quarter that a Vessel was operated outside of a Pool and not subchartered under a time charter, if any, Spot Revenue shall be calculated for the quarter.

#### SECTION 3.02. Pool Revenue.

(a) As of the date hereof, each Vessel is being "Operated in a Pool," meaning that the Vessel has been entered into a Pool and not withdrawn, regardless of whether the Vessel has been put off-hire by the Pool. Schedule C sets forth a description of the method used by Tankers International Pool and Aframax International Pool in determining the amount of pool earnings that are allocated to vessels Operated in a Pool, and OIN represents and warrants the accuracy of the description in Schedule C as of the date hereof. Promptly upon the occurrence of any event that would result in a material change to the description contained in Schedule C, or upon the entry of a Vessel into any Pool other than, or withdrawal from, Tankers International Pool or Aframax International Pool, OIN shall inform the Company of such change and shall provide an updated Schedule C.

(b) For any quarter during which a Vessel is Operated in a Pool for all of such quarter, Pool Revenue shall be equal to:

(i) the time charter equivalent revenue allocated to the Vessel by the manager of the Pool reduced by any administrative or other expenses allocated to the Vessel by the manager of the Pool, in each case for the calendar year to date ended on the last day of such quarter; less

(ii) the time charter equivalent revenue allocated to the Vessel by the manager of the Pool reduced by any administrative or other expenses allocated to the Vessel by the manager of the Pool, in each case for the

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calendar year to date ended on the last day of the prior quarter, unless the quarter in question is the first quarter of the calendar year in which case there is no subtraction;

(iii) plus (or minus) any downward (or upward) net revenue adjustments subsequent to the Effective Date related to periods (x) prior to the Effective Date or (y) subsequent to the sale of the Vessel, as determined by the manager of the Pool, to reverse any adjustments in the net revenue allocated to the Vessel by the manager of the Pool that are not attributable to the time period after the Effective Date.

(c) For any quarter during which a vessel is Operated in a Pool for part but not all of such quarter, Pool Revenue shall be calculated on a monthly basis and shall be equal to the sum of Monthly Pool Revenue for each whole or partial month in such quarter in which a Vessel is Operated in a Pool. "Monthly Pool Revenue" shall be equal to:

(i) the time charter equivalent revenue allocated to the Vessel by the manager of the Pool reduced by any administrative or other expenses allocated to the Vessel by the manager of the Pool, in each case for the calendar year to date ended on the last day of the month in question; less

(ii) the time charter equivalent revenue allocated to the Vessel by the manager of the Pool reduced by any administrative or other expenses allocated to the Vessel by the manager of the Pool, in each case for the calendar year to date ended on the last day of the

immediately preceding month;

(iii) plus (or minus) any downward (or upward) net revenue adjustments subsequent to the Effective Date related to periods (x) prior to the Effective Date or (y) subsequent to the sale of the Vessel, as determined by the manager of the Pool, to reverse any adjustments in the net revenue allocated to the Vessel by the manager of the Pool that are not attributable to the time period after the Effective Date;

(iv) if the Vessel was in a Pool for only a portion of a month and the manager of the Pool allocates time charter equivalent revenue for the full month to the Vessel (as in the month in which the Effective Date occurs or the month in which a Transfer occurs), then the result is multiplied by a fraction, the numerator of which is the number of days the Vessel was on hire in the Pool in such month and the denominator of which is the number of days in such month; and

(v) if the vessel was in a Pool for only a portion of a month and the manager of the Pool allocates time charter equivalent revenue on a pro-rata

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based on the number of days elapsed in the month, then the above Section 3.02(c)(iv) shall not apply.

SECTION 3.03. Time Charter Revenue. For any quarter during which a Vessel is not Operated in a Pool and is subchartered by its Charterer under a time charter, Time Charter Revenue shall be calculated. "Time Charter Revenue" shall be equal to the actual time charter revenue recorded by a Charterer in respect of a Vessel during such period, calculated in accordance with GAAP, less actual shipbroker commissions and commercial management fees incurred by such Charterer with respect to such time charters; provided that such shipbroker commissions shall not exceed 2.5% of the actual time charter revenue recorded by the Charterer in the applicable time period and such commercial management fees shall not exceed 1.25% of the actual time charter revenue recorded by such Charterer in the applicable time period.

SECTION 3.04. Spot Revenue. For any quarter during which a Vessel (i) is not Operated in a Pool and (ii) is not subchartered by its Charterer under a time charter, Spot Revenue shall be calculated for that Vessel by reference to the number of days the Vessel was on-hire under its Time Charter. "Spot Revenue" for each Vessel shall be equal to the Weighted Average TCE Rate multiplied by the number of days in the Spot Period for that Vessel.

(a) For purposes of determining the Spot Revenue, the following definitions shall be used:

(i) "Weighted Average TCE Rate" means:

(A) for the VLCCs, the sum of (x) the Average TCE Spot Rate for Route A for the Spot Period multiplied by 50%, (y) the Average TCE Spot Rate for Route B for the Spot Period multiplied by 46% and (z) the Average TCE Spot Rate for Route C for the Spot Period multiplied by 4%; and

(B) for the Aframax, the sum of (x) the Average TCE Spot Rate for Route D for the Spot Period multiplied by 50%, (y) the Average TCE Spot Rate for Route E for the Spot Period multiplied by 25% and (z) the Average TCE Spot Rate for Route F for the Spot Period multiplied by 25%.

(ii) "Spot Period" is the number of days in a quarter during which a Vessel is not Operated in a Pool, is not subchartered by its Charterer under a time charter and is on-hire under its Time Charter.

(iii) "Average TCE Spot Rate" is calculated for each Vessel and the Routes applicable to it and is an amount expressed as US dollars per day obtained by dividing Net Freight Income by Voyage Duration.

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(iv) "Route" means Routes A, B and C for the VLCCs and Routes D, E and F for the Aframax and "Cargo Size" means the amount corresponding to the applicable Route in the table below:

<u>Route</u>	<u>Port Descriptions</u>	<u>Cargo Size</u>
<i>VLCC Routes</i>		
Route A	Ras Tanura to Chiba (1)	250,000 tons
Route B	Ras Tanura to LOOP (2),(3)	280,000 tons
Route C	Offshore Bonny to LOOP (3)	260,000 tons
<i>Aframax Routes</i>		
Route D	Puerto la Cruz to Corpus Christi	70,000 tons
Route E	Sullom Voe to Wilhelmshaven	80,000 tons
Route F	Banias to Lavera	80,000 tons

- (1) Via Straits of Malacca  
(2) Via Cape of Good Hope  
(3) Bunkering stop in St. Eustatius

(v) "Voyage Duration" shall be expressed in days, rounded to the nearest 1/100, and, for any Route, shall be equal to the number of days that the Vessel would travel the Voyage Distance of a Route on a round trip (with one leg being laden and one leg being in ballast) at the Voyage Speed plus Time in Port.

(vi) "Voyage Distance" for each Route shall be equal to the distance published for such Route from time to time in the "World-Wide Marine Distance Tables" published by British Petroleum, plc. and adjusted, as necessary, to a one-way basis for each leg of the Route as the Route is defined.

(vii) "Voyage Speed" shall equal:

(A) for the *Overseas Cathy* and *Overseas Sophie*: 13.875 knots (which is calculated by using 15 knots in laden condition and in ballast condition less a steaming allowance of 7.5 % to allow for weather and navigation).

(B) for the *Rebecca* and the *Ania*: 12.3025 knots (which is calculated by using 13.3 knots in laden condition and in ballast condition less a steaming allowance of 7.5% to allow for weather and navigation).

(C) for the VLCCs: 13.64375 knots in laden condition and 14.56875 knots in ballast condition (which is calculated by using 14.75

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knots in laden condition and 15.75 knots in ballast condition less a steaming allowance of 7.5% to allow for weather and navigation).

(viii) "Time in Port" means:

(A) for Aframax: 2 days loading, 2 days discharging and 1 day idling time, for a total of 5 days; and

(B) for VLCCs: 3 days loading, 3 days discharging and 1.5 days idling time, for a total of 7.5 days.

(ix) "Freight Income" is the product of (A) the average of the daily spot rates, expressed in Worldscale Points, for the days in the Spot Period, as determined by the Broker Panel, for the Vessel's class on each Route applicable to the Vessel (the "Average WS Spot Rate"), (B) the Worldscale flat rate for the applicable Routes, as set forth in the New Worldwide Tanker Nominal Freight Scale issued by the Worldscale Association for the Spot Period times 0.01, and (C) the Cargo Size for the applicable Routes.

(x) "Net Freight Income" means Freight Income minus the sum of (A) Freight Income times 0.0375 (which consists of brokerage commissions of 2.5% and commercial management costs of 1.25%), (B) Bunker Costs and (C) the sum of port tariffs, tugs and other port call expenses for loading and discharging at the ports described in the definition of Route for the applicable Routes, converted to US Dollars at the spot exchange rate in effect on the last calendar day of the Spot Period.

(xi) "Bunker Costs" means Bunkers Used by a Vessel for each Route applicable to it multiplied by the Bunker Price.

(xii) "Bunkers Used" is expressed in tons and means the sum of:

(A) Load Port Bunkers Used, being:

(1) for the *Overseas Cathy* and the *Overseas Sophie*: 20 tons,

(2) for the *Rebecca* and the *Ania*: 20 tons,

(3) for the VLCCs: 50 tons;

plus

(B) Laden Leg Bunkers Used, being the amount equal to the product of (x) the Voyage Distance of that Route divided by the product of (i) the Voyage Speed of the Vessel in laden condition times

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(ii) 24 (the number of hours in a day), multiplied by (y) the amount equal to:

(1) for the *Overseas Cathy* and *Overseas Sophie*: 60 tons per day,

(2) for the *Rebecca* and the *Ania*: 37 tons per day,

(3) for the VLCCs: 105 tons per day;

plus

(C) Discharge Port Bunkers Used, being:

(1) for the *Overseas Cathy* and the *Overseas Sophie*: 20 tons,

(2) for the *Rebecca* and the *Ania*: 20 tons,

(3) for the VLCCs: 200 tons;

plus

(D) Ballast Leg Bunkers Used, being the amount equal to the product of (x) the Voyage Distance of that Route divided by the product of (i) the Voyage Speed of the Vessel in ballast condition times (ii) 24 (the number of hours in a day), multiplied by (y) the amount equal to:

- (1) for the *Overseas Cathy* and *Overseas Sophie*: 60 tons per day,
- (2) for the *Rebecca* and the *Ania*: 37 tons per day,
- (3) for the VLCCs: 100 tons per day.

(xiii) "Bunker Price" means:

(A) for Aframax: the average of the daily mean prices in effect during the Spot Period for Marine Fuel Oil grade IFO 380 CST, for the following ports and weighted as indicated:

- (1) Houston (50% weighting),
- (2) Rotterdam (25% weighting), and
- (3) Gibraltar (25% weighting);

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(B) for VLCCs: the average of the daily mean prices in effect during the Spot Period for Marine Fuel Oil grade IFO 380 CST, for the following ports and weighted as indicated:

- (1) Fujairah (50% weighting), and
- (2) Houston (50% weighting),

as published by Platts Bunkerwire, or a similar publication or quotation service mutually acceptable to the Company and OIN. Prices that are not expressed on a delivered basis shall be increased by the amount of average barge delivery charges in the applicable port for the Spot Period in question.

#### SECTION 3.05. Special Provisions Regarding the Calculation of Spot Revenue:

(a) If, in OIN's reasonable opinion, the Routes cease to represent routes on which very large crude carriers or aframax generally operate on, then OIN may request the approval of the Company, which may not be unreasonably withheld, to instruct the Broker Panel to select alternative notional routes, which shall be proposed by OIN to the Broker Panel, that most closely match alternative routes then being used by very large crude carriers or Aframax, as the case may be, and such alternative routes shall be substituted for the Routes;

(b) If, in OIN's reasonable opinion, it becomes impractical or dangerous for very large crude carriers or Aframax to operate on the Routes due to war, hostilities, warlike operations, civil war, civil commotion, revolution or terrorism ("Hostilities"), then OIN may request the approval of the Company, which may not be unreasonably withheld, to instruct the Broker Panel to select alternative notional routes that reasonably reflect realistic alternative routes, which shall be proposed by OIN to the Broker Panel, as substitutes for the Routes for the duration of such Hostilities;

(c) If a Route is substituted pursuant to clauses (a) or (b) above, or if in OIN's reasonable opinion the bunkering ports for which bunker prices are used for the purpose of determining the Bunker Price cease to be representative of bunkering practice for a Route or Routes, the bunkering ports may, on the request of OIN, the approval of the Company for which may not be unreasonably withheld, be changed and appropriate weights assigned to reflect the changed circumstances.

(d) If the New Worldwide Tanker Nominal Freight Scale issued by the Worldscale Association ceases to be published, the Broker Panel shall use its best judgment in determining the nearest alternative method of assessing the market rates on the specified voyages.

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(e) For periods in which a Vessel or Vessel is earning Spot Revenue, Voyage Speed and bunker consumption rates used to calculate Bunkers Used shall be recalculated by OIN per industry convention on an annual basis for the vessel class (as outlined in the definitions of Bunkers Used and Voyage Speed) of each Vessel earning Spot Revenue. Voyage Speed and/or bunker consumption rates for a given vessel class shall be updated to the newly remeasured value or values for changes equal to or greater than 0.5 knots or 5 tons per day, respectively, from the pre-existing value or values to be used prospectively in the calculation of Spot Revenue.

(f) On the last day of any calendar quarter which contains a Spot Period for any Vessel during such quarter, or the next succeeding Business Day if such date is not a Business Day, OIN shall instruct the Broker Panel to determine the applicable Average WS Spot Rates for the relevant Spot Period(s) for each such Vessel. OIN shall instruct the Broker Panel to deliver the Average WS Spot Rates no later than the fifth Business Day following the day on which it makes its request. Upon receipt of the Broker Panel's determination of the Average WS Spot Rates, OIN shall calculate the Spot Revenue for each such Vessel for the quarter. Within five Business Days following the receipt of the Average WS Spot Rates from the Broker Panel, OIN shall send a notice to the Company, which shall include the Broker Panel's determination of the Average WS Spot Rates, that sets forth, in reasonable detail, the calculations made by OIN in determining the Spot Revenue for each such Vessel. When it receives all the necessary information, OIN shall calculate the Additional Hire Payment Amount and, if requested, OIN shall provide such additional supporting schedules and records as are reasonably requested by the Company so that it may independently confirm the accuracy of the Additional Hire



Payment Amount. On the Additional Hire Payment Date, OIN shall provide a final certified schedule that sets forth, in reasonable detail, the calculations made by OIN in determining the Additional Hire Payment Amount.

#### ARTICLE IV

##### CALCULATION OF ADDITIONAL HIRE

SECTION 4.01. General Provisions. The following provisions shall apply to the calculation of the Additional Hire Payment Amount at all times:

(a) Aggregate Calculations. The Additional Hire Payment Amount shall be calculated in respect of each Calculation Period on a fleetwide basis, as set forth in Sections 4.02 and 4.03.

(b) Additional Hire Payment Amount with Respect to a Transferred Vessel. If there is a transfer to a third party of a Vessel or of the company that owns a Vessel (the "Transfer"), then the Charterer of such Vessel shall pay

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Additional Hire to such transferee (the "Transferee") for the time period beginning on the date of the Transfer and shall cease paying Additional Hire to the Company with respect to that Vessel on such date. In the event of a Transfer, the parties hereto agree that the following provisions shall apply:

(i) with respect to the Transferee, the calculation of Aggregate TCE Revenue and Aggregate Basic Hire Paid for the Vessel subject to the Transfer shall include only the Pool Revenue, Time Charter Revenue, Spot Revenue and Basic Hire associated with such transferred Vessel for the entire Calculation Period (and the Calculation Period shall not be affected by the Transfer);

(ii) with respect to the Company, the calculation of Aggregate TCE Revenue and Aggregate Basic Hire Paid for the remaining Vessels owned by the Owners shall include the Pool Revenue, Time Charter Revenue, Spot Revenue and Basic Hire associated with the transferred Vessel for the portion of the Calculation Period prior to the Transfer;

(iii) OIN and the Charterers agree with the Company that they shall, if required by the Transferee, execute a charter framework agreement with the Transferee on substantially the same terms as this Agreement;

(iv) if more than one Vessel is transferred to the same Transferee, or to an Affiliate of a Transferee, Additional Hire shall be calculated on a fleetwide basis for that Transferee, and only one charter framework shall be required for such Transferee;

(v) if a Vessel is transferred to an Affiliate of DHT, the transferee shall be treated as though it is an Owner under this Agreement.

SECTION 4.02. Additional Hire Calculations for the First Four Fiscal Quarters. For the period commencing on the Effective Date through September 30, 2006, the Additional Hire Payment Amount shall be calculated following the end of each Calculation Period (as defined below) as follows:

(a) The Calculation Periods shall be:

(i) for purposes of calculating the first Additional Hire Payment Amount, the time period commencing on the Effective Date and ending on December 31, 2005;

(ii) for purposes of calculating the second Additional Hire Payment Amount, the time period commencing on the Effective Date and ending on March 31, 2006;

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(iii) for purposes of calculating the third Additional Hire Payment Amount, the time period commencing on the Effective Date and ending on June 30, 2006;

(iv) for purposes of calculating the fourth Additional Hire Payment Amount, the time period commencing on the Effective Date and ending on September 30, 2006.

(b) For each Calculation Period, if the Calculated Additional Hire exceeds the Prior Additional Hire Payment Amount, the Additional Hire Payment Amount shall equal the excess of the Calculated Additional Hire over the Prior Additional Hire Payment Amount. If the Prior Additional Hire Payment Amount exceeds the Calculated Additional Hire, the Additional Hire Payment Amount shall equal zero dollars.

(c) The following definitions shall apply to this Section 4.02 only:

(i) "Aggregate TCE Revenue" means the sum of (a) the cumulative Pool Revenue earned by the Vessels in respect of the relevant Calculation Period, (b) the cumulative Time Charter Revenue earned by the Vessels in respect of the relevant Calculation Period and (c) the cumulative Spot Revenue earned by the Vessels in respect of the relevant Calculation Period;

(ii) "Aggregate Basic Hire Paid" means the cumulative amount of Basic Hire paid by the Charterers to the Owners pursuant to the terms of each Time Charter in the Calculation Period for which the Additional Hire Payment Amount is being calculated, as adjusted by any applicable Offhire Adjustment.

(iii) "Prior Additional Hire Payment Amount" means the aggregate of the Additional Hire Payment Amounts paid to the Company for the prior quarters in the Calculation Period (excluding the calendar quarter for which the Additional Hire Payment Amount calculation is

being made).

(d) Any excess of Prior Additional Hire Payment Amount over Calculated Additional Hire for the Calculation Period ending on September 30, 2006 ("Year 1 Deficit Carryforward") shall be carried forward for up to the following four fiscal quarters and serve to reduce, but not to below zero, the Additional Hire Payment Amount in each of those quarters, as set forth below.

SECTION 4.03. Additional Hire Calculations for Periods Subsequent to September 30, 2006. For all periods following September 30, 2006, the Additional Hire Payment Amount shall be calculated following the end of each Calculation Period (as defined below) as follows:

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(a) Each Calculation Period shall consist of the four consecutive calendar quarters ending on the last day of the calendar quarter for which the Additional Hire calculation is being made.

(b) For each Calculation Period, the Additional Hire Payment Amount shall equal the Calculated Additional Hire for that Calculation Period, minus the Additional Hire Payment Offset; provided that, if the deduction of the Additional Hire Payment Offset would result in a negative number, the Additional Hire Payment Amount shall be reduced by that portion of the Additional Hire Payment Offset that reduces the Additional Hire Payment Amount to zero.

(c) The following definitions shall apply to this Section 4.03 only:

(i) "Additional Hire Payment Offset" for the Calculation Period ending December 31, 2006, shall be equal to the Year 1 Deficit Carryforward. For each Calculation Period thereafter ending on or prior to September 30, 2007, the Additional Hire Payment Offset shall equal the Year 1 Deficit Carryforward minus the cumulative amount of Additional Hire Payment Offsets previously used to reduce the Additional Hire Payment Amount. The Additional Hire Payment Offset shall be zero for all Calculation Periods ending after September 30, 2007.

(ii) "Aggregate TCE Revenue" means the sum of the Rolling Average TCE Revenue for each of the Vessels in the quarter for which the Additional Hire Payment Amount is being calculated.

(iii) "Aggregate Basic Hire Paid" means the total amount of Basic Hire paid by the Charterers to the Owners pursuant to the terms of each Time Charter in the quarter for which the Additional Hire Payment Amount is being calculated as adjusted by any applicable Offhire Adjustment.

(iv) "Rolling Average TCE Revenue" is calculated separately for each Vessel for the last calendar quarter in any Calculation Period and is equal to the product of (i) the Rolling Average TCE Rate calculated for the applicable calendar quarter and (ii) the number of days the Vessel was on hire under its Time Charter in such calendar quarter.

(v) "Rolling Average TCE Rate" is calculated separately for each Vessel for the last calendar quarter in any Calculation Period and is equal to the sum of (i) all Pool Revenue, plus (ii) all Time Charter Revenue, plus (iii) all Spot Revenue, earned by a Vessel in the applicable Calculation Period; divided by the number of days the Vessel was on hire under its Time Charter in such Calculation Period.

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## ARTICLE V

### GENERAL PROVISIONS

SECTION 5.01. Marketing; Preferential Treatment. During the term of this Agreement, OIN and the Charterers shall use their commercial best efforts to subcharter the Vessels on market terms, including, without limitation, ensuring that preferential treatment is not given to any other vessels owned, managed by or under control of OIN or any of its or any of its affiliates (including, without limitation, Overseas Shipholding Group, Inc.) when subchartering any of the Vessels.

SECTION 5.02. Broker Panel Determinations and Expenses. Determinations of the Broker Panel shall be binding on the Company, the Charterers and OIN. The Company and OIN shall each be responsible for 50% of the expenses of the Broker Panel (and any experts engaged by the Broker Panel) as they relate to the Vessels or any other matter covered by the terms of this Agreement.

SECTION 5.03. Term. This Agreement shall commence on the Effective Date and terminate upon the termination of the last Time Charter then in effect; provided, however, that the termination of this Agreement shall not impair any rights or obligations of any Party arising hereunder prior to such termination.

SECTION 5.04. Choice of Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, USA.

SECTION 5.05. Arbitration. Any dispute arising under this Agreement shall be resolved by arbitration in accordance with the provisions set forth in the Time Charter for the Vessel *Overseas Ann*, substituting OIN for the Charterer and the Company for the Owner.

SECTION 5.06. Entire Agreement. This Agreement constitutes the entire agreement of the Parties relating to the matters contained herein, superseding all prior contracts or agreements, whether oral or written, relating to the matters contained herein.

SECTION 5.07. Amendment or Modification. This Agreement may be amended or modified from time to time only by the written agreement of all of the Parties.

SECTION 5.08. Assignment; Joinder. (a) No Party shall have the right to assign its rights or obligations under this Agreement without the consent of the other Parties hereto, it being understood that this Agreement shall be binding upon the Transferee of a Vessel as provided in Section 4.01(b).

SECTION 5.09. Notices. Unless otherwise provided herein, any notice, request, consent, instruction or other document to be given hereunder by any Party to another Party shall be in writing and shall be deemed given (a) when received if delivered

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personally or by courier; or (b) on the date receipt is acknowledged if delivered by certified mail, postage prepaid, return receipt requested or (c) on the day of transmission if sent by facsimile transmission and receipt thereof is confirmed, as follows:

(i) if to the Company, addressed to:

Double Hull Tankers, Inc.  
26 New Street  
St. Helier, Jersey JE23RA  
Channel Islands  
Attention: Chief Executive Officer  
Telephone: +44 (0) 1534 639759  
Facsimile:

(ii) if to OIN or any Charterer, c/o of OSG Ship Management, Inc. at:

OSG Ship Management, Inc.  
666 Third Avenue  
New York, NY 10017  
Attention: Treasurer  
Telephone: 212-953-4100  
Facsimile: 212-578-1832

or to such other place and with such other copies as any Party may designate as to itself by written notice to the others in accordance with this Section 5.09.

SECTION 5.10. Counterparts. This Agreement may be executed in any number of counterparts with the same effect as if all signatory parties had signed the same document. All counterparts shall be construed together and shall constitute one and the same instrument.

SECTION 5.11. Severability. If any provision of this Agreement or the application thereof to any entity or circumstance shall be held invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

SECTION 5.12. U.S. Currency. All sums and amounts payable to or to be payable pursuant to the provisions of this Agreement shall be payable currency of the United States of America that, at the time of payment, is legal tender for the payment of public and private debts in the United States of America.

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IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized representatives as of the day and year first above written.

DOUBLE HULL TANKERS, INC.,

By: /s/ Ole Jacob Diesen  
Ole Jacob Diesen

OSG INTERNATIONAL, INC.,

By: /s/ Myles R. Itkin  
Myles R. Itkin

ANN TANKER CORPORATION

By: /s/ Ole Jacob Diesen  
Ole Jacob Diesen

DHT ANN VLCC CORP.,

By: /s/ Myles R. Itkin  
Myles R. Itkin

CHRIS TANKER CORPORATION

By: /s/ Ole Jacob Diesen  
Ole Jacob Diesen

DHT CHRIS VLCC CORP.,

By: /s/ Myles R. Itkin  
Myles R. Itkin

REGAL UNITY TANKER CORPORATION

By: /s/ Ole Jacob Diesen  
Ole Jacob Diesen

DHT REGAL UNITY VLCC CORP.,

By: /s/ Myles R. Itkin  
Myles R. Itkin

CATHY TANKER CORPORATION

DHT CATHY AFRAMAX CORP.

By: /s/ Ole Jacob Diesen  
Ole Jacob Diesen

SOPHIE TANKER CORPORATION

By: /s/ Ole Jacob Diesen  
Ole Jacob Diesen

REBECCA TANKER CORPORATION

By: /s/ Ole Jacob Diesen  
Ole Jacob Diesen

ANIA AFRAMAX CORPORATION

By: /s/ Ole Jacob Diesen  
Ole Jacob Diesen

By: /s/ Myles R. Itkin  
Myles R. Itkin

DHT SOPHIE AFRAMAX CORP.

By: /s/ Myles R. Itkin  
Myles R. Itkin

DHT REBECCA AFRAMAX CORP.

By: /s/ Myles R. Itkin  
Myles R. Itkin

DHT ANIA AFRAMAX CORP.

By: /s/ Myles R. Itkin  
Myles R. Itkin

**SCHEDULE A**

VESSEL	OWNER	CHARTERER
Overseas Ann	Ann Tanker Corporation	DHT Ann VLCC Corp.
Overseas Chris	Chris Tanker Corporation	DHT Chris VLCC Corp.
Regal Unity	Regal Unity Tanker Corporation	DHT Regal Unity VLCC Corp.
Overseas Cathy	Cathy Tanker Corporation	DHT Cathy Aframax Corp.
Overseas Sophie	Sophie Tanker Corporation	DHT Sophie Aframax Corp.
Rebecca	Rebecca Tanker Corporation	DHT Rebecca Aframax Corp.
Ania	Ania Aframax Corporation	DHT Ania Aframax Corp.

**SCHEDULE B-1**

**EXAMPLE OF ADDITIONAL HIRE CALCULATION USING CERTAIN OPERATING ASSUMPTIONS**

**GENERAL DATA**

“Effective Date”: 10/17/05

	for calendar quarter (or part thereof) ended					
	12/31/05	3/31/06	6/30/06	9/30/06	12/31/06	3/31/07
Available revenue days	76	90	91	92	92	90
Number of days in “Calculation Period”	76	166	257	349	92	90
<b>Pool earnings assumption for 100-point vessel (\$/day)</b>						
VLCC (TI Pool)	40,000	45,000	30,000	39,000	45,000	40,000
Aframaxes (TI Pool)	30,000	32,500	22,500	20,000	32,500	24,000
<b>“Basic Hire” rate from Time Charters (steps up each October 17th) (1)</b>						
Overseas Ann/Chris, Regal Unity	37,200	37,200	37,200	37,200	37,400	37,400
Overseas Cathy/Sophie	24,500	24,500	24,500	24,500	24,700	24,700
Rebecca/Ania	18,500	18,500	18,500	18,500	18,700	18,700
<b>VESSEL-LEVEL CALCULATIONS</b>						
<b>Overseas Ann</b>						
On-hire days	76	90	91	80	92	90
Pool earnings (\$/day) pool points (2): 99.4%	39,760	44,730	29,820	38,766	44,730	39,760
Revenue	3,021,760	4,025,700	2,713,620	3,101,280	4,115,160	3,578,400
Effective TCE rate / “Rolling Average TCE Rate” (3)	39,760	44,730	29,820	38,766	39,535	38,268
TCE Revenue / “Rolling Average TCE Revenue” (4)	3,021,760	4,025,700	2,713,620	3,101,280	3,637,195	3,444,083
“Basic Hire”	2,827,200	3,348,000	3,385,200	2,976,000	3,437,600	3,366,000
<b>Overseas Chris</b>						
On-hire days	76	90	91	92	81	90
Pool earnings (\$/day) pool points: 99.4%	39,760	44,730	29,820	38,766	44,730	39,760
Revenue	3,021,760	4,025,700	2,713,620	3,566,472	3,623,130	3,578,400
Effective TCE rate / “Rolling Average TCE Rate”	39,760	44,730	29,820	38,766	39,347	38,084
TCE Revenue / “Rolling Average TCE Revenue”	3,021,760	4,025,700	2,713,620	3,566,472	3,187,126	3,427,531
“Basic Hire”	2,827,200	3,348,000	3,385,200	3,422,400	3,026,200	3,366,000
<b>Regal Unity</b>						
On-hire days	76	90	91	92	92	76
Pool earnings (\$/day) pool points: 98.8%	39,520	44,460	29,640	38,532	44,460	39,520
Revenue	3,003,520	4,001,400	2,697,240	3,544,944	4,090,320	3,003,520
Effective TCE rate / “Rolling Average TCE Rate”	39,520	44,460	29,640	38,532	39,271	37,994
TCE Revenue / “Rolling Average TCE Revenue”	3,003,520	4,001,400	2,697,240	3,544,944	3,612,929	2,887,572
“Basic Hire”	2,827,200	3,348,000	3,385,200	3,422,400	3,437,600	2,842,400
<b>Overseas Cathy</b>						
On-hire days	76	90	91	92	92	88
Pool earnings (\$/day) pool points: 107.13%	32,139	34,817	24,104	21,426	34,817	25,711
Revenue	2,442,564	3,133,553	2,193,487	1,971,192	3,203,187	2,262,586
Effective TCE rate / “Rolling Average TCE Rate”	32,139	34,817	24,104	21,426	28,771	26,530
TCE Revenue / “Rolling Average TCE Revenue”	2,442,564	3,133,553	2,193,487	1,971,192	2,646,933	2,334,655
“Basic Hire”	1,862,000	2,205,000	2,229,500	2,254,000	2,269,200	2,173,600

	for calendar quarter (or part thereof) ended					
	12/31/05	3/31/06	6/30/06	9/30/06	12/31/06	3/31/07
<b>Overseas Sophie</b>						
On-hire days	76	88	91	92	92	90
Pool earnings (\$/day)	pool points: 107.13%					
Revenue	32,139	34,817	24,104	21,426	34,817	25,711
Effective TCE rate / "Rolling Average TCE Rate"	2,442,564	3,063,918	2,193,487	1,971,192	3,203,187	2,314,008
TCE Revenue / "Rolling Average TCE Revenue"	32,139	34,817	24,104	21,426	28,738	26,526
"Basic Hire"	2,442,564	3,063,918	2,193,487	1,971,192	2,643,868	2,387,311
	1,862,000	2,156,000	2,229,500	2,254,000	2,269,200	2,223,000
<b>Rebecca</b>						
On-hire days	76	90	91	86	92	90
Pool earnings (\$/day)	pool points: 90.93%					
Revenue	27,279	29,552	20,459	18,186	29,552	21,823
Effective TCE rate / "Rolling Average TCE Rate"	2,073,204	2,659,703	1,861,792	1,563,996	2,718,807	1,964,088
TCE Revenue / "Rolling Average TCE Revenue"	27,279	29,552	20,459	18,186	24,525	22,587
"Basic Hire"	2,073,204	2,659,703	1,861,792	1,563,996	2,256,254	2,032,817
	1,406,000	1,665,000	1,683,500	1,591,000	1,717,200	1,683,000
<b>Ania</b>						
On-hire days	76	90	91	92	92	84
Pool earnings (\$/day)	pool points: 90.93%					
Revenue	27,279	29,552	20,459	18,186	29,552	21,823
Effective TCE rate / "Rolling Average TCE Rate"	2,073,204	2,659,703	1,861,792	1,673,112	2,718,807	1,833,149
TCE Revenue / "Rolling Average TCE Revenue"	27,279	29,552	20,459	18,186	24,420	22,526
"Basic Hire"	2,073,204	2,659,703	1,861,792	1,673,112	2,246,669	1,892,190
	1,406,000	1,665,000	1,683,500	1,702,000	1,717,200	1,570,800
<b>FLEET-LEVEL CALCULATIONS</b>						
Aggregate of revenue contributions (5)	18,078,576	23,569,676	16,235,037	17,392,188	20,230,975	18,406,160
Aggregate of "Basic Hire"	15,017,600	17,735,000	17,981,600	17,621,800	17,874,200	17,224,800
"Aggregate TCE Revenue" (6)	18,078,576	41,648,252	57,883,289	75,275,477	20,230,975	18,406,160
"Aggregate Basic Hire Paid"	15,017,600	32,752,600	50,734,200	68,356,000	17,874,200	17,224,800
Excess revenue	3,060,976	8,895,652	7,149,089	6,919,477	2,356,775	1,181,360
DHT profit share percentage@ 40%	x 40%	x 40%	x 40%	x 40%	x 40%	x 40%
"Calculated Additional Hire" (7)	1,224,390	3,558,261	2,859,635	2,767,791	942,710	472,544
Less: "Prior Additional Hire Payment Amount"	—	1,224,390	3,558,261	3,558,261	—	—
"Additional Hire Payment Offset"	—	—	—	—	790,470	—
"Additional Hire Payment Amount" (8)	1,224,390	2,333,870	0	0	152,240	472,544
"Year 1 Deficit Carryforward"				790,470	0	0

## Notes to Schedule B-1

This sample calculation assumes that each Vessel Operates in a Pool for the entire time period covered and that no Offhire Adjustment applies. This Schedule is for illustration purposes only. See Schedule B-2 for a sample calculation of Spot Revenue. If Spot Revenue or Time Charter Revenue were earned by a Vessel, the revenue would be included in the "Revenue" line for each Vessel.

- 1) The Basic Hire Rate (as defined in Clause 99 of each Time Charter) steps up on each anniversary of the Effective Date, so that each fourth fiscal quarter (ending on December 31) will have two Basic Hire Rates in effect. For the purposes of this Exhibit, drydock off-hire periods occurring in such quarters containing a step-up in the Basic Hire Rate are assumed to take place in the latter portion of such quarter, reducing Basic Hire that would otherwise be earned at the higher rate.
- 2) Pool points are used in the determination of time charter equivalent revenue by the manager of the Pool and are shown here for illustration purposes only. In this example, pool earnings are derived by multiplying pool points times the assumed earnings for a 100 point vessel. The pool earnings shown on this Schedule are as per those in effect for the Vessels on the Effective Date as determined by the manager of the respective Pool. Pool points are subject to change by the manager of the respective pool (on a semiannual basis for both Pools as of the Effective Date). For purposes of this Schedule, Pool Revenue is equal to the Revenue line (as all Vessels are assumed to only Operate in Pools), which is equal to pool earnings times on-hire days, without adjustment.
- 3) For periods prior to September 30, 2006, the TCE Rate is shown on this Schedule, and is the same as "pool earnings." The TCE Rate is not a defined term in this Agreement. For periods after September 30, 2006, the Rolling Average TCE Rate applies. The Rolling Average TCE Rate for Pool Revenue is functionally equal to the weighted average of the TCE rates reported by the pool manager for the four quarters ending on the last day of such quarter. In this Schedule, the Rolling Average TCE Rate is equal to the sum of Revenue for the previous four quarters divided by the sum of on-hire days.
- 4) For periods prior to September 30, 2006, TCE Revenue is shown on this Schedule, and is the same as "Revenue." TCE Revenue is not a defined term in this Agreement. For periods after September 30, 2006, Rolling Average TCE Revenue applies and is obtained by multiplying the Rolling Average TCE Rate by the number of on-hire days in the Calculation Period for the Vessel.
- 5) Aggregate of revenue contributions is the sum of the TCE Revenue / Rolling Average TCE Revenue for all Vessels.
- 6) Aggregate TCE Revenue is calculated as:
  - a) for the each of the first four fiscal quarters (including stub first quarter), the cumulative amount of aggregate revenue contributions earned for the Calculation Period or
  - b) for each calendar quarter thereafter, the aggregate amount of revenue contributions earned for the current quarter.

Aggregate Base Hire Paid is then calculated on the same basis from Basic Hire.

- 7) Calculated Additional Hire is calculated as 40% of any excess revenue (Aggregate TCE Revenue less Aggregate Base Hire Paid).
- 8) Additional Hire Payment Amount is calculated as:
- for the each of the first four fiscal quarters (including stub first quarter), the excess, if any, of Calculated Additional Hire (which has been earned on a cumulative basis for the Calculation Period commencing on the Effective Date through the last day of the quarter in question), over Prior Additional Payment Amount, which is defined as the cumulative Additional Hire Payment Amount paid since the Effective Date. Any excess of Prior Additional Payment Amount over Calculated Additional Hire existing as at September 30, 2006, which would result from no additional hire payment being made in respect of that quarter and possibly other preceding quarters, will create a deficit balance called Year 1 Deficit Carryforward that can be carried forward and drawn against in future quarters (through September 30, 2007) to reduce (in the form of an Additional Hire Payment Offset) the additional hire payments otherwise payable in respect of such quarters
  - for any calendar quarter thereafter, Calculated Additional Hire (which has been earned for the quarter in question on the basis of the four-quarter average TCE rates) as reduced, but not below zero, by any remaining balance in the Year 1 Deficit Carryforward which, on such reduction, shall be reduced by an equal amount. Any Year 1 Deficit Carryforward existing as at September 30, 2007 after any Additional Hire Payment Offset is taken in respect of the quarter ending on such date will be cancelled at such time.

**SCHEDULE B-2**  
**SAMPLE CALCULATION OF SPOT MARKET REVENUE**  
**OVERSEAS ANN/CHRIS**

Route	Route A	Route B	Route C
Loading port	Ras Tanura	Ras Tanura	Offshore Bonny
Discharge port	Chiba	LOOP	LOOP
"Voyage Distance" (in nm)	6,652	12,392	6,020
"Voyage Speed" (laden, in knots)	14.75	14.75	14.75
"Voyage Speed" (ballast, in knots)	15.75	15.75	15.75
Steaming allowance	7.5%	7.5%	7.5%
"Average WS Spot Rate" (From Broker Panel)	<b>110</b>	<b>100</b>	<b>120</b>

**VOYAGE CALCULATION**

"Worldscale Flat Rate" (in \$/mt)	\$ 13.39	\$ 22.26	\$ 11.30
x "Average WS Spot Rate" / 100	1.10	1.00	1.20
Freight rate (in \$/mt)	\$ 14.729	\$ 22.260	\$ 13.560
x "Cargo Size" (in mt)	250,000	280,000	260,000
"Freight Income" (in \$)	\$ 3,682,250.00	\$ 6,232,800.00	\$ 3,525,600.00
- Brokerage/Comm Mgmt (@ 3.75%)	(138,084.38)	(233,730.00)	(132,210.00)
- "Bunker Costs"	(1,049,714.75)	(1,902,964.00)	(955,965.50)
- "Port Charges" (see below)	(147,000.00)	(37,000.00)	(25,000.00)
Net freight income	\$ 2,347,450.88	\$ 4,059,106.00	\$ 2,412,424.50
/ "Voyage Duration" (in days)	46.83	80.78	43.10
"Average TCE Spot Rate" (in \$/day)	\$ 50,127.07	\$ 50,248.90	\$ 55,972.73
X Weighting factor	0.50	0.46	0.04
Weighted amounts	\$ 25,063.54	\$ 23,114.49	\$ 2,238.91
$\Sigma$ = "Weighted Average TCE Rate" (in \$/day)		\$ 50,416.94	

Vessel	O'seas Ann	O'seas Chris	Regal Unity
"Weighted Average TCE Rate" (in \$/day)	\$ 50,416.94	\$ 50,416.94	\$ 50,416.94
"Spot Market Days" (in days)	92.00	83.50	92.00
"Spot Market Revenue" (in \$)	\$ 4,638,358.41	\$ 4,209,814.43	\$ 4,638,358.41

**VOYAGE CALCULATION INPUTS**

	Route A	Route B	Route C
<b>Laden Leg</b>			
"Voyage Distance" (nm)	6,652	12,392	6,020
/ "Voyage Speed" (laden, in kts, net of steaming allowance)	13.64	13.64	13.64
Voyage duration (laden leg, in hrs)	487.55	908.25	441.23
Voyage duration (laden leg, in days)	20.31	37.84	18.38
x Laden Leg Consumption (in mt/day)	105.00	105.00	105.00
"Laden Leg Bunkers Used" (in mt)	2,132.55	3,973.20	1,929.90

<b>Ballast Leg</b>			
“Voyage Distance” (nm)	6,652	12,392	6,020
/ “Voyage Speed” (ballast, in kts, net of steaming allowance)	14.57	14.57	14.57
Voyage duration (ballast leg, in hrs)	456.59	850.59	413.21
Voyage duration (ballast leg, in days)	19.02	35.44	17.22
x Ballast Leg Consumption (in mt/day)	100.00	100.00	100.00
“Ballast Leg Bunkers Used” (in mt)	1,902.00	3,544.00	1,722.00

<b>Bunker Costs</b>			
“Load Port Bunkers Used” (in mt)	50.00	50.00	50.00
+ “Laden Leg Bunkers Used” (in mt)	2,132.55	3,973.20	1,929.90
+ “Discharge Port Bunkers Used” (in mt)	200.00	200.00	200.00
+ “Ballast Leg Bunkers Used” (in mt)	1,902.00	3,544.00	1,722.00
“Bunkers Used” (in mt)	4,284.55	7,767.20	3,901.90
x “Bunker Price” (in \$/mt, see below)	\$ 245.00	\$ 245.00	\$ 245.00
“Bunker Costs” (in \$)	\$ 1,049,714.75	\$ 1,902,964.00	\$ 955,965.50

<b>Voyage Duration</b>			
“Time in Port” (loading, in days)	3.00	3.00	3.00
+ Voyage duration (laden leg, in hrs)	20.31	37.84	18.38
+ “Time in Port” (discharging, in days)	3.00	3.00	3.00
+ Voyage duration (ballast leg, in days)	19.02	35.44	17.22
+ “Time in Port” (idling, in days)	1.50	1.50	1.50
“Voyage Duration”	46.83	80.78	43.10

<b>Port Charges</b>			
Port charges (load port, in \$)	\$ 32,000.00	\$ 32,000.00	\$ 20,000.00
Port charges (discharge port, in \$)	115,000.00	5,000.00	5,000.00
“Port Charges”	\$ 147,000.00	\$ 37,000.00	\$ 25,000.00

	Average Price	Weighting	Weighted Price
Fujairah Price (in \$/mt)	\$ 240.00	0.500	\$ 120.00
Houston Price (in \$/mt)	\$ 250.00	0.500	125.00
“Bunker Price” (in \$/mt)			\$ 245.00

**SAMPLE CALCULATION OF SPOT MARKET REVENUE  
OVERSEAS CATHY/SOPHIE**

Route	Route D	Route E	Route F
Loading port	Puerto la Cruz	Sullom Voe	Banias
Discharge port	Corpus Christi	Wilhelmshaven	Lavera
“Voyage Distance” (in nm)	2,161	600	1,672
“Voyage Speed” (laden, in knots)	15.00	15.00	15.00
“Voyage Speed” (ballast, in knots)	15.00	15.00	15.00
Steaming allowance	7.5%	7.5%	7.5%
“Average WS Spot Rate” (From Broker Panel)	250	200	220

**VOYAGE CALCULATION**

“Worldscale Flat Rate” (in \$/mt)	\$ 5.49	\$ 4.45	\$ 5.35
x “Average WS Spot Rate” / 100	2.50	2.00	2.20
Freight rate (in \$/mt)	\$ 13.725	\$ 8.900	\$ 11.770
x “Cargo Size” (in mt)	70,000	80,000	80,000
“Freight Income” (in \$)	\$ 960,750.00	\$ 712,000.00	\$ 941,600.00
- Brokerage/Comm Mgmt (@ 3.75%)	(36,028.13)	(26,700.00)	(35,310.00)
- “Bunker Costs”	(211,864.50)	(66,240.00)	(166,221.00)
- “Port Charges”	(85,000.00)	(220,000.00)	(155,000.00)
Net freight income	\$ 627,857.38	\$ 399,060.00	\$ 585,069.00
/ “Voyage Duration” (in days)	17.98	8.60	15.04
“Average TCE Spot Rate” (in \$/day)	\$ 34,919.77	\$ 46,402.33	\$ 38,900.86
x Weighting factor	0.50	0.25	0.25
Weighted amounts	\$ 17,459.88	\$ 11,600.58	\$ 9,725.22

Σ = “Weighted Average TCE Rate” (in \$/day) \$ 38,785.68

Vessel	O’seas Cathy	O’seas Sophie
“Weighted Average TCE Rate” (in \$/day)	\$ 38,785.68	\$ 38,785.68

“Spot Market Days” (in days)	92.00	92.00
“Spot Market Revenue” (in \$)	\$ 3,568,282.56	\$ 3,568,282.56

## VOYAGE CALCULATION INPUTS

	<u>Route D</u>	<u>Route E</u>	<u>Route F</u>
<b>Laden Leg</b>			
“Voyage Distance” (nm)	2,161	600	1,672
/ “Voyage Speed” (laden, in kts, net of steaming allowance)	13.88	13.88	13.88
Voyage duration (laden leg, in hrs)	155.75	43.24	120.50
Voyage duration (laden leg, in days)	6.49	1.80	5.02
x Laden Leg Consumption (in mt/day)	60.00	60.00	60.00
“Laden Leg Bunkers Used” (in mt)	389.40	108.00	301.20
<b>Ballast Leg</b>			
“Voyage Distance” (nm)	2,161	600	1,672
/ “Voyage Speed” (ballast, in kts, net of steaming allowance)	13.88	13.88	13.88
Voyage duration (ballast leg, in hrs)	155.75	43.24	120.50
Voyage duration (ballast leg, in days)	6.49	1.80	5.02
x Ballast Leg Consumption (in mt/day)	60.00	60.00	60.00
“Ballast Leg Bunkers Used” (in mt)	389.40	108.00	301.20
<b>Bunker Costs</b>			
“Load Port Bunkers Used” (in mt)	20.00	20.00	20.00
+ “Laden Leg Bunkers Used” (in mt)	389.40	108.00	301.20
+ “Discharge Port Bunkers Used” (in mt)	20.00	20.00	20.00
+ “Ballast Leg Bunkers Used” (in mt)	389.40	108.00	301.20
“Bunkers Used” (in mt)	818.80	256.00	642.40
x “Bunker Price” (in \$/mt)	\$ 258.75	\$ 258.75	\$ 258.75
“Bunker Costs” (in \$)	\$ 211,864.50	\$ 66,240.00	\$ 166,221.00
<b>Voyage Duration</b>			
“Time in Port” (loading, in days)	2.00	2.00	2.00
+ Voyage duration (laden leg, in hrs)	6.49	1.80	5.02
+ “Time in Port” (discharging, in days)	2.00	2.00	2.00
+ Voyage duration (ballast leg, in days)	6.49	1.80	5.02
+ “Time in Port” (idling, in days)	1.00	1.00	1.00
“Voyage Duration”	17.98	8.60	15.04
<b>Port Charges</b>			
Port charges (load port, in \$)	\$ 60,000.00	\$ 135,000.00	\$ 30,000.00
Port charges (discharge port, in \$)	25,000.00	85,000.00	125,000.00
“Port Charges”	\$ 85,000.00	\$ 220,000.00	\$ 155,000.00
<b>Calculation of “Bunker Price”</b>			
	<u>Average Price</u>	<u>Weighting</u>	<u>Weighted Price</u>
Houston Price (in \$/mt)	\$ 260.00	0.500	\$ 130.00
Rotterdam Price (in \$/mt)	\$ 255.00	0.250	63.75
Gibraltar Price (in \$/mt)	\$ 260.00	0.250	65.00
“Bunker Price” (in \$/mt)			\$ 258.75

## **SAMPLE CALCULATION OF SPOT MARKET REVENUE ANIA AND REBECCA**

<u>Route</u>	<u>Route D</u>	<u>Route E</u>	<u>Route F</u>
Loading port	Puerto la Cruz	Sullom Voe	Banias
Discharge port	Corpus Christi	Wilhelmshaven	Lavera
“Voyage Distance” (in nm)	2,161	600	1,672
“Voyage Speed” (laden, in knots)	13.30	13.30	13.30
“Voyage Speed” (ballast, in knots)	13.30	13.30	13.30
Steaming allowance	7.5%	7.5%	7.5%
“Average WS Spot Rate” (From Broker Panel)	250	200	220

## VOYAGE CALCULATION



“Worldscale Flat Rate” (in \$/mt)	\$ 5.49	\$ 4.45	\$ 5.35
x “Average WS Spot Rate” / 100	2.50	2.00	2.20
Freight rate (in \$/mt)	\$ 13.725	\$ 8.900	\$ 11.770
x “Cargo Size” (in mt)	70,000	80,000	80,000
“Freight Income” (in \$)	\$ 960,750.00	\$ 712,000.00	\$ 941,600.00
- Brokerage/Comm Mgmt (@ 3.75%)	(36,028.13)	(26,700.00)	(35,310.00)
- “Bunker Costs”	(150,509.70)	(49,219.43)	(118,724.85)
- “Port Charges”	(85,000.00)	(220,000.00)	(155,000.00)
Net freight income	\$ 689,212.18	\$ 416,080.58	\$ 632,565.15
/ “Voyage Duration” (in days)	19.64	9.06	16.32
“Average TCE Spot Rate” (in \$/day)	\$ 35,092.27	\$ 45,925.01	\$ 38,760.12
x Weighting factor	0.50	0.25	0.25
Weighted amounts	\$ 17,546.13	\$ 11,481.25	\$ 9,690.03
Σ = “Weighted Average TCE Rate” (in \$/day)		\$ 38,717.42	
<b>Vessel</b>	<b>Ania</b>	<b>Rebecca</b>	
“Weighted Average TCE Rate” (in \$/day)	\$ 38,717.42	\$ 38,717.42	
“Spot Market Days” (in days)	92.00	86.00	
“Spot Market Revenue” (in \$)	\$ 3,562,002.34	\$ 3,329,697.84	

## VOYAGE CALCULATION INPUTS

	<u>Route D</u>	<u>Route E</u>	<u>Route F</u>
<b>Laden Leg</b>			
“Voyage Distance” (nm)	2,161	600	1,672
/ “Voyage Speed” (laden, in kts, net of steaming allowance)	12.30	12.30	12.30
Voyage duration (laden leg, in hrs)	175.66	48.77	135.91
Voyage duration (laden leg, in days)	7.32	2.03	5.66
x Laden Leg Consumption (in mt/day)	37.00	37.00	37.00
“Laden Leg Bunkers Used” (in mt)	270.84	75.11	209.42
<b>Ballast Leg</b>			
“Voyage Distance” (nm)	2,161	600	1,672
/ “Voyage Speed” (ballast, in kts, net of steaming allowance)	12.30	12.30	12.30
Voyage duration (ballast leg, in hrs)	175.66	48.77	135.91
Voyage duration (ballast leg, in days)	7.32	2.03	5.66
x Ballast Leg Consumption (in mt/day)	37.00	37.00	37.00
“Ballast Leg Bunkers Used” (in mt)	270.84	75.11	209.42
<b>Bunker Costs</b>			
“Load Port Bunkers Used” (in mt)	20.00	20.00	20.00
+ “Laden Leg Bunkers Used” (in mt)	270.84	75.11	209.42
+ “Discharge Port Bunkers Used” (in mt)	20.00	20.00	20.00
+ “Ballast Leg Bunkers Used” (in mt)	270.84	75.11	209.42
“Bunkers Used” (in mt)	581.68	190.22	458.84
x “Bunker Price” (in \$/mt)	\$ 258.75	\$ 258.75	\$ 258.75
“Bunker Costs” (in \$)	\$ 150,509.70	\$ 49,219.43	\$ 118,724.85
<b>Voyage Duration</b>			
“Time in Port” (loading, in days)	2.00	2.00	2.00
+ Voyage duration (laden leg, in hrs)	7.32	2.03	5.66
+ “Time in Port” (discharging, in days)	2.00	2.00	2.00
+ Voyage duration (ballast leg, in days)	7.32	2.03	5.66
+ “Time in Port” (idling, in days)	1.00	1.00	1.00
“Voyage Duration”	19.64	9.06	16.32
<b>Port Charges</b>			
Port charges (load port, in \$)	\$ 60,000.00	\$ 135,000.00	\$ 30,000.00
Port charges (discharge port, in \$)	25,000.00	85,000.00	125,000.00
“Port Charges”	\$ 85,000.00	\$ 220,000.00	\$ 155,000.00
<b>Calculation of “Bunker Price”</b>			
	<b>Average Price</b>	<b>Weighting</b>	<b>Weighted Price</b>
Houston Price (in \$/mt)	\$ 260.00	0.500	\$ 130.00
Rotterdam Price (in \$/mt)	\$ 255.00	0.250	63.75
Gibraltar Price (in \$/mt)	\$ 260.00	0.250	65.00
“Bunker Price” (in \$/mt)			\$ 258.75

## **SCHEDULE C**

### **Description of Pool Allocation**

#### **Calculation of Pool Earnings**

Pool Earnings in respect of all pool vessels in any one pool year are equal to pool gross revenues, as described below, less pool expenses, as described below.

Pool gross revenues are comprised principally of:

- (i) each pool vessel's total voyage income (including without limitation freight and demurrage);
- (ii) hire received for pool vessels fixed on time charters;
- (ii) the pool share of any salvage money;
- (iv) interest earned by the pool;
- (v) insurance money paid out under policies taken out by the pool; and
- (vi) all income of any nature due to the pool arising out of the operation of or in any way connected to the pool vessels.

Any expenses payable by the charterer under a transportation contract or COA are treated as income and then deducted below as pool expenses.

Pool expenses are comprised principally of:

- (i) each pool vessel's total voyage expenses payable under the applicable transportation contract or COA including without limitation, agents, tugs, port expenses, wharfage, brokerage commissions, bunkers, canal fees and additional war risk premiums;
- (ii) any liabilities or damages payable by the pool to any contractual party;
- (iii) all other expenses or amounts payable by the pool in connection with the operation of the pool vessels and in connection with performing the business of the pool;
- (iv) all costs in connection with the administration of the pool;
- (v) all other costs relating to the pool;
- (vi) claims relating to COAs where no vessels have been nominated; and

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- (vii) any claims or deductions (or any parts thereof) which cannot be deducted from a participant's entitlement to hire.

#### **How an individual Vessel Share is calculated**

The time charter equivalent revenue allocated to each pool vessel is calculated as follows:

$$(A \times B) / C$$

Where:

A = Pool Earnings for a particular month

B = Key Entitlement for the pool Vessel

C = the sum of Key Entitlements for all pool Vessels.

The "Key Entitlement" is the figure obtained by taking the pool points applicable to the pool Vessel in the month and multiplying it by the net number of days the pool Vessel was on hire to the pool in the month.

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## GUARANTY

GUARANTY, dated as of October 6, 2005 (as amended, modified or supplemented from time to time, this "Guaranty"), made by Overseas Shipholding Group, Inc., a Delaware corporation (the "Guarantor"), in favor of Double Hull Tankers, Inc. ("DHT") and its vessel owning subsidiaries listed on Schedule I hereto (each, an "Owner").

## RECITALS

WHEREAS, each Owner and subsidiaries of the Guarantor listed on Schedule I hereto (the "Charterers") are entering into Time Charter Parties on the date hereof (as amended from time to time, each a "Charter") pursuant to which each of the Charterers will agree to time charter the vessel owned by one of the Owners, as specified on Schedule I (the "Vessels");

WHEREAS, DHT, the Charterers and OSG International, Inc. ("OIN") are entering into that certain Charter Framework Agreement (the "CFA") dated the date hereof;

WHEREAS, the Charterers and OIN are wholly owned subsidiaries of Guarantor; and

WHEREAS, in order to induce each Owner to enter into its Charter with the applicable Charterer and to induce DHT to enter into the Charter Framework Agreement, Guarantor desires to execute this Agreement to guarantee the Charterers' payment obligations under the Charters and OIN's payment obligations under the CFA.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Section 1. Guaranty. The Guarantor, as primary obligor and not merely as surety, hereby irrevocably, unconditionally and absolutely severally guarantees to each Owner the due and punctual payment of the charterhire payments due to such Owner under its Charter with the applicable Charterer. In addition, the Guarantor, as primary obligor and not merely as surety, hereby irrevocably, unconditionally and absolutely severally guarantees to DHT the due and punctual payment of the charterhire payments due to DHT under the CFA. All such payment obligations and liabilities referred to in the previous two sentences are herein collectively called the "Guaranteed Obligations". In case of failure of a Charterer or OIN punctually to pay any of the amounts necessary to satisfy the Guaranteed Obligations, the Guarantor shall cause such amounts to be paid punctually when and as the same shall become due and payable as if such payment were made by such Charterer or OIN. The Guarantor also shall pay any and all expenses (including, without limitation, reasonable attorneys' fees and expenses) incurred by the

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applicable Owner or DHT in enforcing its rights under this Guaranty provided that such Owner or DHT is successful in enforcing its rights hereunder.

Section 2. Unconditional Obligations. The obligation of the Guarantor to guarantee the Guaranteed Obligations set forth in Section 1 above shall be absolute and unconditional irrespective of (i) any lack of enforceability against the Charterers or OIN of the Guaranteed Obligations, (ii) any change of the time, manner or place of payment, or any other term, of the Guaranteed Obligations, (iii) the failure, omission, delay or lack on the part of an Owner or DHT to assert any claim or demand or to enforce any right or remedy against the Guarantor, any Charterer or OIN, (iv) any reduction, limitation, impairment or termination of the Guaranteed Obligations for any reason, including any claim of waiver, release, surrender, alteration or compromise, (v) any invalidity, illegality or unenforceability in whole or in part of any Charter or the CFA and (vi) any law, regulation or order of any jurisdiction affecting any term of the Guaranteed Obligations or an Owner's or DHT's rights with respect thereto. The Guarantor hereby waives promptness, diligence, protest, demand of payment and notices with respect to the Guaranteed Obligations and any requirement that an Owner or DHT exhaust any right or take any action against a Charterer or OIN. Notwithstanding anything in this Guaranty to the contrary, the Guarantor shall be entitled to the benefit of any right to or claim of any defense, setoff, counterclaim, recoupment or termination to which a Charterer or OIN is entitled other than those referred to in clause (v) of this Section 2.

Section 3. Nature of Guaranteed Obligations. (a) The Guarantor hereby agrees that this Guaranty is a guaranty of payment and performance and not of collection only.

(b) Any and all payments by the Guarantor under the Guaranteed Obligations shall be made free and clear of, and without deduction or withholding for or on account of, any and all taxes, monetary transfer fees or other amounts except to the extent such deduction or withholding of any tax is required by applicable law. If the Guarantor shall be required by applicable law to deduct or withhold any tax or other amount from or in respect of any sum payable hereunder to or for the benefit of an Owner or DHT, to the extent the amount to be received from the Guarantor after such withholding is less than the amount that would have been received from the applicable Owner or DHT, the Guarantor shall pay to the Charterer such additional amount as shall be necessary to enable the Charterer to receive, after such withholding (including any withholding with respect to such additional amount), the amount it would have received if such withholding had not been required.

Section 4. Insolvency. This Guaranty shall continue to be effective, or be reinstated, as the case may be, if at any time payment, in whole or in part of any of the Guaranteed Obligations is rescinded or must otherwise be restored or returned by a Charterer upon the bankruptcy, insolvency, reorganization, arrangements, adjustment, composition, dissolution, liquidation, or the like, of any Charterer, OIN or the Guarantor, or as a result of the appointment of a custodian, receiver, trustee, or other officer with similar powers with respect to any Charterer, OIN or the Guarantor or any substantial part of either person's respective property, or otherwise, all as though such payment had

Section 5. Representations and Warranties of the Guarantor. The Guarantor hereby represents and warrants to the Owners and DHT that this Guaranty has been duly executed and delivered by the Guarantor and constitutes a valid and binding obligation of the Guarantor, enforceable against the Guarantor in accordance with its terms.

Section 6. Waivers and Amendments; Non-Contractual Remedies; Preservation of Remedies. This Guaranty may be amended, superseded, canceled, renewed or extended, and the terms hereof may be waived, only by a written instrument signed by the parties or, in the case of a waiver, by the party waiving compliance. No delay on the part of any party on exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party of any right, power or privilege, nor any single or partial exercise of any such right, power or privilege, preclude any further exercise thereof or the exercise of any other such right, power or privilege. The rights and remedies herein provided are cumulative and are not exclusive of any rights or remedies that any party may otherwise have at law or in equity.

Section 7. Governing Law. This Guaranty shall be construed, performed and enforced in accordance with the same laws and in the same manner as is set forth in the applicable Charter or the CFA, as the case may be.

Section 8. Notices. All notices, requests, demands and other communications under this Guaranty must be delivered in the same manner as set forth in the applicable Charter or the CFA, as the case may be.

Section 9. Counterparts. This Guaranty may be executed by the parties hereto in counterparts, each of which, when so executed and delivered, shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 10. Assignment; Binding Effect. This Guaranty shall be binding upon the Guarantor and its successors, permitted assigns and legal representatives and shall inure to the benefit of each Owner and DHT and their successors, permitted assigns and legal representatives. This Guaranty and any rights of either party hereunder, may not be assigned, directly or indirectly, without the prior written consent of the other party (which consent may be withheld at the sole discretion of such other party), provided that each Charterer may assign its rights hereunder as security to its lenders. Any assignment in violation of this Section 10 shall be void and shall have no force and effect, it being understood for the avoidance of doubt that in the event that a party shall merge or consolidate with or into another entity or enter into a business combination or other similar transaction with another entity, such transaction shall constitute an assignment.

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Section 11. No Third-Party Beneficiaries. Nothing in this Guaranty will confer any rights or benefits upon any person or entity other than the Owners and DHT and a successor or permitted assignee of any Owner or DHT.

Section 12. Negotiated Agreement. This Guaranty has been negotiated by the parties and the fact that the initial and final draft will have been prepared by either party or an intermediary will not give rise to any presumption for or against any party to this Guaranty or be used in any respect or forum in the construction or interpretation of this Guaranty or any of its provisions.

Section 13. Severability. If any provision of this Guaranty is held to be void or unenforceable, in whole or in part, (i) such holding shall not affect the validity and enforceability of the remainder of this Guaranty, including any other provision, paragraph or subparagraph and (ii) the parties agree to attempt in good faith to reform such void or unenforceable provision to the extent necessary to render such provision enforceable and to carry out its original intent.

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IN WITNESS WHEREOF, the Guarantor has caused this Guaranty to be executed on its behalf by its officer thereunto duly authorized on the date first above written.

OVERSEAS SHIPHOLDING  
GROUP, INC.

By: /s/ Myles R. Itkin  
Name: Myles R. Itkin  
Title: Senior Vice President

Accepted and Agreed to this

6th day of October, 2005

Double Hull Tankers, Inc., on behalf of itself  
and each of its subsidiaries listed on Schedule 1

By: /s/ Ole Jacob Diesen  
Name: Ole Jacob Diesen  
Title: Chief Executive Officer

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SCHEDULE I

<b>Owners:</b>		<b>Charterer:</b>	<b>Vessel</b>
1.	Ann Tanker Corporation	<i>and</i>	DHT Ann VLCC Corp. <i>Overseas Ann</i>
2.	Chris Tanker Corporation	<i>and</i>	DHT Chris VLCC Corp. <i>Overseas Chris</i>
3.	Regal Unity Tanker Corporation	<i>and</i>	DHT Regal Unity VLCC Corp. <i>Regal Unity</i>
4.	Cathy Tanker Corporation	<i>and</i>	DHT Cathy Aframax Corp. <i>Overseas Cathy</i>
5.	Sophie Tanker Corporation	<i>and</i>	DHT Sophie Aframax Corp. <i>Overseas Sophie</i>
6.	Rebecca Tanker Corporation	<i>and</i>	DHT Rebecca Aframax Corp. <i>Rebecca</i>
7.	Ania Aframax Corporation	<i>and</i>	DHT Ania Aframax Corp. <i>Ania</i>

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## GUARANTY

GUARANTY, dated as of October 6, 2005 (as amended, modified or supplemented from time to time, this "Guaranty"), made by Double Hull Tankers, Inc., a company incorporated in the Marshall Islands (the "Guarantor"), in favor of Tanker Management Ltd, a company formed in England (the "Manager").

## RECITALS

WHEREAS, the Manager and the vessel owning subsidiaries of the Guarantor (the "Owners") named on Schedule I, are entering into Ship Management Agreements on the date hereof (as amended from time to time, the "Ship Management Agreements") pursuant to which the Manager will agree to provide certain services with respect to the vessels owned by the Owners named on Schedule I (the "Vessels");

WHEREAS, the Owners are wholly owned subsidiaries of Guarantor; and

WHEREAS, in order to induce the Manager to enter into the Ship Management Agreements with the Owners, Guarantor desires to execute this Agreement to guarantee the Owners' payment and performance obligations under the Ship Management Agreements.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Section 1. Guaranty. The Guarantor, as primary obligor and not merely as surety, hereby irrevocably, unconditionally and absolutely guarantees to the Manager the due and punctual payment of all obligations and liabilities owing by the Owners under the Ship Management Agreements and the due performance and compliance by the Owners with all terms, conditions and agreements contained therein (all such obligations and liabilities being herein collectively called the "Guaranteed Obligations"). In case of failure of the Owners punctually to pay any of the amounts necessary to satisfy the Guaranteed Obligations, the Guarantor shall cause such amounts to be paid punctually when and as the same shall become due and payable as if such payment were made by the Owners. The Guarantor also shall pay any and all expenses (including, without limitation, reasonable attorneys' fees and expenses) incurred by the Manager in enforcing its rights under this Guaranty provided that the Manager is successful in enforcing its rights hereunder.

Section 2. Unconditional Obligations. The obligation of the Guarantor to guarantee the Guaranteed Obligations set forth in Section 1 above shall be absolute and unconditional irrespective of (i) any lack of enforceability against the Owners of the Guaranteed Obligations, (ii) any change of the time, manner or place of payment, or any other term, of the Guaranteed Obligations, (iii) the failure, omission, delay or lack on the part of the Manager to assert any claim or demand or to enforce any right or remedy

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against the Guarantor or the Owners, (iv) any reduction, limitation, impairment or termination of the Guaranteed Obligations for any reason, including any claim of waiver, release, surrender, alteration or compromise, (v) any invalidity, illegality or unenforceability in whole or in part of the Ship Management Agreements and (vi) any law, regulation or order of any jurisdiction affecting any term of the Guaranteed Obligations or the Manager's rights with respect thereto. The Guarantor hereby waives promptness, diligence, protest, demand of payment and notices with respect to the Guaranteed Obligations and any requirement that the Manager exhaust any right or take any action against the Owners. Notwithstanding anything in this Guaranty to the contrary, the Guarantor shall be entitled to the benefit of any right to or claim of any defense, setoff, counterclaim, recoupment or termination to which the Owners are entitled other than those referred to in clause (v) of this Section 2.

Section 3. Nature of Guaranteed Obligations. (a) The Guarantor hereby agrees that this Guaranty is a guaranty of payment and performance and not of collection only.

(b) Any and all payments by the Guarantor under the Guaranteed Obligations shall be made free and clear of, and without deduction or withholding for or on account of, any and all taxes, monetary transfer fees or other amounts except to the extent such deduction or withholding of any tax is required by applicable law. If the Guarantor shall be required by applicable law to deduct or withhold any tax or other amount from or in respect of any sum payable hereunder to or for the benefit of the Manager, to the extent the amount to be received from the Guarantor after such withholding is less than the amount that would have been received from the Owners, the Guarantor shall pay to the Manager such additional amount as shall be necessary to enable the Manager to receive, after such withholding (including any withholding with respect to such additional amount), the amount it would have received if such withholding had not been required.

Section 4. Insolvency. This Guaranty shall continue to be effective, or be reinstated, as the case may be, if at any time payment, in whole or in part of any of the Guaranteed Obligations is rescinded or must otherwise be restored or returned by the Manager upon the bankruptcy, insolvency, reorganization, arrangements, adjustment, composition, dissolution, liquidation, or the like, of the Owners or the Guarantor, or as a result of the appointment of a custodian, receiver, trustee, or other officer with similar powers with respect to the Owners or the Guarantor or any substantial part of either person's respective property, or otherwise, all as though such payment had not been made notwithstanding any termination of this Guaranty or the Ship Management Agreements.

Section 5. Representations and Warranties of the Guarantor. The Guarantor hereby represents and warrants to the Manager that this Guaranty has been duly executed and delivered by the Guarantor and constitutes a valid and binding obligation of the Guarantor, enforceable against the Guarantor in accordance with its terms.

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Section 6. Waivers and Amendments; Non-Contractual Remedies; Preservation of Remedies. This Guaranty may be amended, superseded, canceled, renewed or extended, and the terms hereof may be waived, only by a written instrument signed by the parties or, in the case of a waiver, by the party waiving compliance. No delay on the part of any party on exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any

waiver on the part of any party of any right, power or privilege, nor any single or partial exercise of any such right, power or privilege, preclude any further exercise thereof or the exercise of any other such right, power or privilege. The rights and remedies herein provided are cumulative and are not exclusive of any rights or remedies that any party may otherwise have at law or in equity.

Section 7. Governing Law. This Guaranty shall be construed, performed and enforced in accordance with the same laws and in the same manner as is set forth in the Ship Management Agreements.

Section 8. Notices. All notices, requests, demands and other communications under this Guaranty must be delivered in the same manner as set forth in the Ship Management Agreements.

Section 9. Counterparts. This Guaranty may be executed by the parties hereto in counterparts, each of which, when so executed and delivered, shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 10. Assignment; Binding Effect. This Guaranty shall be binding upon the Guarantor and its successors, permitted assigns and legal representatives and shall inure to the benefit of the Manager and its successors, permitted assigns and legal representatives. This Guaranty and any rights of either party hereunder, may not be assigned, directly or indirectly, without the prior written consent of the other party (which consent may be withheld at the sole discretion of such other party), provided that Manager may assign its rights hereunder as security to its lenders. Any assignment in violation of this Section 10 shall be void and shall have no force and effect, it being understood for the avoidance of doubt that in the event that a party shall merge or consolidate with or into another entity or enter into a business combination or other similar transaction with another entity, such transaction shall constitute an assignment.

Section 11. No Third-Party Beneficiaries. Nothing in this Guaranty will confer any rights or benefits upon any person or entity other than the Manager and a successor or permitted assignee of the Manager.

Section 12. Negotiated Agreement. This Guaranty has been negotiated by the parties and the fact that the initial and final draft will have been prepared by either party or an intermediary will not give rise to any presumption for or against any party to this Guaranty or be used in any respect or forum in the construction or interpretation of this Guaranty or any of its provisions.

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Section 13. Severability. If any provision of this Guaranty is held to be void or unenforceable, in whole or in part, (i) such holding shall not affect the validity and enforceability of the remainder of this Guaranty, including any other provision, paragraph or subparagraph and (ii) the parties agree to attempt in good faith to reform such void or unenforceable provision to the extent necessary to render such provision enforceable and to carry out its original intent.

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IN WITNESS WHEREOF, the Guarantor has caused this Guaranty to be executed on its behalf by its officer thereunto duly authorized on the date first above written.

DOUBLE HULL TANKERS, INC.

By: /s/ Ole Jacob Diesen  
Name: Ole Jacob Diesen  
Title: Chief Executive Officer

Accepted and Agreed to this

6<sup>th</sup> day of October, 2005

TANKER MANAGEMENT, LTD

By: /s/ Ian Blackley  
Name: Ian Blackley  
Title: Director

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#### SCHEDULE I

<b>Owners:</b>	<b>Vessel</b>
1. Ann Tanker Corporation	<i>Overseas Ann</i>
2. Chris Tanker Corporation	<i>Overseas Chris</i>
3. Regal Unity Tanker Corporation	<i>Regal Unity</i>
4. Cathy Tanker Corporation	<i>Overseas Cathy</i>
5. Sophie Tanker Corporation	<i>Overseas Sophie</i>
6. Rebecca Tanker Corporation	<i>Rebecca</i>
7. Ania Aframax Corporation	<i>Ania</i>

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## GUARANTY

GUARANTY, dated as of October 6, 2005 (as amended, modified or supplemented from time to time, this "Guaranty"), made by Double Hull Tankers, Inc., a company incorporated in the Marshall Islands (the "Guarantor"), in favor of the charterers listed on Schedule I hereto (each, a "Charterer").

## RECITALS

WHEREAS, the Charterer and the vessel owning subsidiaries of the Guarantor (the "Owners") named on Schedule I, are entering into Time Charter Parties on the date hereof (as amended from time to time, each a "Charter") pursuant to which each of the Charterers will agree to time charter the vessel owned by one of the Owners, as specified on Schedule I (the "Vessels");

WHEREAS, the Owners are wholly owned subsidiaries of Guarantor; and

WHEREAS, in order to induce each Charterer to enter into its Charter with the applicable Owners, Guarantor desires to execute this Agreement to guarantee the Owners' payment and performance obligations under the Charters.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Section 1. Guaranty. The Guarantor, as primary obligor and not merely as surety, hereby irrevocably, unconditionally and absolutely hereby severally guarantees to each Charterer the due and punctual payment of all obligations and liabilities owing by the applicable Owner under its Charter with such Charterer and the due performance and compliance by such Owner with all terms, conditions and agreements contained therein (all such obligations and liabilities being herein collectively called the "Guaranteed Obligations"). In case of failure of an Owner punctually to pay any of the amounts necessary to satisfy the Guaranteed Obligations, the Guarantor shall cause such amounts to be paid punctually when and as the same shall become due and payable as if such payment were made by such Owner. The Guarantor also shall pay any and all expenses (including, without limitation, reasonable attorneys' fees and expenses) incurred by the Manager in enforcing its rights under this Guaranty provided that the Manager is successful in enforcing its rights hereunder.

Section 2. Unconditional Obligations. The obligation of the Guarantor to guarantee the Guaranteed Obligations set forth in Section 1 above shall be absolute and unconditional irrespective of (i) any lack of enforceability against the Owners of the Guaranteed Obligations, (ii) any change of the time, manner or place of payment, or any other term, of the Guaranteed Obligations, (iii) the failure, omission, delay or lack on the

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part of a Charterer to assert any claim or demand or to enforce any right or remedy against the Guarantor or any Owner, (iv) any reduction, limitation, impairment or termination of the Guaranteed Obligations for any reason, including any claim of waiver, release, surrender, alteration or compromise, (v) any invalidity, illegality or unenforceability in whole or in part of any Charter and (vi) any law, regulation or order of any jurisdiction affecting any term of the Guaranteed Obligations or a Charterer's rights with respect thereto. The Guarantor hereby waives promptness, diligence, protest, demand of payment and notices with respect to the Guaranteed Obligations and any requirement that a Charterer exhaust any right or take any action against an Owner. Notwithstanding anything in this Guaranty to the contrary, the Guarantor shall be entitled to the benefit of any right to or claim of any defense, setoff, counterclaim, recoupment or termination to which an Owner is entitled other than those referred to in clause (v) of this Section 2.

Section 3. Nature of Guaranteed Obligations. (a) The Guarantor hereby agrees that this Guaranty is a guaranty of payment and performance and not of collection only.

(b) Any and all payments by the Guarantor under the Guaranteed Obligations shall be made free and clear of, and without deduction or withholding for or on account of, any and all taxes, monetary transfer fees or other amounts except to the extent such deduction or withholding of any tax is required by applicable law. If the Guarantor shall be required by applicable law to deduct or withhold any tax or other amount from or in respect of any sum payable hereunder to or for the benefit of a Charterer, to the extent the amount to be received from the Guarantor after such withholding is less than the amount that would have been received from the applicable Owner, the Guarantor shall pay to the Charterer such additional amount as shall be necessary to enable the Charterer to receive, after such withholding (including any withholding with respect to such additional amount), the amount it would have received if such withholding had not been required.

Section 4. Insolvency. This Guaranty shall continue to be effective, or be reinstated, as the case may be, if at any time payment, in whole or in part of any of the Guaranteed Obligations is rescinded or must otherwise be restored or returned by a Charterer upon the bankruptcy, insolvency, reorganization, arrangements, adjustment, composition, dissolution, liquidation, or the like, of any Owner or the Guarantor, or as a result of the appointment of a custodian, receiver, trustee, or other officer with similar powers with respect to any Owner or the Guarantor or any substantial part of either person's respective property, or otherwise, all as though such payment had not been made notwithstanding any termination of this Guaranty or the applicable Charter.

Section 5. Representations and Warranties of the Guarantor. The Guarantor hereby represents and warrants to the Charterer that this Guaranty has been duly executed and delivered by the Guarantor and constitutes a valid and binding obligation of the Guarantor, enforceable against the Guarantor in accordance with its terms.

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Section 6. Waivers and Amendments; Non-Contractual Remedies; Preservation of Remedies. This Guaranty may be amended, superseded, canceled, renewed or extended, and the terms hereof may be waived, only by a written instrument signed by the parties or, in the case of a waiver, by the party waiving compliance. No delay on the part of any party on exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party of any right, power or privilege, nor any single or partial exercise of any such right, power or privilege, preclude any further

exercise thereof or the exercise of any other such right, power or privilege. The rights and remedies herein provided are cumulative and are not exclusive of any rights or remedies that any party may otherwise have at law or in equity.

Section 7. Governing Law. This Guaranty shall be construed, performed and enforced in accordance with the same laws and in the same manner as is set forth in the applicable Charter.

Section 8. Notices. All notices, requests, demands and other communications under this Guaranty must be delivered in the same manner as set forth in the applicable Charter.

Section 9. Counterparts. This Guaranty may be executed by the parties hereto in counterparts, each of which, when so executed and delivered, shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 10. Assignment; Binding Effect. This Guaranty shall be binding upon the Guarantor and its successors, permitted assigns and legal representatives and shall inure to the benefit of each Charterer and its successors, permitted assigns and legal representatives. This Guaranty and any rights of either party hereunder, may not be assigned, directly or indirectly, without the prior written consent of the other party (which consent may be withheld at the sole discretion of such other party), provided that each Charterer may assign its rights hereunder as security to its lenders. Any assignment in violation of this Section 10 shall be void and shall have no force and effect, it being understood for the avoidance of doubt that in the event that a party shall merge or consolidate with or into another entity or enter into a business combination or other similar transaction with another entity, such transaction shall constitute an assignment.

Section 11. No Third-Party Beneficiaries. Nothing in this Guaranty will confer any rights or benefits upon any person or entity other than the Charterers and a successor or permitted assignee of any Charterer.

Section 12. Negotiated Agreement. This Guaranty has been negotiated by the parties and the fact that the initial and final draft will have been prepared by either party or an intermediary will not give rise to any presumption for or against any party to this Guaranty or be used in any respect or forum in the construction or interpretation of this Guaranty or any of its provisions.

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Section 13. Severability. If any provision of this Guaranty is held to be void or unenforceable, in whole or in part, (i) such holding shall not affect the validity and enforceability of the remainder of this Guaranty, including any other provision, paragraph or subparagraph and (ii) the parties agree to attempt in good faith to reform such void or unenforceable provision to the extent necessary to render such provision enforceable and to carry out its original intent.

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IN WITNESS WHEREOF, the Guarantor has caused this Guaranty to be executed on its behalf by its officer thereunto duly authorized on the date first above written.

DOUBLE HULL TANKERS, INC.

By: /s/ Ole Jacob Diesen  
Name: Ole Jacob Diesen  
Title: Chief Executive Officer

Accepted and Agreed to this

6<sup>th</sup> day of October, 2005

On behalf of each of the Charterers  
listed on Schedule 1 hereto,

By: /s/ Myles R. Itkin  
Name: Myles R. Itkin

#### SCHEDULE I

<u>Owners:</u>	<u>Charterer:</u>	<u>Vessel</u>
1. Ann Tanker Corporation	DHT Ann VLCC Corp.	Overseas Ann
2. Chris Tanker Corporation	DHT Chris VLCC Corp.	Overseas Chris
3. Regal Unity Tanker Corporation	DHT Regal Unity VLCC Corp.	Regal Unity
4. Cathy Tanker Corporation	DHT Cathy Aframax Corp.	Overseas Cathy
5. Sophie Tanker Corporation	DHT Sophie Aframax Corp.	Overseas Sophie
6. Rebecca Tanker Corporation	DHT Rebecca Aframax Corp.	Rebecca
7. Ania Aframax Corporation	DHT Ania Aframax Corp.	Ania