

REF. : M4 / 9620
DATE : 22/05/2026

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**Subj.\ Tender for Qaiyarah Crude Oil from North Oil Company
on Ex-Works Basis by Road Tankers**

We would like to confirm the availability of Qaiyarah Crude Oil to be lifted from Al-Qaiyarah Oil Field/ North Oil Company field (Ex-Works) By Road Tankers, based on the following conditions:

- 1) **Quantity:** Shall be (50,000 \pm 5%) bbl./day (may be increased or decreased by mutual agreement).
Contract quantity shall be determined subject to the availability of crude oil from Al-Qaiyarah Oil Field.
- 2) **Quality:** The specifications of Qaiyarah Crude Oil are shown in Appendix-1 (Crude Assay Report).
- 3) **Destination:** Permitted Outlets (western, southern, and northern).
- 4) **Price:** The mechanism of selling and barrel price for the Quoting best price is carried out according to the following: -

Unit price US\$/BBL= monthly average of Brent Dated for the month following the month of loading- X

Wherein:

Monthly average of Brent Dated is calculated by taking the monthly arithmetic average of the means of high and low spot assessments of Brent (Dated) quotations as published in the Platts Crude Oil Marketwire for the actual calendar month following the month of loading. The actual calendar month of loading means the month in which the crude oil is physically loaded at the loading storage facility.

X= The price differential submitted by the bidder.

- 5) **Contract Duration:** Three (3) months, starting from the date of contract signature.
- 6) **Payment:** The Buyer undertakes to cover the value of the monthly contractual quantity through the followings:
 - A. Coverage of the nominated quantity by opening an irrevocable documentary letter of credit in favor of the Central Bank of Iraq, to be confirmed and advised through a bank acceptable to and approved by the Central Bank of Iraq, at least 7 days prior to the month of loading.
 - B. Payment shall fall due within thirty (30) days of the month following the month of loading.
 - C. The expiry date of the letter of credit shall be 2 months after the end of the loading month.
 - D. Second Party shall bear all costs arising from the opening, confirmation and advising of the letter of credit, and any other costs related thereto, whether inside Iraq or abroad.

7) Implementation guarantee insurance:

- A- The buyer must provide Implementation guarantee insurance of (5%) of the estimated value of the total contract quantity **before signing the contract** and in accordance with the following:
- The buyer is obligated to issue a letter of guarantee issued by one of the banks licensed to operate by the Central Bank of Iraq after it appears on the electronic platform of the Central Bank of Iraq, equivalent to (5%) of the estimated value of the total contractual quantity, which represents the amount of implementation guarantee insurance, provided that the letter of guarantee is unconditional and effective for a period of (90) days after the expiration of the contract. Letters of guarantee that are issued or extended are accepted upon the expiry of the due date based on the instructions of the Central Bank of Iraq - Banking Control Department.
- B- The implementation guarantee insurance is returned to the buyer, in accordance with the procedures applicable in the Oil Marketing Company, as follows- :
- 1- If the buyer loaded (75%) or more of the contractual quantity
 - 2- The buyer proved to be committed to all other contractual conditions.
 - 3 -In the event that the first party is unable to provide the above contract quantity, the contract implementation percentage will be based on the basis of the nominated and loadable quantities according to the production plans and crude oil availability.
- C- An amount is deducted from the implementation guarantee insurance according to the loading percentage of the contract quantity if the loading percentage is between (25%) up to (75%) of the contract quantity, the deduction rate will be (2%) of the Implementation guarantee insurance for every (1%) of the unloaded contract quantity.
- D- 1.5% (of the Implementation guarantee insurance will be deducted as marketing commissions.
- E- The Implementation guarantee insurance will be completely confiscated if the loading percentage is equal to or less than (%25).
- F- Repeal Paragraph (d) in the event that the Implementation guarantee insurance is confiscated.
- G- The buyer has no right to claim the confiscated amounts or file a lawsuit in this regard under any circumstances .
- H- The Implementation guarantee insurance will be increased in the event of an increase in the contract quantity by a percentage of (5%) of the value of the additional quantity.
- I- The contract shall not be liquidated and the amount of the Implementation guarantee insurance released except after receiving the buyer's clearance letter issued by the following two authorities :
- 1- The Department of Retirement and Social Security for Workers.
 - 2- The General Directorate for Taxes, otherwise, Tax Settling Instructions No. (2) of 2008 are applied to contracts concluded between Iraqi and foreign contracting parties, and Amendment No. (1) of 2014 and any instructions issued later .
- The seller (Oil Marketing Company) is not responsible for the period of time taken by the General Directorate for Taxes and the Department of Retirement and Security Workers' Association to complete its necessary procedures to provide the buyer with a clearance letter.

- J- The buyer has the right to convert the amount of the letter of guarantee “Implementation guarantee insurance” into a cash deposit amount to be deposited in the bank account of the Oil Marketing Company No. (002-003946-0002) in the event that he does not obtain a clearance letter from the General Directorate for Taxes and the Department of Retirement and Security Workers’ Association after (90) days from the date of contract comes into force.
- K- The amounts due to the buyer will be returned exclusively to his bank accounts, and the buyer undertakes to provide the seller (Oil Marketing Company) with his bank account number after signing the contract.
- L- The buyer is obligated to follow up on the procedures related to monthly quantities matching and the available crude oil in the depots. Otherwise, he shall bear the financial consequences resulting from the liquidation of the contract and the difference in quantities between the allocated quantities and the contractual quantities, and the liquidation will be based on the latter.
- 8) In the event that the Strait of Hormuz is reopened and the smooth passage of crude oil vessels through it resumes and insured, the Parties shall renegotiate the contractual quantities and the applicable price differential in line with the prevailing market conditions at that time. However new conditions shall be based on mutual agreement, otherwise the contract shall be automatically terminated.

9) **All other terms should be applied as per SOMO's General Terms and Conditions.**

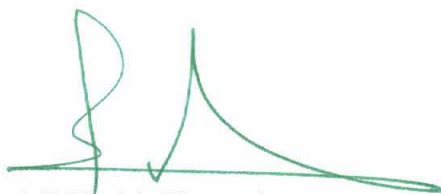
Please be advised that your bid is preferred to be sent to the following email:

offers.collector@somooil.gov.iq

Furthermore, SOMO reserves the right not to award the tender for internal reasons.

Your bid must be submitted by no later than Monday, the 25th of May, 2026 no later than 02:00 pm (Baghdad local time). To this end, any letters submitted after the aforementioned closing time will not be considered.

Best regards,



Ali N. Al-Shatari
Director General

22/05/2026

Attached: Apendix (1).

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