

Dated: July 21, 1994

It is this day mutually agreed

Between: Taiwan Power Company

A corporation organized and existing under and by virtue of the laws of the Republic of China, with its principal office at 242 Roosevelt Road, Sec. 3, Taipei 10763, Republic of China (hereinafter referred to as the "Charterer")

And: Far Eastern Silo Corporation

A corporation organized and existing under and by virtue of the laws of the Republic of China, Owner and/or Disponent Owner of the vessel, with its principal office at 8th floor, No. 368, Sec. 1, Fu Hsing S. Road, Taipei, Taiwan, R.O.C. (hereinafter referred to as the "Owner")

As follows:

ARTICLE 1

CARGO AND QUANTITY

One(1) Panamax shipment of steam coal in bulk, the shipment shall be 57,000 metric tons with 10% more or less at Master's option and shall be subject to 12 meters draft limitation.

ARTICLE 2

LAYDAYS PERIOD

The shipment with laydays period from Sep. 26, to Oct. 5, 1994.

ARTICLE 3

LOADING PORT

The Loading Port shall be Tanjung Bara Coal Terminal, Indonesia.

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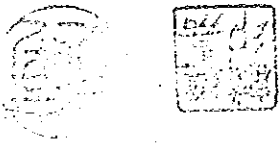
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VOYAGE CHARTER PARTY (INDONESIA PANAMAX 1994) (C/P CODE NO. K196394)

A.O.S.S.No 0745



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Between: Taiwan Power Company

It is this day mutually agreed

A.O.S.No. 0745

Dated: July 21, 1994

ARTICLE 4

SHIPPING ROUTE

The vessel so loaded at loading port shall proceed with reasonable dispatch and shall arrive at the first discharging port within ten (10) days under weather permitting.

ARTICLE 5

VESSEL DESCRIPTION

The performing vessel must be a gearless vessel and Owner hereby nominates the performing vessel with particulars as follows:

M.V. "Far Eastern Silo" or sub.
DWT 69,338MT at Draft 13.295M.
LOA 224.98M, BEAM 32.2M
BLT 1990, R.O.C. Flag
7 Holds/7 Hatches, Gearless.

ARTICLE 6

FREIGHT

6.1. Freight Rate

The basic freight rates for both shipments are US\$4.19 per metric ton, based on F.I.O.S.T. one loading port and one discharging port (the whole cargo discharged at Taipower Coal Terminal).

If the whole cargo on the performing vessel is fully discharged at one or more port public berths, Charterer shall pay Owner additional freight US\$1.35 per metric ton. In addition, if the performing vessel is a gearless vessel, and Owner has to arrange discharging equipment (including mobile cranes and bulldozers) and qualified operators for discharging, Charterer will pay Owner additional surcharge NT\$ 91.00 per metric ton for discharging equipment.

6.2. Bunker Adjustments

No bunker adjustment shall be applied to the basic freight rate under this "Charter Party".

ARTICLE 7

BILLS OF LADING



The Bills of Lading shall be on-board Bills of Lading and shall be marked the wording "Freight payable, terms and conditions as per relevant Charter Party dated July 21, 1994 bearing TPC code No. K196394".

ARTICLE 8

LAYTIME ALLOWED

8.1. Loading Rate

The loading rate at loading port shall be 30,000 metric tons per weather working day of 24 consecutive hours, Saturday afternoons, Sundays and Holidays included.

8.2. Discharging Rate

If the whole or a part of the cargo is discharged at Taipower Coal Terminal, the laytime allowed shall be calculated based on the discharging rate 20,000 metric tons per weather working day of 24 consecutive hours, Saturdays, Sundays and holidays included.

If the whole cargo is fully discharged at one or more port public berth(s), the laytime allowed shall be calculated based on the discharging rate of 5,000 metric tons per weather working day of 24 consecutive hours, Saturdays, Sundays and Holidays included.

ARTICLE 9

DEMURRAGE AND DESPATCH MONEY

Demurrage rate is US\$ 9,000 and despatch rate is US\$ 4,500 per day or pro rata.

ARTICLE 10

AGENTS

The shipping agent at Tanjung Bara, Indonesia shall be designated by the Coal Supplier.

ARTICLE 11

NOTICE

For the purposes of notification for both parties according to Article



32 of the "General Terms", the full styles and communications of Owner and Owner's Agent are as follows:

Owner's full style and communications:

Name: Far Eastern Silo Corporation
Address: 8th Fl., No. 368, Sec. 1, Fu Hsing S. Road, Taipei, Taiwan, R.O.C.
Telex No: 20670
Fax No: 7555252

ARTICLE 12

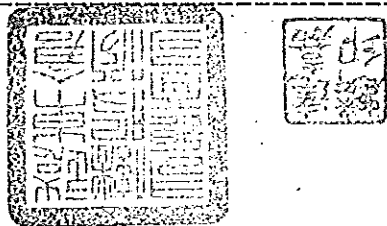
OTHERS

12.1. Other terms and conditions shall be subject to "General Terms and Conditions for Voyage Charter Party" (TPC Code NO. K196394), which is incorporated as part of this "Charter Party".

12.2. Anything not stipulated in the "Charter Party" shall be determined by mutual consultation.

IN WITNESS WHEREOF, the Parties have caused this Charter Party to be duly executed by their respective authorized representatives.

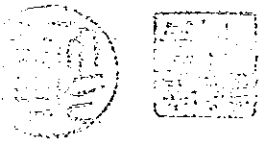
Charterer: Owner:



S. M. Chang
President
Taiwan Power Company

J. L. Ta
Vice President
Far Eastern Silo Corporation

Attested by: Association of Shipping Services, R.O.C.





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These Terms and conditions ("General Terms"), which shall be deemed to be part of any Voyage Charter Party awarded by Taiwan Power Company pursuant to the Invitation Bid No. PDT-94060650Y, consist of the following Articles:

GENERAL TERMS AND CONDITIONS FOR
VOYAGE CHARTER PARTY
(TPC Code NO. K196394)

Article Page



However, subject to Charterer's prior consent, if the actual loaded quantity exceeds the upper limit of the cargo size specified in the draft limitations at both ends. The cargo and quantity for each shipment shall be in accordance with the cargo and quantity specified in the "Voyage Charter Party", but always subject to the draft limitations at both ends.

CARGO AND QUANTITY

ARTICLE 2

1.2. If one document constituting part of the "Charter Party" (as such may have been modified, amended, or superseded) conflicts with another, the conflict shall be resolved by giving precedence to the documents of the order in which they are listed in Section above. Unless otherwise specifically stated, addenda to documents shall, in the event of conflict, prevail over the documents themselves and later addenda shall prevail over earlier ones.

These documents collectively shall be referred to as "Charter Party".

1.1.1. The "Voyage Charter Party";
1.1.2. This "General Terms and Conditions for Voyage Charter Party" (hereinafter referred to as "General Terms").

1.1. The following documents shall constitute the "Charter Party" between Charterer and Owner:

DOCUMENTS CONSTITUTING THE "CHARTER PARTY"

ARTICLE 1

It is this day mutually agreed between Charterer and Owner, which are both specified in the "Voyage Charter Party", upon the shipping terms as follows:

Dated: July 21, 1994.

GENERAL TERMS AND CONDITIONS FOR
VOYAGE CHARTER PARTY
(TPC Code NO. K196394)

"Voyage Charter Party", the freight rate for that portion of excess quantity shall be at fifty percent (50%) of the applicable basic freight rate of that particular shipment after bunker adjustments.

ARTICLE 3

LAYDAYS PERIOD

Owner shall dispatch the performing vessel to arrive at the loading port within the laydays period specified in the "Voyage Charter Party".

ARTICLE 4

LOADING PORT

The loading port shall be as specified in the "Voyage Charter Party".

Owner shall be responsible to verify whether there are any restrictions or limitations (including draft and facilities, etc.) at loading port and shall bear any and all costs and expenses incurred by Charterer due to Owner's or vessel's non-compliance of such limitations and restrictions. Any time lost as a result of such non-compliance shall not count as laytime, even on demurrage.

ARTICLE 5

DISCHARGING PORTS

Unless otherwise provided for in the "Voyage Charter Party", the cargo loaded on capesize vessels shall be discharged at Kaohsiung Taipower Coal Terminal; the cargo loaded on panamax size and handysize vessels shall be discharged at one or two safe berths of any one or two of the following ports: Kaohsiung (Taipower Coal Terminal), Taichung (including Taipower Coal Terminal), Suao or Keelung, Taiwan, the Republic of China, at Charterer's option. However, Keelung shall not be nominated as the first discharging port for panamax size or capesize vessels.

Owner shall be responsible to verify whether there are any restrictions or limitations (including draft and facilities, etc.) at the discharging ports and shall bear any and all the costs and expenses incurred by Charterer due to Owner's or vessel's non-compliance of such limitations and restrictions. Any time lost as a result of such non-compliance shall not count as laytime, even on demurrage.





The vessel to be nominated shall be tight, staunch and strong and in every way fitted for the voyage, and shall be classed highest or equivalent gearless or geared (at the Charterer's option as specified in the "Voyage Charter Party") single-deck

If a substitute vessel is used, Owner shall submit to Charterer a written request at least ten (10) days prior to the commencement of the laydays, and such request shall be subject to Charterer's acceptance.
7.1. The particulars of the performing vessel nominated by Owner shall be as specified in the "Voyage Charter Party".

VESSEL DESCRIPTION

ARTICLE 7

The vessel so loaded at loading port shall proceed with reasonable dispatch and shall arrive at the first discharging port within the period specified in the "Voyage Charter Party" under weather permitting. Otherwise, the objective of this "Charter Party" can not be accomplished and Owner shall be responsible for compensating any loss or damages incurred by Charterer as a result of the delay. Any unjustifiable departure from the contract voyage unless involuntary constitutes a deviation which entitles Charterer to treat it as a repudiation.

SHIPPING ROUTE

ARTICLE 6

Notwithstanding anything to the contrary contained herein, Charterer shall have the right to discharge the whole or part of the cargo at any one or two berths of any one or two discharging ports, as arranged by Charterer. If two-ports discharging is requested by Charterer, Section 15.8 shall be applied.
In the event that the whole cargo or a part thereof is discharged at a terminal or berth other than Taipower Coal Terminal and Charterer requests Owner to arrange discharging equipment for discharge of the cargo, Section 7.6 shall be applied, and the cost of Owner's arrangement for discharging equipment and labour shall be at Charterer's account against actual invoice/receipt submitted by Owner, to the extent of the amount which is the product of NT\$ 91.00 per metric ton and the cargo quantity as set forth in the Bills of Lading.

self-trimming bulk carrier. In addition, the Oil/ Bulk/ Ore (OBO) combined panamax size vessel is not acceptable.

Owner shall provide to Charterer with the vessel's General Arrangement, Capacity Plan, Certificate of Registration as well as the relevant supporting documents as required by Charterer at least 7 days prior to Vessel's arrival at discharging port.

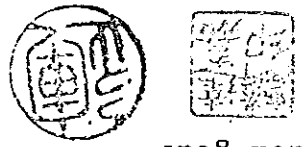
7.2. If the performing vessel is a Panamax size vessel, the size of each hatch opening shall not be smaller than 10MX10M in length and width, otherwise, any damages caused by discharging facilities and any time lost and/or delay of discharging thus incurred shall be for Owner's account, even on demurrage.

7.3. Owner shall bear extra insurance premium on cargo and freight owing to vessel's age, class, country where built, flag and/or ownership or any other reason. Upon receipt of Charterer's notice, Owner shall pay said premium to insurance company directly within the period instructed by Charterer. The performing vessel(s) shall enter a P and I Club. The failure to this Section shall be considered as fundamental breach or default of this "Charter Party".

7.4. Owner guarantees that the age of the performing vessel shall be less than but not equal to 20 years (The vessel's age shall be less than 20 years, calculating from the month when the vessel was built up to the month which the latest day of laydays is located). Owner guarantees that the voyage to be performed hereunder shall not be the last voyage prior to scrapping of the vessel. Failing such a guarantee, Owner shall surrender his performance bond in full and also bear any and all responsibility for all losses and consequences thus incurred.

7.5. If the performing vessel is a geared vessel and the cargo is to be discharged in whole or in part at port public berth(s), Owner shall provide vessel's gears for loading and discharging at Owner's costs and risk. In addition, if suitable grabs are necessitated for discharging, then, Owner shall provide grabs suitable for discharging at Owner's risk and expenses.

For panamax size and handy size vessels, the lifting capacity of each gear on the vessel shall be 20 tons at least, each hatch must be equipped with one gear on the deck and one bulldozer in each hold (including bulldozer operator) working together at Owner's risk and costs. If there is any hatch without gear on the deck, the discharging rate as well as loading rate shall be decreased proportionally according to the ratio between the number of gears and hatches. If the lifting capacity of each gear



is 25 tons or more, the vessel shall be equipped with at least four (4) units of vessel's gears. In such case, vessel's hoppers should also be provided by Owner at Owner's cost and risk if the performing vessel is a panamax size vessel.

7.6. If the performing vessel is a gearless vessel and the cargo is to be discharged in whole or in part at port public berth(s), or if Charterer requests Owner to arrange discharging equipment for discharge of cargo, Owner shall be under the obligation to cause and ensure that all equipment (including mobile cranes and bulldozers) in connection with discharge from the vessel will be available and will be properly operated by qualified operators at the risks of Owner, the cost for discharging equipment shall be paid for by Charterer according to the relevant stipulations of this "Charter Party".

All time lost as a result of lifting on and/or off, preparation, adjustment and breakdown of all such discharging equipment shall be for Owner's account and relevant expenses shall be paid for by Owner.

7.7. The vessel must be equipped with proper safety measures to ensure safe entry to and exit from the ship. The vessel's gangway, hold-ladders, gangboard and other measures shall be kept in good and safe condition throughout the discharging process, otherwise, Charterer has the right to refuse or stop discharging, any time thus lost shall not count as laytime, even on demurrage.

7.8. The vessel's air draft should be kept within fifteen (15) meters throughout the discharging process. Time lost due to insufficient ballast pump capacity in relation to the actual loading or discharging rate shall not count as laytime even on demurrage.

7.9. If bilge accumulates in any hold of the vessel and creates a situation where the Charterer's equipment can not be operated, Owner shall be responsible for pumping the bilge out. Otherwise, Charterer may stop unloading, and all time lost therefrom and costs for the delay in unloading will be the sole responsibility of Owner, even on demurrage.

ARTICLE 8

FREIGHT

8.1. Basic Freight Rate:

The basic freight rate for each shipment shall be in accordance





9.1. The freight payable, based on the quantity of the cargo set out in the on-board Bills of Lading, shall be fully paid to

FREIGHT PAYMENT

ARTICLE 9

8.2.2. Any adjustment of the basic freight rate in accordance with the preceding Paragraph 8.2.1 shall take effect on the date when any change in the prices of Intermediate Diesel Fuel Grading MD1500 and/or of Marine Diesel Oil, as announced by Chinese Petroleum Corporation, takes effect, and shall apply to each shipment of the cargo loaded on board under and pursuant to the terms of this "Charter Party" provided that vessel has completed loading at the loading port on or after the date (based on the local time of the loading port) when such announcement by Chinese Petroleum Corporation takes effect.

The Determination for bunker adjustments shall be made to the nearest cent. A fraction of a cent in US dollar shall be rounded up to a cent if such fraction is one half of a cent or more, and shall be disregarded, otherwise.

The basic prices of the Intermediate Diesel Fuel Grading MD1500 and of the Marine Diesel Oil on the date of this "Charter Party" are specified in the "Voyage Charter Party". Any change of the bunker oil price applicable for each shipment shall be solely pursuant to the change of Contract Price at Kaohsiung shown on the International Marine Fuel Oil Price Schedule announced from time to time by Chinese Petroleum Corporation, regardless any rebate or discount, partial or general.

8.2.1. The basic freight rate for each shipment as determined by Section 8.1 shall be adjusted at the rate, as specified in the "Voyage Charter Party", for every increase or decrease of US\$ 1.00 per metric ton in the price of the bunker oil which is 90% composed of the price of the Intermediate Diesel Fuel Grading MD1500 and 10% composed of the price of the Marine Diesel Oil.

8.2. Bunker Adjustments:

with the basic freight rate specified in the "Voyage Charter Party".

Owner or Owner's agent in New Taiwan Dollars within eight (8) Taipei banking days after (1) the completion of loading (last cargo on board) and (2) Charterer's receipt of (a) Owner's freight invoices and freight receipt issued by Owner/Owner's agent in Taiwan on behalf of Owner together with (b) a telex from the cargo Supplier advising Charterer of the quantity loaded and the date of completion of loading (last cargo on board).

9.2. Whether ship and/or cargo is lost or not, the freight paid to Owner or Owner's agent pursuant to Section 9.1 shall be discountless and non-returnable. However, if the loss of or damage to the goods or any additional expenses incurred is resulting from the intentional act or gross negligence or fault of Owner, Owner shall refund such freight to Charterer. Nothing in this provision shall prejudice Charterer's right to set-off. A set-off may be made even though the obligations are irrelevant to the subject shipment.

9.3. The exchange rate between New Taiwan Dollars and U.S. Dollars for payable freight shall be the average of the U.S. Dollars buying rate and selling rate last announced by Bank of Taiwan on the date when the vessel has completed loading at the loading port. If such date is not a banking day, the immediate succeeding banking day shall follow. (A fraction of the exchange rate shall be rounded up to a cent, if the fraction of a cent is one half of a cent or more, and shall be disregarded, otherwise.)

If there is a fraction of a New Taiwan Dollar in the amount of the payable freight, it shall be rounded up to a dollar if the fraction is one half of a dollar or more, and be disregarded, otherwise.

9.4. Not later than seven (7) days after loading, Owner should forward by express registered air mail one copy of each of the documents including original on-board Bills of Lading, Notice of Readiness, Stowage Plan and Statement of Fact (or port log) to Taiwan Power Company, Fuel Dept, Transportation Division. The face of the envelope must be marked "C/P Shipping Documents" with the name of vessel and the code number of the "Charter Party".

ARTICLE 10
BILLS OF LADING

The Bills of Lading shall be on-board Bills of Lading and shall be marked the wording as specified in the "Voyage Charter Party", and furthermore, shall be marked "For and on behalf of Master" after





<2> To arrange a substitute vessel or vessels to perform that specified shipment or shipments within the same laydays or
 <1> To terminate the subject shipment and/or this "Charter Party" and/or

It is essence of this "Charter Party" that Owner is responsible for nominating a vessel to perform the specified shipment within the agreed laydays. If the vessel so nominated fails to arrive at the loading port within the laydays; or if Owner defaults in the performance of this "Charter Party" or relevant shipment; or if Owner is unable to nominate a vessel acceptable to Charterer for any shipment; or judging from the vessel's position and schedule, Charterer deems that the vessel is unable to arrive at the loading port within the laydays; Charterer shall be entitled, without prior notification:

11.1. Within one (1) working day after the freight rate is fixed, Owner shall nominate and notify Charterer a qualified vessel satisfactory to Charterer with the following information: (1) the name of the vessel, (2) loading quantity as specified in the "Voyage Charter Party", (3) laydays, (4) the estimated time of arrival (ETA) at loading port and (5) vessel's particulars. However, the nominated vessel shall be subject to Charterer's acceptance.

NOMINATION

ARTICLE 11

The weight stated in the Bills of Lading must correspond to that set out in the Certificate of Weight issued on the basis of draft survey by an independent licensed marine surveyor designated by Charterer. A fraction of a ton shall be rounded up to a ton if the fraction is one half of a ton or more, and shall be disregarded if less than one half of a ton. Such Bills of Lading shall be signed promptly and released to cargo Supplier within twenty-four (24) hours (Saturday, Sunday, Holiday included) after presentation of Mate's receipt. Otherwise, Owner shall bear Charterer's all losses and damages arising from such delay.

In addition, Owner shall issue and deliver to Charterer a certificate in form and substance satisfactory to Charterer certifying that the person who signed the Bills of Lading on behalf of Owner has been duly authorized and fully empowered by Owner to sign such Bills of Lading.

signed party if the Bills of Lading are not issued by Master.



In addition, Charterer shall also have all rights relating to the arrangement of substitute vessel as provided for in Section 11.1, and Owner shall be responsible for compensating any loss or damages incurred by Charterer as provided for in Section 11.1. Owner's indemnifications shall not be limited by, nor satisfy, in

<2>Should Vessel be arrested, boycotted or banned at the loading port, any time thus lost and all expenses thus incurred shall be for Owner's account. In case Vessel has been arrested or boycotted or banned at the loading port, Charterer has the right to reject the Vessel and cancel that particular shipment or this "Charter Party" or to delay or stop the shipment of goods, or to postpone the payment of freight, and/or to claim damages, without prior notification.

All time lost falling within this period of requesting additional performance bond will not count as laytime, even on demurrage.

<1>If any Owner's vessel other than the performing vessel has been arrested, boycotted or banned, or there is an inclination or potential that the performing vessel is to be arrested, boycotted or banned, Charterer is entitled, after prior notification, to terminate the subject shipment and/or this "Charter Party", unless such events have been fully settled, and it does not exist any inclination or potential of arrest, boycott or ban; or an irrevocable stand-by Letter of Credit issued by a first class bank satisfactory to Charterer within four (4) working days after receipt of Charterer's notice in an amount covering the full arrived (C.I.F.) value of the cargo as an additional performance bond has been provided by Owner.

11.2. Charterer has the right to reject Owner's nomination of any vessel which has the same characteristic (flag, crew, ownership or classification, etc.) as that of other vessel(s) having been arrested, boycotted or banned at the loading port, and

All losses and damages incurred therefrom, including but without limitation to, any additional freight and/or extra demurrage in excess of the freight and demurrage rate of this "Charter Party", or any additional purchase price in excess of the contract purchase price, or any damages claimed by cargo Supplier etc., shall be borne and paid by Owner. Owner also agrees to surrender his performance bond in full and also bear any and all responsibility for all losses and consequences thus incurred.

within a new laydays set by Charterer.

whole or in part, the cap on total cumulative liability set forth in Article 28.1 of this "General Terms".

11.3. Owner shall ensure Master to advise the coal supplier or its agent and Charterer by telex or telefax of vessel's ETA at loading port and tonnages to be loaded twenty-five (25) days(only) for the shipment from US Gulf Coast), twenty-one (21) days(only) for the shipment from South Africa), fourteen (14) days, seven (7) days, seventy-two (72) hours, forty-eight (48) hours, twenty-four (24) hours and twelve (12) hours prior to vessel's ETA at loading port respectively. Any losses, expenses and responsibility resulted from the negligence of such advice, if any, should be for Owner's account.

11.4. Owner shall ensure Master to advise Charterer of vessel's ETA at discharging port by telex or telefax fourteen (14) days, seven (7) days, seventy-two (72) hours, forty-eight (48) hours, twenty-four (24) hours and twelve (12) hours prior to vessel's ETA at discharging port respectively. Any losses, expenses and responsibility resulted from the negligence of such advice, if any, should be for Owner's account.

11.5. Before the coal being loaded on the performing vessel, Owner shall cause the Master to declare in writing to the coal supplier the maximum quantity of coal that vessel can be loaded. Such declaration shall be given at least three (3) days prior to the vessel's arriving at loading port.

ARTICLE 12

LAYTIME ALLOWED

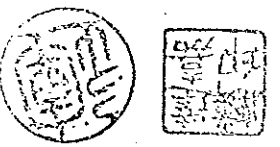
Laytime allowed for each shipment, shall be as specified in the "Voyage Charter Party".

ARTICLE 13

DEMURRAGE and DESPATCH MONEY

13.1. Demurrage shall be payable at the rate as specified in the "Voyage Charter Party" per day or pro rata for fractions of a day for all time lost at both ends. Owner agrees to pay Charterer despatch money at the rate as specified in the "Voyage Charter Party" per day or pro rata for fractions of a day for all laytime saved at both ends.

Charterer has the right to average the laytime allowed for





14.2. Before tendering Notice of Readiness to the coal Supplier at the loading port, the holds of the performing vessel should be clean,

unless Owner obtains Charterer's prior consent. Charterer, even such N/R being accepted by the coal supplier, set forth above, such improper N/R shall not be binding upon IF N/R tendered by Owner is not complied with the requirements

granted. shall be tendered after free pratique and customs clearance are tendered, such N/R shall become null and void and a fresh N/R is If free pratique or customs clearance is not granted after N/R is

demurrage. However N/R may also be tendered upon vessel's arrival without free pratique and/or customs clearance provided that Owner proves that free pratique and/or customs clearance is impossible to obtain according to port regulations or customs. In such cases, time lost for obtaining free pratique and/or customs clearance after N/R is tendered shall not count as laytime, even on

beginning of office hours of next working day. normal office hours, N/R shall be deemed to be accepted at the in every respect. If N/R is accepted during the time other than customs clearance by port authorities and ready to receive cargo whether in berth or not, provided the vessel is in free pratique, within the specific laydays, after vessel arrives at loading port shipments from South Africa, 06:00-18:00 daily but Christmas Day) Friday, excepting Saturdays, Sundays and Holidays, for those tendered during office hours (i.e. 09:00-17:00 on Monday through 14.1. Notice of readiness (hereinafter referred to as N/R) shall be

LOADING TERMS and CONDITIONS

ARTICLE 14

13.2. Demurrage and/or Despatch money should be settled with Owner or Owner's agent in Taiwan and paid for in Taiwan in New Taiwan Dollars within sixty (60) days after the completion of discharging of the shipment of the coal. Exchange rate shall be determined according to Section 9.3.

loading and discharging. That the total time spent in loading and discharging should be considered separately, and a balance should be struck between them. (For example, the time saved in loading should be set off against the excess time spent in discharging, vice versa.)



14.4. Owner shall conduct loading in accordance with Charterer or the coal supplier's instructions. On berthing, the vessel is to be

If vessel arrives at loading port later than the latest day of the laydays and is still accepted by Charterer, without prejudice to the rights and remedies stipulated in Article 11, only actual time used for loading shall count as laytime (except time used for trimming).

If vessel arrives at loading port and commences loading before office hours after the commencement of the laydays, any N/R tendered before the laydays and being accepted shall be deemed to be accepted at the beginning of office hours after the commencement of the laydays. Laytime shall commence 24 (for those shipments from South Africa, 18) hours after N/R is thus accepted. If loading commences before the expiry of Turn Time, only time actually used for loading (except time used for trimming) shall count as laytime and, Charterer shall have the right to deduct the time period, calculated from the actual commencement of loading to the beginning on the first day of laydays, from the total time loss for awaiting berth at the discharging port, even on demurrage.

The time required for draft survey conducted by surveyor and loading of bunkers and lubricants on the vessel shall not be included in the laytime unless the loading of the coal is done concurrently. The time used for draft check requested by Owner shall not count in the laytime, even on demurrage, unless the loading, trimming of the coal is done concurrently. The laytime shall end at the point of time when the loading and all trimming work has been completed.

14.3. Laytime shall commence twenty-four (for those shipments from South Africa, eighteen) hours (hereinafter referred to as "Turn Time") after Notice of Readiness is accepted. If the loading commences earlier, then the actual loading time before the expiry of Turn Time shall count as laytime and shall be calculated proportionally as per the actual loading time of each unit of shiploaders (or vessel's gears). Any time lost due to shifting loader or any stoppage in this period (including meal hours) shall not count as laytime.

dy, in good order, and ready to receive the entire cargo in all respects. Such conditions should be written on Notice of Readiness. All residue and other material removed from holds should be disposed properly and not allowed to be left on the deck to avoid being fallen into holds again.

inspected and certified by a licensed marine surveyor designated by Charterer. If the vessel after berthing is not ready in all respects, then the time of her berthing to her readiness for loading shall not count as laytime, even on demurrage. The time required for holds inspection by surveyor should not count as laytime, even on demurrage.

14.5. If vessel's berthing or loading is delayed or interrupted due to bad weather, any time lost shall not count as laytime. In addition, if it is delayed or interrupted due to any insufficiency or fault attributable to the vessel, the Owner, the Master, or crew, any extra costs and expenses thus incurred shall be borne by Owner and any time lost shall not count as laytime, even on demurrage.

14.6. The time lost due to the breakdown of loading facilities at loading port shall be deducted proportionally from laytime as per the breakdown of each unit of shiploaders or vessel's gears.

14.7. If vessel is being loaded during a time of precipitation, Owner shall ensure that the Master closes all cargo holds. The coal loaded in the holds (the smallest one excepted) should be as even as possible.

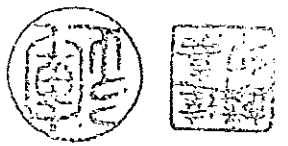
14.8. Owner shall ensure Master to pay close attention to coal loading, stowing, and trimming etc. and to dispose coal in strict compliance with the regulations, recommendations, memoranda whatsoever prepared by IMO or other international organisations or Protection & Indemnity Clubs or any governmental agencies.

In order to carry and deliver coal safely, after loading has been completed, Master shall ensure that the temperature of coal and concentration of gas in the holds shall be closely monitored and ensure that all necessary and proper means and measures have been taken to eliminate the possibility of accidents resulting from coal overheating, gas emission & concentration or explosion.

The coal supplier shall be responsible for furnishing Owner or his agent with the category and characteristics of coal loaded as per IMO's code or regulations and responsible for trimming and storage of coal to the satisfaction of the Master.

Upon the completion of loading, Owner is deemed to have consented with knowledge of the category and characteristics of coal loaded.

Charterer shall not be obliged to notify the Master of the category or characteristics of cargo loaded, and not be



responsible in any event for loss or damage to or in connection with, cargo and/or vessel if the category or characteristics of coal loaded thereof has been misstated by the coal supplier.

14.9. For the purposes of laytime calculation, the Statement of Facts of loading, unless otherwise provided by the coal supplier, shall be prepared by Owner at its own expenses and be confirmed and signed by both Owner and the coal supplier or their respective agents.

14.10. During the loading or after completion of the loading, Owner shall notify Charterer any extraordinary event causing the detention of vessel and shall comply with Charterer's instruction. Otherwise, Owner shall not be entitled to claim damages of detention whatsoever. Nothing in this provision shall prejudice Charterer's rights of objection or immunity.

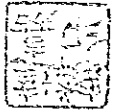
14.11. In the event that the licensed Marine Surveyor has been unable to carry out a successful initial draft survey on the vessel which is to be loaded, then the Certificate of Weight shall be based on a deadweight survey. Owner will inform Charterer as soon as possible of the situation and ask the Marine Surveyor to produce a report to Charterer detailing, with reference to the standard procedure for understanding draft surveys, the reasons why the initial draft survey was not carried out successfully.

14.12. If it is necessary for the Vessel to drain away bilge water on her return voyage to Taiwan, Owner shall ensure that the Master gauges the volume of the bilge water drained away and prepares a record to be furnished to Charterer. If it is impossible for the Master to gauge in detail the volume of the bilge water drained away due to the structure of the Vessel, Owner shall make a reasonable estimate of the volume of the water drained away and submit such estimate in writing to Charterer.

ARTICLE 15

DISCHARGING TERMS AND CONDITIONS

15.1. Notice of Readiness shall be tendered during office hours (i.e. 08:00-17:00 on Monday through Friday and 08:00-12:00 on Saturday, excepting Saturday afternoons, Sundays, Holidays recognized by the Government of the Republic of China) after vessel arrives at the discharging port, whether in berth or not, provided the vessel is in free pratique, customs clearance by port authorities and ready to discharge cargo in every respect, but not including the arrangement of discharging equipment such as mobile cranes,





bulldozers, etc., if the coal is discharged at port public berth. If N/R tendered is accepted during the time other than normal office hours, N/R shall be deemed to be accepted at the beginning of next working day.

However N/R may also be tendered upon vessel's arrival without free pratique and/or customs clearance provided that Owner proves that free pratique and/or customs clearance is impossible to obtain according to port regulations or customs. In such cases, time lost for obtaining free pratique and/or customs clearance after N/R is tendered shall not count as laytime, even on demurrage.

If free pratique or customs clearance is not granted after N/R is tendered, such N/R shall become null and void and a fresh N/R shall be tendered after free pratique and customs clearance are granted.

15.2. Laytime shall commence twenty-four (24) hours (hereinafter referred to as "Turn Time") after Notice of Readiness is accepted. If the discharging commences earlier, then the actual discharging time before the expiry of this 24 hours period shall count as laytime and shall be calculated proportionally as per the actual discharging time of each unit of discharging equipment (such as Charterer's terminal shipunloaders, vessel's gears or mobile cranes). Any time lost due to any stoppages shall not count as laytime. The laytime shall end at the point of time when discharging has been completed.

Time lost during the period when the vessel is waiting for berth should not count as laytime, provided that the discharging operation of the berth that the vessel is waiting for is interrupted by bad weather (including typhoon, strong wind, raining etc.).

If vessel arrives at loading port later than the latest day of the laydays and is still accepted by Charterer, without prejudice to the rights and remedies stipulated in Article 11, Charterer shall have the right to increase laytime allowed of discharging for the total period of delay, including prorated day for fractions of a day's delay (rounded to the nearest hour). The total period of delay shall be calculated from 2400 hours on the latest day of laydays till vessel's arrival time at loading port.

15.3. If vessel after berthing is not in all respects ready for discharging, the actual time lost from the time of her berthing to her readiness for discharging shall not count as laytime, even on demurrage.



15.6.2. All time lost as a result of lifting on and/or off, preparation, adjustment of discharging equipment (including gears, cranes, grabs and bulldozers etc.) shall be deducted

15.6.1. Though laytime shall commence according to Section 15.2, however, from the time when vessel has been berthed alongside to the time when all hatches are equipped with necessary discharging equipment and commence discharging, actual discharging time shall count as laytime proportionally as per each unit of shipunloaders or vessel's gears.

15.6. If the coal is discharged at port public berth(s), the following terms shall be applied.

15.5. The time lost due to the breakdown of discharging facilities (including shipunloader, gear, crane, grab, bulldozer, conveyor etc. used directly for the discharge of coal from the vessel) caused by any reason shall be deducted from laytime proportionally as per the breakdown of each unit of discharging facilities. If the discharging berth is Taipower Coal Terminal, the time lost before the commencement of vessel's discharging due to the breakdown of discharging facilities shall not be deducted from laytime. The charges imposed by port authority for stand-by of stevedores for awaiting the repair of vessel's gears or mobile cranes, if any, shall not be borne by Charterer.

15.4. The vessel shall be suitable for grab discharge and the coal shall be stored only in the hold area in which the mechanical bucket and/or grab and bulldozer usually used by Charterer can be operated freely. No coal is permitted to be loaded in deep tanks, bunkers spaces, wings tanks or any other compartment which can not be reached by the mechanical bucket and/or grab or bulldozer during its free operations. Otherwise, any additional expenses thus incurred in loading, trimming or in discharging shall be for Owner's account and time thus lost (including time lost due to collecting coal from frames and/or longitudinal in the main holds which can't be reached by mechanical bucket, grab or bulldozer during its free operations) shall not count as laytime, even on demurrage.

If vessel's berthing or discharging is delayed or interrupted due to bad weather (including typhoon, strong wind, raining etc.), any time lost shall not count as laytime. In addition, if it is delayed or interrupted due to any insufficiency or fault attributable to the vessel, the Owner, the Master or crew, any extra costs and expenses thus incurred shall be borne by Owner and any time lost shall not count as laytime, even on demurrage.

15.8.2. The two-port discharging surcharge shall be paid in Taiwan in New Taiwan Dollars within eight (8) Taipei banking days

If the performing vessel is a gearless panamax size vessel and the discharging ports are public berths of Taichung and Keelung as designated by Charterer in case of two-port discharging, Charterer shall pay Owner, in addition to expenses for discharging equipment as specified in Article 5, an additional surcharge for discharging equipment at the rate of NT\$ 37.00 per metric ton based on the quantity stated on Bills of Lading.

15.8.1. Charterer shall pay Owner two ports discharging surcharge at the rate of US\$0.75 per metric ton on entire cargo according to the quantity stated on Bills of Lading.

If two-port discharging is requested by Charterer, the following provisions shall be applied:

15.8. Two-port discharging:

In case of needs for mooring of other vessel, without Charterer's prior notification, Charterer has the right to order and to have the vessel towed off the berth, at Owner's risk and expenses. Owner remains responsible for all losses and damages incurred as a result of delay or failure.

If Owner fails to act accordingly, without Charterer's prior notification, Owner shall compensate Charterer for all loss and damages sustained therefrom (including but without limitation, such delay or failure preventing other waiting vessel from berthing and time loss or liabilities incurred therefrom).

15.7. Owner shall, in complying with Port/Terminal regulations and Charterer's instructions, conduct discharging immediately after the vessel is berthing and have the vessel vacated from the discharging berth promptly after completion of the discharging without delay.

15.6.3. Discharging Rate (only applied to panamax gearless size vessel): Owner guarantees that the average discharging rate should be at least 5,000 metric tons per day. If the average discharging rate is less than 5,000 metric tons per day, the laytime used shall be calculated on the basis of 5,000 metric tons per day and any demurrage thus incurred shall be for Owner's account.

from laytime proportionally, even on demurrage.



after the vessel arrives at the second discharging port, and Charterer has received Owner's freight invoices and freight receipt.

15.8.3. Laytime used for the first discharging port will terminate temporarily when the vessel completes discharging coal which Charterer, by prior notice, requires Owner to discharge at the first discharging port.

15.8.4. The subsequent laytime used shall commence upon the vessel's arrival at the anchorage of the second discharging port, whether in berth or not (including the shifting time from anchorage to the berth). However, in the time period from the time when the vessel is berthed until the time when all hatches are equipped with necessary discharging equipment and commence discharging, actual discharging time shall count as laytime proportionally as per each unit of shipunloaders or vessel's gears.

15.8.5. Any expenses and time used for shifting from vessel's completed discharging at the first discharging port to her arrival at the second discharging port shall be for Owner's account and shall not count as laytime.

15.8.6. If the performing vessel is to be discharged a part of the coal at Taipower Coal Terminal (or any other terminal arranged by Charterer suitable for berthing and discharging), then to be shifted to port public berth for completed discharging, but the freight is to be paid on the basis that the coal is fully discharged at Taipower Coal Terminal, Charterer shall pay Owner an "Additional Freight" for that excess portion of laytime used at the rate of demurrage according to article 13.

15.8.7. The exchange rate between New Taiwan Dollars and US Dollars in this Section 15.8 shall be determined pursuant to Section 9.3.

15.9. If the performing vessel has to anchor at Kaohsiung or Keelung to wait for discharging berth of Taichung designated by Charterer due to port congestion and bad weather at Taichung, N/R may be tendered by Owner during office hours when the vessel arrives at Kaohsiung or Keelung. If the vessel arrives at Kaohsiung or Keelung at a time other than office hours, N/R shall be tendered during the office hours of the next working day. If the shifting from Kaohsiung or Keelung to Taichung is conducted during the 24 hours Turn Time period, the ending of 24 hours Turn Time shall be extended according to the period of shifting time. If the shifting is conducted after the 24 hours Turn Time period, the shifting time should be deducted from laytime.





All expenses and risk for lightage shall be for the party who has given the order.

services of officers and crew shall always be borne by Owner. Charter, account. However, the cost for bunker fuels used and the tugage, mooring and unmooring charges) thus incurred shall be for circumstances, shifting time and expenses (including pilotage, need. Owner shall render all possible co-operation. In this from one berth to another berth or anchorage according to Charterer's At discharging port, Charterer has the right to order vessel to shift

not count as laytime at both ends, even on demurrage. board whichever is earlier, to all made fasten alongside berth) shall Shifting time from anchorage to berth (from anchor up or pilot on shifting is requested, by Charterer, Section 15.8, shall be applied. the shifting time and expense shall be for Owner's account. If order. If shifting is ordered by the port authorities or shipowner, Shifting time and expenses shall be for the party who has given the

SHIFTING & LIGHTAGE

ARTICLE 17

All opening and closing of hatches and removal or replacing of beams at both ends shall be for Owner's account and its time lost thus incurred shall not count as laytime, even on demurrage. Irrespective of the loading and/or discharging cost, Charterer and/or the coal supplier and/or port authority have option to request loading and/or discharging be carried out beyond ordinary working hours and during excepted periods, extra cost of stevedores and all extra expenses incurred on shore shall be for Charterer's account, Owner shall provide, free of charge, all vessel's facilities, inclusive services of officers and crew, to comply with loading and discharging operation.

Owner shall ensure that the vessel nominated for the carriage of the coal shall provide free use of winches and power for the purpose loading, trimming and discharging and all work associated or incidental thereto, together with lighting facilities on board that may be needed for working on the vessel.

WINCHES AND POWER, HATCHES AND OVERTIME

ARTICLE 16

18.4. The Charterer's maximum liability hereunder, arising from any cause whatsoever, whether based in contract, tort (including negligence) or any other theory of law, shall not exceed reasonable direct repair costs. A complaint based on any aforementioned cause of action must be lodged and filed with Taipei District Court of Taiwan, the Republic of China, except otherwise stipulated in this "Charter Party".

When Charterer assumes the solvable approaches to damage as said above, Owner will not make an excuse or any reason for keeping ship berth at Charterer's wharf; otherwise the loss of demurrage that occurs to Charterer will be charged to Owner (including the loss caused to other ships carrying Charterer's coal waiting outside the port).

18.3. If the damage is too serious or too numerous (But Not Affect The Safety Of Ship Structure And Navigation) to be finished repairing before coal is completely discharged, the marine surveyor along with the representative of insurance company will be notified to inspect and to take a picture as a testimony, and there and then advise Owner to set sail regarding to the said above damage, Charterer will require of Owner to consign it to else where of overseas repair. And Owner may address the bill of repairing expenditure to Charterer (The insurance company in care of Taiwan Power Company) for damages (to require a claim).

18.2. Charterer is not responsible for the stevedore damage which the Vessel sustained at the discharging port, unless notified in writing by the Master/Owner's agent at the time of occurrence of such damage or as soon as possible thereafter but before departure. The Master shall use his best effort to obtain the written acknowledgement by the responsible parties causing the damage unless the damage should have been made good in the mean time.

18.1. Charterer is not responsible for the stevedore damage which the Vessel sustained at the loading port. Any stevedore damage at the loading port shall be settled directly between Owner and stevedore. Owner shall ensure that Master will notify shipper and stevedore about the damage at the time of occurrence of damage or before Vessel's departure from loading port.

STEVEDORE DAMAGE CLAUSE



AGENTS

ARTICLE 19

19.1. The agency fees at both ends shall be borne by Owner. Unless otherwise requested by Charterer or port authority, shipping agent at both ends shall be appointed by Owner.

19.2. Foreign Owner shall authorize an agent in Taiwan to act on his behalf to sign this "Charter Party" in Taiwan, to issue freight invoice and freight receipt, to collect ocean freight, to settle Despatch/Demurrage and to communicate the relevant matters with Charterer. The authorized agent and the Owner are jointly and severally liable to Charterer for any and all of their obligation under "Charter Party". The full style of authorized agent is as specified in the "Voyage Charter Party".

ARTICLE 20

MARINE REGULATIONS

20.1. Owner and the performing vessels shall comply with all applicable laws and regulations whether promulgated by governmental authority or by authorized private organization(s), of the port (or terminal) at which she call. If she fails to do that, Owner shall be liable for all losses, expenses and responsibility thus incurred and shall indemnify and defend the Charterer, its agents, officers and employees against, and shall hold them free and harmless from, any and all losses, expenses, liabilities and claims of any kind and character arising from the failure on the part of the Owner, the vessel, her Master and crew to comply with any such laws and regulations.

Charterer's acceptance of nomination of vessel or approval of loading schedule will in no way relieve Owner of responsibility for failing to comply with the requirements stipulated in this Article.

20.2. In full compliance with the "Regulations Governing the Civil Relationship Between Taiwan and Mainland China" and its enforcement rules and any rule, regulation, order issued pursuant to said Regulations, all performing vessels under this "Charter Party" should not call directly at the ports of Chinese Mainland or other specific countries announced by the Government of the Republic of China, enroute either to or from the ports of Taiwan, Republic of China. No vessels owned, controlled, chartered or operated by people, corporation, legal entity or





21.1.2. Major breakdowns of or damages to plants, equipment or facilities at mines, railroads or ports, or whatsoever connected with supplying, loading or conveying the cargo from the mines to the vessel.

21.1.1. Acts of God, war (declared or undeclared), blockade, riots, revolution, insurrection, civil commotions, mobilisations, strikes, slowdowns, labor disputes, suspension of labour or measures adopted to counteract the same, demonstrations, street protests, picketings by workers or others, civil disobedience or disturbances, lock-outs, blockage or blocking up by people, plagues, epidemics, fires, floods, storms, snow, typhoons, earthquakes, landslides, obstruction of navigation at ports of delivery or destination, acts of government or public enemy.

21.1. Neither Owner nor Charterer shall be liable for any delay or failure in performance under this "Charter Party" if and to the extent that such delay or failure in performance results from any event of Force Majeure. The term "Force Majeure", as used in this "Charter Party" means cause or causes which are not within the control of the party or parties claiming Force Majeure and includes, but is not limited to:

FORCE MAJEURE

ARTICLE 21

20.5. No vessels owned or operated by Yugoslavian company shall be used.

20.4. Vessel(s) owned or operated by South Korea company or vessel(s) under the flag of South Korea are not acceptable until the South Korea Government removes the discriminatory measures against R.O.C. company or vessel(s) in shipping trade.

Chinese Mainland, Albania, Yugoslavia, Latvian, Lithuanian, Russia, and any member state of Commonwealth of Independent States.

20.3. No vessels under the flag of the following regimes or countries shall be used:

"controlled" means that more than 50% shares or equity held.

other organization of Chinese Mainland shall be used.

21.1.3. Major breakdowns of or damages to vessels nominated by Owner caused by Acts of God, perils of the seas, fire, barratry of the Master and crew, pirates, collisions, strandings and accidents of navigation or latent defects in or accident to hull and/or machinery and/or boilers, whether occasioned by the negligence, default or error in judgement of the pilot, Master, mariners or other persons employed by the shipowner, or for those acts he is responsible, and other causes of whatsoever kind or nature beyond the control of Owner.

21.2. The party whose performance of any obligation is directly affected by reason of any of the causes referred to above shall, within three (3) working days, give notice thereof to the other party concerned by telex or telefax, and shall also within ten (10) working days thereafter as well as after the termination of such events, notify the other party concerned in writing of particulars of the relevant events and supply supporting evidence. The party affected by Force Majeure shall use best efforts to mitigate the adverse effect thereof on its performance hereunder, and shall resume, with the least possible delay, performance of its obligations upon cessation of such cause. If the affected party fails to notify the other party within three (3) working days, the Force Majeure event shall take effect after notice has been given.

21.3. In the event by reason of Force Majeure, Owner or Charterer is unable to meet its contractual obligations hereunder, then Owner and Charterer shall mutually agree to reschedule shipments to cope with the situation. However, if the Force Majeure events persist for more than three (3) months, both parties have the options to cancel the affected shipment(s) by giving no less than fifteen (15) days prior notice to the other party. If the Force Majeure events persist for more than six (6) months, this "Charter Party" shall be terminated automatically.

21.4. Should either Owner or Charterer declare Force Majeure, nothing herein shall relieve either Owner or Charterer of its respective obligation under this "Charter Party" (such as, but not limited to, the obligation of Owner or Charterer to make any payment which has become due and payable under this "Charter Party") which are unaffected by such declaration.

ARTICLE 22

WAR CLAUSE

22.1. No Bills of Lading to be signed for any blockaded port and if the





The foregoing provisions shall also apply where the Owner, 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 to

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

BOTH TO BLAME COLLISION CLAUSE

ARTICLE 23

22.2. The vessel shall have liberty to comply with any orders or directions as to departure, arrival, routes, ports of call, stoppages, destination or otherwise however given by the Government of the nation under whose flag the vessel sails or any department thereof, or any person acting or purporting to act with the authority of such Government or of any department thereof, or by any committee or person having, under the terms of the War Risks' Insurance on the vessel, the right to give such orders or directions and if by reason of any in compliance with any such orders or directions anything is done or is not done, the same shall not be deemed a deviation and delivery in accordance with such orders or directions shall be a fulfillment of the contract voyage and the freight shall be payable accordingly.

port of discharge be declared blockade after Bills of Lading have been signed, or if the port to which the ship has been ordered to discharge either on signing Bills of Lading or thereafter be one to which the ship is or shall be prohibited from going by the Government of the Nation under whose flag the ship sails or by any other Government, the Owner shall discharge the cargo at any other port covered by this "Charter Party" as ordered by the Charterer (provided such other port is not a blockaded or prohibited port as above mentioned) and shall be entitled to freight as if the ship had discharged at the port or ports of discharging to which she was originally ordered.



ARTICLE 26

Nothing herein stated is to be construed as Owner's excuse for delay. Vessel shall remain to proceed with reasonable dispatch and shall arrive at the first discharging within time limits set forth in Article 6 of this "General Terms".

Owner's Liberty shall be consistent with the main purpose of the "Charter Party".

OWNER'S LIBERTY CLAUSE

ARTICLE 25

The vessel in addition to all other liberties shall have liberty as part of the contract voyage and at any stage there of to proceed to any port or ports whatsoever whether such ports are on or off the direct and/or customary route or routes to the ports of loading or discharge named in this charter and there take oil bunkers in any quantity in the discretion of Owners even to the full capacity of fuel tanks, deep tanks and any other compartment in which oil can be carried whether such amount is or is not required for the chartered voyage.

NEW JASON CLAUSE

ARTICLE 24

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 consequences of which, the carrier is not responsible, by statute, contract, or otherwise, the goods, shippers, consignees or owners of the goods shall contribute with the carrier in general average to the payment of any sacrifices, losses or expenses of a general average nature that may be made or incurred and shall pay salvage and special charges incurred in respect of the goods. 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 goods and any salvage and special charges thereon shall, if required, be made by the goods, shippers, consignees or owners of the goods to the carrier before delivery.



28.3. Any loss, expenses or damage provided in the "Charter Party"

deducted from the amount of damages claimed by Owner.
paid by Owner in consequence of Charterer's default shall be
freight of such shipment. All expenses saved or which need not be
Charterer's indemnity shall not exceed the amount of contract
for the real, actual and direct damages sustained by Owner.
28.2. In case of default by Charterer, Charterer shall only be liable

Credit amendment etc., resulting from Owner's default.
cost, interest loss incurred and/or banking charge for Letter of
damages, including liquidated damages, storage expense, barge
be claimed by the coal supplier for any direct and actual
negligence of Owner or of its agent or employee, or if Charterer
provided herein if it exists the intentional acts or gross
not be entitled to the benefit of limitation of liability as
shipment causing such default; provided always that Owner shall
shall not exceed the estimated amount of contract freight for the
obligation or being in default, Owner's indemnity, in principle,
General Terms, in each case of Owner's failure in performing the
28.1. Except as otherwise specifically provided elsewhere in this

INDEMNITY

ARTICLE 28

General average, if any, to be settled at a place to be agreed upon
with the cargo underwriters according to York-Antwerp Rules 1974.
Should the vessel deviate from the normal intended voyage under this
"Charter Party", Master and/or Owner shall inform Charterer of same
without delay.

GENERAL AVERAGE

ARTICLE 27

Notwithstanding any navigation custom, the Vessel and Owner to be free
of any rebate or address commission upon the gross amount of Freight,
Dead Freight and Demurrage.
Neither party shall assign this "Charter Party" in whole or in part to
any third party without prior written consent of the other party. Any
purported assignment by either party without said written consent by
the other party shall be void and of no effect.

NO ADDRESS COMMISSION AND NO ASSIGNMENT



TAXES

ARTICLE 30

All disputes or differences which may arise from or in connection with this "Charter Party" shall be judged by the Taipei District Court, Taiwan, the Republic of China. Both parties hereby agree that the Taipei District Court, Taiwan, the Republic of China shall have an exclusive jurisdiction over any suit in connection with this "Charter Party".

This "Charter Party" shall be governed by and construed in accordance with the laws of the Republic of China (to the exclusion of its rules of conflicts of laws).

GOVERNING LAW AND JURISDICTION

ARTICLE 29

28.6. Unless otherwise expressly stipulated in this "Charter Party", Charterer shall not be responsible for loss or damage sustained by the Owner or Vessel arising or resulting from any cause without the act, fault or neglect of the Charterer, his agents or servants.

28.5. The provision of preceding Paragraph is not applicable where the Charter Party is entered into on a scheduled term charter or for several consecutive voyages. In such case, Charterer may not terminate the Charter Party for his convenience unless equivalent voyages or shipments been proposed by Charterer and shall be subject to the approval by Owner, that such approval not to be withheld unreasonably.

28.4. Notwithstanding the provision of Section 28.2, in the event that the Vessel is nominated and provided by Owner for carriage, Charterer may, prior to the commencement of the voyage, rescind this "Charter Party", provided that Charterer shall pay, one third of the contract freight of that shipment concerned. If Charterer has loaded the whole or a part of his goods, he shall also bear the loading and unloading expenses. Except as provided for in this Paragraph, Charterer shall not be liable to Owner for any other damages or losses of any kind which Owner shall suffer as a result of rescission of that shipment by Charterer.

28.3. shall be fully paid by the defaulting party to the other party within 30 days after receipt of debit notes and/or notice from the other party.



Any notice, declaration and other communications which either party

NOTICE

ARTICLE 32

Charterer shall be entitled to draw any part or all of the amount of the Performance Bond to pay for any part or all of Charterer's loss and/or damages arising from Owner's default in the performance of its obligations under this "Charter Party". If the amount of Performance Bond is insufficient for compensation, to the extent of such insufficiency that Owner remains liable.

In case of default by Owner, without prejudice to any lawful remedy Charterer may have, Charterer shall have the right to rescind or terminate the subject voyage and/or this "Charter Party" if any of the voyage remains unperformed.

The validity of the performance bond for each shipment shall remain in force until 150 days after the end of laydays period of that shipment as specified in this "Charter Party". The said performance bond will be released, without interest, after satisfactory completion of cargo discharging and settlement of despatch money, if and subject to the condition that Charterer is satisfied that each shipment is in accordance with all the requirements of the "Charter Party" and no claim has been filed against Owner.

To ensure that Owner will perform its obligations in accordance with the terms and conditions of this "Charter Party" with Charterer, Owner or Owner's authorized agent in Taiwan shall, within ten (10) banking days after the date on which the freight rate is fixed and at its expense, deposit a performance bond for each shipment in an amount not less than 5% of the product of the upper limit of cargo quantity for each shipment and the basic freight rate as specified in the "Voyage Charter Party", in the form of Chinese Government Bond, Taipower Bond, Certificate of Deposit, certified check, bank draft or bank guarantee (which must conform in substance to the TPC's Standard Performance Bond Form) in U.S. Dollars or in the equivalent thereof in New Taiwan dollars at an applicable exchange rate as defined in Section 9.3. on the date which the freight rate is fixed).

PERFORMANCE BOND

ARTICLE 31

Taxes on vessel or freight at both ends, if any, shall be declared and paid directly by the Owner. Taxes on cargo at both ends, if any, shall be for Charterer's account.



Owner's full style and communications is as specified in the "Voyage Charter Party".

FAX No: (02) 3670597

Cable: TAIPOWER

Telex No. 27254 TPCFUEL

Sec. 3 Taipei, Taiwan, R.O.C.

9th Fl., 242 Roosevelt Rd.

Fuel Department

Taiwan Power Company

Charterer's full style and communications is as follows:

may be required to give or make to the other party shall, unless otherwise mutually agreed or specifically provided herein, be deemed to be properly given or made if given or made in writing and delivered by hand or sent by post (registered, and air-mail if international), postage prepaid, or by telex or telegraph or telex and subsequently confirmed by letter to the other party, to their respective address specified below. Any notice, declaration and other communication given or made by post shall be deemed to be duly received on the 10th business day after the day of posting and those given or made by telegraph, telex or facsimile shall be deemed to be duly received on the day following the date on which the telegraph, telex or facsimile is dispatched (with a confirmation answerback, if by telex).