

Issuing office: Canada Main

[www.kiusocorporation.com](http://www.kiusocorporation.com)

Valid For: 2019

TO: End Buyer:

#### SOFT CORPORATE OFFER (SCO)

With full legal authority as SELLER/TITLE HOLDER direct representative, **Kiuso Corporation**, with registered address at 208 Blackthorn Ave, Toronto, On, M6N 3H8, hereby confirms that we are ready, willing, and able to offer the following commodity through our title holder, as per the specifications, terms, and conditions stated herein this Full Corporate Offer.

**PRODUCT:** Maya Crude Oil (Specifications, ANNEX 1)  
**ORIGIN:** United Mexican States, Petróleos Mexicanos PEMEX Certified Refineries  
**FIRST LIFT:** Minimum 250,000 (Two hundred fifty thousand) Barrels +/- 10% (larger initial First Lift quantity preferred/more economical and available at BUYER'S discretion). Preferred 1 Million bbls per lift

**PORT OF LOADING:** Port of Tampico (MX TAM), State of Tamaulipas, Mexico – from the PEMEX Maritime Terminal Madero for petroleum products. Or other Port as designated by PEMEX.

**DELIVERY:** Free on Board (FOB) per ICC Incoterms® 2010 or latest version  
**INSPECTION:** SGS Société Générale de Surveillance or similar  
**CONTRACT TERMS:** First Lift rolls immediately into Annual Production Contract of One-Million to six-Million Barrels +/- 10% per Month for twelve (12) consecutive Months FOB delivery with Possible Rolls, Increases, and Extensions as agreed between SELLER and BUYER and as available from PEMEX.

**CONTRACT TOTAL:** Subject to final agreed upon monthly Quantity Delivery (Barrels +/- 10%)  
**CONTRACT PRICE:** Discount Minimum -1 off WTI Crude Oil (Nymex) Bloomberg Index <https://www.bloomberg.com/energy>; "Price Strike Day" shall be same date as each monthly Commercial Invoice submitted. Actual discount to be negotiated after buyer submits Purchase Order.

**CURRENCY:** \$ USD (United States Dollars)  
**PAYMENT TERMS:** Buyer opens operative Irrevocable, Monthly Revolving Documentary Letter of Credit (IRDLC), MT-700 value of one month's shipment, in favor of SELLER, as Contract Guarantee for duration of Contract; LC expiration to follow shipping schedule. IRDLC verbiage as per final Contract and agreed upon. FOB Payment, at sight against documents per each Vessel Load, drawn down against IRDLC. NOTE: BUYER is required to issue MT-199 value of one month's shipment to SELLER'S bank at signing of FCO to reserve Purchase Order.

## PROCEDURES:

1. SELLER issues Soft Corporate Offer (SCO) (*this document*) to BUYER.
2. BUYER issues Purchase order to SELLER, along with Bank Details, Corporate Profile, Incorporation / Registration Documents, ID of Account Signatory.
3. Seller issue FCO, Buyer Signs and return.
4. BUYER has CC with seller if needed to facilitate buyer's bank to issues MT-199 to SELLER bank value of one month's shipment load to reserve Purchase Order.
5. SELLER issues Sales & Purchase Agreement (SPA) Contract to BUYER, including Partial Proof of Product and permission to call the PEMEX Certified Refinery legal counsel for verification and authentication of supply.
6. BUYER signs back Contract to SELLER.
7. BUYER opens operative Irrevocable Revolving Documentary Letter of Credit (IRDLC), divisible, MT-700 value of one (1) months' shipment, in favor of SELLER, to stay open as Contract guarantee; LC expiration to follow shipping schedule. The BUYER shall ensure that every revolving month sufficient funds are available to cover WTI price fluctuations/increases.
8. BUYER provides vessel details (Q88) for PEMEX approval once Contract is signed.
9. SELLER provides Dip Test Authority to Verify (ATV) to BUYER; BUYER verifies product at BUYER'S expense.
10. BUYER vessel is loaded under FOB terms. Port expenses of transfer of product to the BUYER vessel shall run on the account of the SELLER.
11. At the time filling of the BUYER vessel is complete, SELLER submits full documentation Proof of Product (POP), for BUYER payment drawn down against IRDLC, against title transfer and shipping documentation, payment at sight. Original Bills of Lading 3/3 along with 1/3 of other documents to be submitted to BUYER and SELLER banks as per LC terms and conditions. Copies of all required documents to be emailed to BUYER. All documents must be in the English language.
  - a. Commercial Invoice (Beneficiary's invoice in one original and three copies showing the name of the carrying vessel, date of Bill of Lading, the quantity and the total value of the shipment; must indicate the LC number.)
  - b. Charter Party Bill of Lading (Full set of (3/3) of original signed "Clean on Board" Charter Party Bill of Lading made out to order of "Freight Payable as per Charter Party". Bill of Lading must state full name and address of party to be notified. Short form Bill of Lading is not acceptable.)
  - c. Certificate of Quality and Quantity issued by SGS Inspection Agency at Port of Loading
    - i. Certificate of Dip Test (One original plus three copies.)
    - ii. Certificate of Quantity (One original plus three copies.)
    - iii. Certificate of Analysis (One original plus three copies.)
  - d. Vessel Draft Survey issued by SGS Inspection Agency at Port of Loading
  - e. Certificate of Origin issued by Authorized Agency or Chamber of Commerce at Loading Port (One original plus three copies.)
  - f. Draft for 100% of the Invoice Value (Must indicate the LC number.)
12. FOB Payment at sight against documents per each Vessel Load; drawn down against BUYER IRDLC. Once BUYER vessel is loaded, it will sail without delays as SELLER will have full set of documents to negotiate through their banks for payment.
13. Delays caused at port by the SELLER are the sole responsibility of the SELLER; other delays caused at the port are governed by the Charter Party Agreement and are the sole responsibility of the BUYER.
14. Contract commences per agreed upon FOB loading schedule.

### For Kiuso Corporation

**Joan M Kivanda**

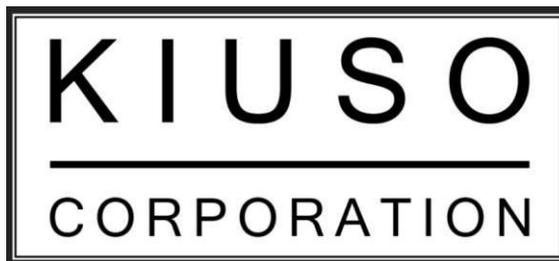
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Specifications, ANNEX 1

**Petróleos Mexicanos PEMEX – CRUDE OIL TYPES**

**MAYA**

MAYA is a heavy (21-22 °API gravity) and sour (3.4% sulfur content by weight) crude oil, which produces lower yields of gasoline and diesel in simple refineries when compared to lighter crudes. In order to maximize the economic value of this type of crude oil, its processing requires refineries with high conversion units which transform the crude heavy fractions (residue) into products with a high value.

**ISTHMUS**

ISTHMUS is a medium (32-33 °API gravity) and sour (1.8% sulfur content by weight) crude oil, with good gasoline and intermediate distillates (diesel and jet fuel/kerosene) yields. The highest economic value of this crude is obtained in refineries with FCC (Fluid Catalytic Cracker) units. Its quality is similar to Arab light crude and Russian Urals crude.

**OLMECA**

OLMECA is the lightest of the Mexican crude oils (38-39 °API gravity) and sour (0.73% - 0.95% sulfur content by weight). Its characteristics make it a good feedstock for lubricants and petrochemicals.

**ALTAMIRA**

ALTAMIRA is a heavy (15.5-16.5 °API gravity) and sour (5.5% - 6.0% sulfur content by weight) crude oil. As with Maya crude, Altamira has lower gasoline and diesel yields in simple refining schemes compared to lighter crude oils. Its physical properties make it appropriate for asphalt production.

**TYPICAL QUALITIES OF PEMEX CRUDE OILS**

Crude Oil Type	Maya	Isthmus	Olmeca	Altamira
°API (Gravity)	21.0-22.0	32.0-33.0	38.0-39.0	15.5-16.5
VISCOSITY (SSU 100 °F)	320	60	38	1280-1750
WATER & SEDIMENTS (% volume)	0.5	0.5	0.5	1.0
SULPHUR (% content by weight)	3.4-3.8	1.8	0.73-0.95	5.5-6.0
REID VAPOR PRESSURE (psi)	6.0	6.0	6.2	3.0
POUR POINT (°F)	-25	-35	-55	32