

CRUDE OIL STORAGE TANK LEASE AGREEMENT 20/285

THIS CRUDE OIL STORAGE TANK LEASE AGREEMENT (this “**Agreement**”) is made on the ___ day of _____ 2020 (the “**Effective Date**”), between Petroleum & Energy Infrastructures Ltd. and/or Oil Products Pipeline Ltd. (“**PEI**”) and _____ (the “**Client**”).

WHEREAS, PEI operates a system for storage of crude oil in Israel, which includes storage tanks at its Ashkelon South terminal; and

WHEREAS, Client wishes to lease a number of such storage tanks, as set forth in paragraph 1 of Appendix A (the “**Storage Tanks**”), in order to store the crude oil described in paragraph 2 of Appendix A (the “**Crude Oil**” or the “**Product**”), and PEI agrees to lease out said tanks to Client for that purpose, subject to and upon the terms and conditions set forth below.

NOW THEREFORE, the parties agree as follows:

1. INTERPRETATION

- 1.1 The preamble to this Agreement and its Appendices constitute an integral part hereof.
- 1.2 This Agreement shall be read in conjunction with the bidding documents issued by PEI in connection with Tender no. 20/285 for the Receipt of Crude Oil Storage Tank Lease Agreement.
- 1.3 If only one Storage Tank is leased hereunder, any reference to “Storage Tanks” in the plural shall be read as a reference to a single Storage Tank, *mutatis mutandis*.
- 1.4 In this Agreement and any Appendices or correspondence related hereto, “**NIS**”, “**Shekels**”, or the “₪” symbol means the legal currency of the State of Israel, and “**USD**”, “**Dollars**”, or the “\$” symbol means the legal currency of the United States of America, unless specifically provided otherwise.

2. DESCRIPTION OF STORAGE SYSTEM

- 2.1 The Storage Tanks are located at PEI’s Ashkelon South terminal, which is linked only to the Ashkelon terminal belonging to the Europe Asia Pipeline Company Ltd. (“**EAPC**”).
- 2.2 EAPC is the operator of the Ashkelon port and of the pipeline system connected from the port to PEI’s terminal, such that the Crude Oil enters and exits the Storage Tanks via EAPC’s terminal. Client hereby warrants and represents that it has read and understood EAPC’s marine regulations and restrictions as published on EAPC’s website and updated from time to time. Client shall be solely responsible for any payment related to the

storage of Products under this Agreement, which EAPC may charge either the Client or PEI. Such payments shall be added to the monthly payments made by Client to PEI in accordance with this Agreement.

- 2.3 The Client shall discharge the Crude Oil at EAPC's Port in Ashkelon and the Crude Oil will be piped to the Storage Tanks. Redelivery of the Crude Oil shall be by pipeline to EAPC, as the receiving and loading terminal operator at the Ashkelon port, either back to a vessel at Ashkelon port or to other locations.
- 2.4 Client acknowledges that the pipelines connecting to and from the Storage Tanks, and the bottom of the tanks themselves, are filled with certain quantities of petroleum from various sources, as described in paragraph 3 of Appendix A ("**PEI Petroleum**").
- 2.5 Client acknowledges and agrees that the pipelines and tanks in which the Crude Oil will be stored are not clean and contain residues of various crude oil grades including PEI Petroleum. PEI will not be responsible for any deterioration of quality of the Crude Oil due to this fact.

3. STORAGE PERIOD

The period for storage of the Crude Oil shall commence and terminate on the dates set forth in Appendix A (the "**Storage Period**").

4. NO SUB-LEASE

- 4.1 The Client shall not sub-lease the Storage Tanks or any of its rights thereto.

5. OPERATIONAL REQUIREMENTS AND OTHER RESTRICTIONS

- 5.1 Client acknowledges that:

- (1) PEI operates a large system which is used by many other parties. Therefore, any request by the Client regarding operational movements is subject, among other things, to PEI's other operational constraints and priorities and those of EAPC and/or other third parties, and to the system's operational plan, as coordinated by PEI; and

- (2) The operational requirements for fluent handling of crude oil in PEI's tanks are such that by-products of crude oil and residue, resulting from drainage of water and "heads and tails", are created. These by-products and residue are collected and transferred from time to time to the leased Storage Tanks. Client agrees that portions of such by-products and/or residue may be transferred to the Storage Tanks, without giving rise to any rights of title or ownership, or any other rights or claims, by the Client. Such transfer will take place after checking the quality of crude oil entering the tanks so as not to adversely impact the Crude Oil, and subject to PEI's obligations under Section 8 of this Agreement.

- 5.2 Client may not use the Storage Tanks other than for storage of Crude Oil

that possesses the properties stated in Appendix C ("**Qualified Crude Oil**"). Without restricting the generality of the foregoing, upon Client's request, PEI may, at its sole discretion, allow Client to store oil other than Qualified Crude Oil in the Storage Tanks ("**Non-Qualified Crude Oil**"), by notifying Client of its consent in advance and in writing. For the removal of doubt, PEI's consent, if so granted, shall apply only to the specific request to which it relates and shall not entitle Client to store any other Non-Qualified Crude Oil without obtaining PEI's written consent in advance. If PEI grants such consent, then during the period in which the Non-Qualified Crude Oil is stored, Client shall be charged an additional monthly fee as specified in Appendix A, and a different rate of handling loss, as provided in Section 10 of this Agreement, shall apply. All other terms and conditions stipulated in this Agreement shall apply to the storage of Non-Qualified Crude Oil, *mutatis mutandis*.

- 5.3 During the Storage Period, Client shall ensure that there is at all times a minimum of at least 6,000 cubic meters of Crude Oil in each leased tank, which quantity corresponds to the minimum quantity needed for operational efficiency. Without derogating from the foregoing, upon Client's request, PEI may, at its sole discretion and by its prior written consent, allow Client to reduce the quantity of Crude Oil in the tank below 6,000 cubic meters. For the removal of doubt, such consent, if so granted, shall apply only to the specific request to which it relates and may be subject to certain additional terms and conditions. Notwithstanding the aforesaid and without derogating from Section 11.1 herein, upon final redelivery of the Crude Oil to Client, subject to PEI's consent as detailed in Section 11 herein, and full satisfaction of all applicable fees, obligations, and payments owing to PEI, Client shall no longer be responsible for ensuring a minimum quantity as aforesaid.
- 5.4 If, at any time, Client wishes to deliver Crude Oil to or redeliver it from the Storage Tanks, Client shall notify PEI, as soon as possible and no later than 15 days in advance, of the date on which it wishes for such delivery or redelivery to occur. While PEI will make reasonable efforts to meet Client's request, Client acknowledges and agrees that actual delivery or redelivery time may vary based upon PEI's other operational needs, restrictions and undertakings with third parties, and dependence upon EAPC's network.
- 5.5 In the event that, for any reason, PEI requests that Client retrieve any portion of PEI Petroleum during the Storage Period, Client shall coordinate with PEI the implementation of such request, and shall ensure that such request is complied with as expeditiously as operationally feasible and in any event within 30 days following the request.
- 5.6 Client acknowledges and agrees that PEI may be required to make line displacements in order to replace the Crude Oil in the connecting lines between EAPC and PEI and in the lines in PEI tank farm, due to operational constraints (an "**Operational Activity**"). In such case, Client shall instruct EAPC as soon as possible following PEI's request to do so, to execute such Operational Activity on the terms and conditions stipulated by PEI.

6. **MEASUREMENT**

All measurements of Crude Oil, whether delivered to or redelivered from PEI, shall be established by gauging the volume of Crude Oil in the Storage Tanks at PEI's Ashkelon South terminal before and after discharge of each delivering vessel or transfer from EAPC's storage tanks. All volumes will be related to the standard temperature of 15°C according to ASTM Petroleum measurement tables. Measurements shall be taken by a surveyor, in accordance with Sections 7 to 9 below. In the event that no surveyor is appointed pursuant to Section 7, then the measurements shall be taken by PEI's own personnel and such measurements will be binding. For the removal of doubt, measurements taken other than as provided herein, including any measurements taken at the vessel's tanks, shall not be considered binding or conclusive, and the measurements taken by the surveyor appointed hereunder or PEI's personnel, as contemplated above, shall prevail.

7. **SURVEYOR**

7.1 Client may appoint, at its own cost, a reputable surveyor, acceptable to PEI, for the purposes of taking measurements and samples of the Crude Oil (the "**Surveyor**"). Absent manifest error or fraud, or any other factor that in PEI's reasonable opinion vitiates any of the Surveyor's findings, and provided that the requirements of this Section 7 and Sections 8 and 9 have been met, such findings shall be final and binding upon the parties.

7.2 Client shall have the right to be present or represented during the measurement and sampling of the Crude Oil and PEI shall give Client notice of the time and place thereof.

8. **SAMPLING**

PEI shall permit the Surveyor to take samples for the purposes of establishing the quality of Crude Oil delivered or redelivered. Client shall ensure that the Surveyor keeps the samples for a period of at least 75 days.

9. **SURVEYOR'S CERTIFICATE**

9.1 Client shall provide PEI with the Surveyor's findings, in the form of a certificate signed by the Surveyor, specifying the quality, quantity, volume, weight, and density of the Crude Oil delivered or redelivered by or to Client, and PEI's relevant tank number, the name of the vessel from or to which the delivery or redelivery was made, and EAPC's tank number if applicable (the "**Surveyor's Certificate**"). The Surveyor's Certificate shall include in addition a time sheet specifying all operations that occurred on both sides (PEI's tanks and vessels or EAPC's tanks), and the details of the quantity calculation. In case of redelivery of the Crude Oil, if PEI does not receive the Surveyor's Certificate as aforesaid within 3 business days from the completion of the redelivery, then measurements taken in the Storage Tanks by the Surveyor prior to redelivery will be binding for all purposes of this Agreement.

- 9.2 It is hereby clarified and agreed that in each redelivery to EAPC tanks, as the case may be, the Client will coordinate with EAPC and/or any third party receiving the Crude oil, that EAPC's receiving tank will contain, prior to redelivery of the Crude Oil, a minimum operational working quantity (as determined in each case by the Surveyor), that will enable the Surveyor to execute any procedure required in order to carry out all measurements in accordance with this Agreement. In any case of Client's failure to perform its obligation to coordinate the existence of the minimum operational quantity as aforesaid, then measurements taken in the Storage Tanks by the Surveyor will be binding for all purposes of this Agreement.

10. HANDLING LOSS

In respect of any redelivery, PEI shall redeliver to Client the quantity of Crude Oil received by PEI (measured in volume as per Sections 6 to 9) less 0.10% (zero point ten percent) of such quantity. If Client stores Non-Qualified Crude Oil, as defined in, and in accordance with, Section 5.2 above, then for that period, in respect of total quantity of Non-Qualified Crude Oil in the Storage Tank after delivery, the percentage reduction will increase to 0.15% (zero point fifteen percent). Such percentage reduction shall be deemed to have been handling loss, irrespective of the quantity of the actual loss, and shall not give rise to any rights or claims by the Client.

11. END OF STORAGE PERIOD

- 11.1 As soon as possible and no later than 30 days before termination of the Storage Period, Client shall instruct PEI regarding redelivery of all Crude Oil back to the EAPC terminal, such that all Storage Tanks are cleared by the end of the Storage Period. In addition, Client shall ensure that the Storage Tanks are restored with at least the same quality and quantity of PEI Petroleum as was present at the beginning of the Storage Period.

- 11.2 In the event that, for any reason, any portion of the crude oil cleared from the Storage Tanks exceeds, in quality or quantity, that which was stored by the Client, the Client shall return that portion of such crude oil (the "**Excess Oil**") to PEI immediately, and in no event later than 7 days following redelivery of the Crude Oil as provided in Section 11.1 above. If Client fails to return the Excess Oil, then it shall owe PEI an amount equal to the higher of (a) the fair market value of the Excess Oil on the day the Storage Tanks were cleared, and (b) the fair market value of the Excess Oil on the day the payment is made (the "**Fair Market Value**" of such Excess Oil). The Fair Market Value shall be determined as set forth in paragraph 5 of Appendix A. The amount shall be payable within 14 days of PEI's notification regarding the Client's failure to return Excess Oil. If PEI's conciliation of the figures at the end of the Storage Period indicates that the quantity of crude oil cleared from the Storage Tank, both during and at the end of the Storage Period and in the aggregate, is less than that which was delivered by the Client in the aggregate (after taking into account all aggregate handling losses set forth herein) ("**Missing Oil**"), PEI shall either return the Missing Oil or pay to Client an amount equal to the Fair Market Value of the Missing Oil on the day the Storage Tank was cleared.

- 11.3 For the removal of doubt, all measurements required for applying this Section

11 shall be based upon volume measured in the Storage Tanks and shall be taken in accordance with Sections 6 to 9 of this Agreement.

12. PAYMENT

12.1 The consideration payable to PEI for the storage services it provides hereunder shall consist of the monthly storage fee set forth in Section 6.1 of Appendix A (the “**Monthly Storage Fee**”; and the aggregate of all Monthly Storage Fees for the entire Storage Period, the “**Aggregate Storage Fee**”), and any additional operational fees set forth in Section 8 of Appendix A (the “**Operational Fees**”). Payment of each of the foregoing shall be made in accordance with the following provisions of this Section 12, including the provisions regarding VAT in Section 12.4.

12.2 During the Storage Period, unless specified otherwise in Appendix A:

- (a) The Monthly Storage Fee shall be paid in advance, no later than on the first day of every month during the Storage Period; and
- (b) The Operational Fees and the Fair Market Value of any Excess Oil shall be paid no later than by the 15th day of the month following the month of the operation.

12.3 At the end of the Storage Period, unless specified otherwise in Appendix A:

- (a) For the final redelivery of the Products pursuant to Section 11.1, the Operational Fees shall be paid no later than five days before the projected day of redelivery, unless the parties agree otherwise in writing based upon operational circumstances.
- (b) The Fair Market Value of any Excess Oil or Missing Oil (if any), as well as the final Operational Fees incurred after the final redelivery has occurred shall be payable by Client or by PEI, as the case may be, shall be paid within 14 days following receipt of the Surveyor’s Certificate by the party that owes the amount.

12.4 Value Added Tax

- (a) Value Added Tax (“**VAT**,” currently at 17%) shall be charged to all payments by Client pursuant to this Agreement, whether stated in the relevant payment section or not.
- (b) PEI was granted a 0% rated VAT with respect to transactions with foreign clients importing oil products to Israel and selling such stored oil products to local customers, applicable under specific terms and conditions as set forth in the Tax Authorities certificate attached as Appendix B hereto (the “**VAT Certificate**”). In accordance, the Client may receive a refund on VAT paid to PEI under this Agreement, provided that Client fully meets the terms and conditions for such 0% VAT provided in the VAT Certificate. Client understands and acknowledges that any VAT refund requested by it shall be subject to the VAT Certificate remaining in force and to its compliance with all the terms and.
- (c) PEI, at its sole discretion, shall be entitled to require, and Client shall be required

to provide, a written certificate, signed by the Client's Israeli-licensed legal counsel or accountant, confirming the Client's compliance with all the terms and conditions required by the VAT Certificate. Notwithstanding anything else to the contrary, the Client may be required (including by PEI's reasonable instructions) to directly approach the Israeli Tax Authorities in order to obtain a VAT refund.

- 12.5 All amounts are payable against presentation of faxed or emailed invoice. For the purposes of all payments invoiced pursuant to this Section 12, if a day on which an amount is due is not a business day, then the amount shall be due and payable on the next business day.
- 12.6 Monthly Storage Payments must be either in New Israeli Shekels or in US Dollars, subject to the following: (a) if the New Israeli Shekel is selected in paragraph 6 of Appendix A as the currency for payment, then payments shall be in that currency only, and the amount payable shall be adjusted to reflect the increase, if any, in the monthly Consumer Price Index of Israel, measured from the date of commencement of the Storage Period, until the date of payment; (b) if the US Dollar is selected as the currency for payment, then payments shall be in that currency or in New Israeli Shekels, provided that if a payment is made in New Israeli Shekels, then the amount payable shall be calculated based upon the representative rate published by the Bank of Israel on the date on which the invoice is issued.
- 12.7 *[Applicable to Clients paying in US Dollars:]* To the extent that Operational Fees are charged by the relevant party in New Israeli Shekels, then the amount in respect thereof shall be converted into United States Dollars based upon the representative rate published by the Bank of Israel on the date on which the invoice is issued.
- 12.8 In the event of Client's late payment, Client shall compensate PEI for any loss to PEI resulting from the difference in exchange rates between the day on which payment was due and the day on which it is made, with reference to the exchange rates for US Dollars converted into New Israeli Shekels as published by the Bank of Israel on (a) the date such payment was due against (b) the date such payment was actually made.
- 12.9 In addition, in the event of any delay in the payment of any of the amounts payable under any term of this Agreement, the amount owed shall bear interest at the rate set forth in paragraph 7 of Appendix A.
- 12.10 No setting-off of payments is permitted, unless mutually agreed by the parties in writing.

13. [Reserved]

14. LIABILITY AND INSURANCE

- 14.1 PEI shall maintain third party liability insurance, including accidental pollution liability, during the entire Term in respect of the Product in its custody. The Product shall be considered in PEI's custody from the time of entry through the connecting first flange of the manifold to PEI's facility in the Ashkelon

South terminal, while in storage within PEI's facility, and until exit through the connecting first flange of the manifold from PEI's facility.

- 14.2 PEI shall incur no other liability, including liability with respect to damage or loss to the Product itself, or any other liability towards the Client including for loss of profit, loss of market, and consequential losses of any nature. For the avoidance of doubt, PEI makes no representation, warranty or undertaking in the name or on behalf of Client, and PEI shall not be held responsible or liable with respect to the acts and omissions of the Client.
- 14.3 During the Storage Period and until the clearing of the entire quantity of the Crude Oil from PEI's facilities, the Client undertakes to maintain uninterrupted comprehensive insurance covering the crude oil, at C.I.F. value Ashkelon, against physical loss or damage, including loss or damage due to earthquake, fire, lightning, explosion, storm, tempest, flood, civil unrest, war, terrorism and other such disturbances.
- 14.4 Client and its insurer agree to waive their rights (including rights of subrogation), claims and/or actions against PEI and any subsidiary, their directors, officers, employees and anyone on their behalf in the event of loss of or damage to the Product arising from any cause whatsoever, except in the case of a willful or malicious act on the part of PEI.
- 14.5 As a condition precedent to this Agreement and any exercise of Client's rights hereunder, Client shall submit a certificate signed by its insurer confirming the insurance coverage mentioned above, to PEI's reasonable satisfaction, and including (a) a statement that the policy provides "All Risk" insurance in respect of physical loss of or damage to crude oil stocks including crude oil products and any other property owned by Client and/or under its responsibility while in the care, custody or control of PEI (and any affiliate of PEI); (b) a statement that the insurance will not be reduced or canceled without prior written notification to be sent to PEI by registered mail 60 days in advance; and (c) a statement that Client bears sole responsibility for payment of premiums and deductibles.

15. FORCE MAJEURE

- 15.1 If due to an event of force majeure (as defined below), either party is prevented (in whole or in part) from carrying out any of its obligations under this Agreement, and within 72 (seventy-two) hours of the occurrence of such event, gives notice thereof to the other party specifically describing the claimed force majeure and the anticipated duration thereof, then the party claiming force majeure will be excused from the performance of its obligations hereunder, to the extent and during the period that it is in fact prevented from doing so by the force majeure event so described.
- 15.2 For the purpose of this section, the term "force majeure" includes acts of God, acts of enemy, war, whether declared or not, hostilities, invasions, insurrection, riots, disorders, civil unrest, sabotage, blockades, embargoes, strikes, lockouts,

fires, explosions, earthquakes, landslides, storm floods, or other severe weather conditions, and perils of the sea.

- 15.3 For the avoidance of doubt it is expressly clarified that the Client shall not be entitled to claim force majeure under this Section 15 with respect to any risk that it is obligated to insure against pursuant to Section 14.

16. LIQUIDATED DAMAGES

If Client fails to comply with its obligations under Section 11 (End of Storage Period), it shall pay pre-agreed liquidated damages to PEI for every month (or portion thereof) during which Client continues to use and/or the Crude Oil remains in the Storage Tanks, and until all Crude Oil is cleared from the tanks. The monthly liquidated damages shall be equal to the Monthly Storage Fee multiplied by two (2) for each such month, and *pro rata* for each day's portion thereof. PEI's entitlement to the above liquidated damages shall be without prejudice to any right or claim otherwise available to PEI, including the right to compensation for damages, costs and expenses of any type. PEI may at any time, at its sole discretion, clear the Crude Oil from the Storage Tanks or store it at a different location within PEI's storage facilities, and the Client will have no claim regarding this action and will bear responsibility for all costs incurred as a result, including costs incurred by PEI thereby.

17. TERM AND TERMINATION

- 17.1 This Agreement shall take effect as of the Effective Date and shall terminate upon expiry of the Storage Period, unless it is terminated earlier by mutual written consent of the parties, or in accordance with the terms hereof (the "Term").
- 17.2 Without derogating from any of its rights under applicable law and hereunder, PEI may terminate this Agreement in case of Client's material breach hereof, if such breach remains uncured for a period of five (5) days. For the removal of doubt, Client's failure to make any payment as required hereunder upon its date due shall be deemed to constitute a material breach. Early termination of this Agreement shall not release the Client of its obligations herein, including payment of the Storage Fee for the full term of the Storage Period, and restoration of the PEI Petroleum in the Storage Tanks.
- 17.3 Notwithstanding anything else to the contrary, all monetary obligations of the Client, as well as Sections 11 and 14, this Section 17, Sections 18 through 24, and any provision herein which would reasonably be expected by its nature to survive termination, shall continue in full force and effect notwithstanding any termination of this Agreement, whether as per this Section 17 or otherwise.

18. CONFIDENTIALITY

The Client shall not disclose or use any information it obtains or obtained as a result of this Agreement and/or the Tender, including as regards PEI, its activities, facilities and processes and including third-party information, to

any other party, without PEI's prior written consent (the "**Information**"). Client shall protect the Information, including from improper disclosure and use, with at least the same degree of protection it affords its own confidential data. Client shall restrict access to the Information strictly to its employees who need to know it for the purposes of this Agreement and who have signed a written agreement with Client binding them to terms and conditions of confidentiality in respect of the Information which are no less restrictive than those of this Agreement, and shall be responsible for any breach hereof by any of its employees or agents.

19. **ASSIGNMENT**

Client shall not, without the previous written consent of PEI, assign, transfer, mortgage, pledge or otherwise encumber this Agreement or any rights or obligations hereunder.

20. **GOVERNING LAW AND JURISDICTION**

Unless PEI agrees otherwise in writing, this Agreement shall be governed by the laws of the State of Israel (without reference to its conflict of laws principles), and the courts of Israel (District of Tel Aviv) shall have exclusive jurisdiction over all disputes arising from or in connection with this Agreement.

21. **NOTICES**

Any notice to be given hereunder shall be sent to the following addresses:
Petroleum & Energy Infrastructures Ltd.
3, Hasadnaot St. Hertzeliya Pituach, #46728
P.O.B 2121 Herzliya, 46120 Israel
Facsimile: 972-9-9528591

CLIENT

22. **ENTIRE AGREEMENT**

Except as provided in Section 1.2, (1) this Agreement contains the entire agreement and understanding between the parties as to the subject matter hereof, and supersedes all prior agreements, arrangements, commitments, representations, writings, and discussions between them with respect to such subject matter; and (2) neither of the parties will be bound by any other prior obligations, conditions, warranties, or representations with respect to the subject matter of this Agreement.

23. **HEADINGS**

The headings of the sections have been inserted as a matter of convenience for reference only, and shall not control or affect the meaning or construction of any of the terms or provisions of this Agreement.

24. **COUNTERPARTS**

This Agreement may be executed in two counterparts and either party may enter into this Agreement by executing a separate counterpart, each of which, taken together, shall constitute one and the same Agreement.

CRUDE OIL STORAGE TANK LEASE SIGNATURE PAGE

IN WITNESS WHEREOF, the parties have duly executed this Agreement on the date first above written.

.....
Petroleum Energy Infrastructure Ltd.

.....

[CLIENT]

Appendix A

1. Leased Storage Tanks

- 1.1 Number of leased Storage Tanks: 2
- 1.2 Description: **Unheated Storage** tanks of 53,000 cbm

2. Description of Crude Oil

- 2.1 As specified in the Tender documents

3. Description of PEI Petroleum

- 3.1 Estimated quantity _____ cbm; final quantity will be determined prior to Client's delivery. _____
- 3.2 Quality as determined in the analysis lab report, which shall be conducted prior to delivery of the product to PEI, it being clarified that Client shall not deliver the product before such analysis is conducted.

4. Storage Period

- 4.1 Commencement of Storage Period: 1.1.2021
- 4.2 End of Storage Period: 31.12.2021

5. Determination of Fair Market Value

- 5.1 As determined on the basis of the Platts Index for Brent crude oil.

6. Monthly storage fees

[instruction: choose one currency only, for each clause (6.1 and 6.2)]

- 6.1 Monthly storage fee of:

_____ NIS per two Storage Tanks per month.

OR

_____ USD per two Storage Tanks per month.

- 6.2 Additional monthly fee applicable for storage of Non-Qualified Crude Oil:

_____ NIS for each storage tank per month, charged on a pro-rata basis;

OR

_____ USD for each storage tank per month, charged on a pro-rata basis.

7. Interest Rate

The interest rate shall be at the rate of (i) LIBOR + 3% per annum, pro-rated daily, if Client opts to pay in US Dollars, or (ii) the Prime Rate set by the Bank of Israel + 3%, if Client opts to pay in NIS.

8. Operational Fees

Transfer to EAPC: \$0.40 per MT

Discharging and charging from a vessel: the fee will be equal to the invoice received by PEI from EAPC.

Any other fee that might be applicable by EAPC as part of the operational requirements by client: the fee will be equal to the invoice received by PEI from EAPC.

Appendix B
VAT Certificate

Appendix C

PRODUCT PROPERTIES LIST

This Tender is for the purpose of storage of qualified crude oil which has the following quality characteristics:

- BSW content: max. **0.5%** (vol.);
- Kinematic Viscosity: max. **115 cst @ 20 C**;
- Density 15 C Kg/lit **0.92**
- Sulfur Content **3.0 %**