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SPC – Used Cooking Oil (UCO) Supplier Information

UKGAL consulting on behalf SPC that requires long-term stable suppliers of Used Cooking Oil (UCO) for the production of biodiesel in Europe. SPC ideally require minimum shipments of 1000MT per Month (We can accept up to 5000MT per month). SPC may contract for smaller monthly commitments; however this will require coordination with other UCO Suppliers monthly shipments So that deliveries can be combined onto a single vessel for transportation to Europe.

The European ports that SPC operates from include ports located within; United Kingdom, Italy, Germany, Holland, France and Spain.

Delivery and Transportation

SPC requires CIF contracts. The insurance is to be for a minimum of 110% of the value of the shipment. The UCO is to be transported in 20MT Flexitanks, installed within 20' steel shipping containers. The containers are to be fitted with heaterpads, steel bulkheads and containers liners.

Where monthly deliveries are for volumes of 5000MT or over SPC may request that the UCO is to be delivered by Wet Bulk Transport in replacement of shipping containers.

Specification of the UCO

A	Free Fatty acids (FFA)	4.5% Max
B	Moisture and Impurities (M.I.U)	0.93% Max
C	Saponification Value:	186 Min to 196 Max
D	Iodine Number:	100g / 100g Min to 120g / 100g Max
E	Iodine Value:	115 Min to 120 Max
F	Sulphur Content:	80ppm Max
G	Phosphorus Content:	40ppm Max
H	Water Content:	0.2 mass % Max
I	Animal Fats:	The oil is to be vegetable oil not admixed with animal fats. Elements of animal fats consistent with the previous use of the oil as cooking oil are permitted.

Due Diligence

SPC are required to perform strict due diligence on all companies, within the Used Cooking Oil Supply Chain. SPC respects the role that Brokers and Agents play within the commodities trading marketplace, however SPC only contract directly with companies that have title to the UCO and have a valid export licence. SPC are willing to protect Brokers and Agents commissions and fees via IPO arrangements so that the Brokers and Agents receive their appropriate commissions. SPC's due diligence on UCO suppliers involves onsite visits to factory's and offices, meeting the senior staff of the UCO suppliers companies and documentation verification by the local authorities.



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Security and Inspection

SPC is required to have SPC Security Staff and inspection Agents present and onsite at the location where the containers are filled with UCO. The SPC staff and gents are required to inspect the Containers prior to the installation of the flexitanks, supervise the Flexitank Agents Installation of the flexitanks , supervise the filling of the flexitanks, take random sample of the UCO throughout the filling operation and finally affix security devices to the containers. SOC security and Inspection staff are required to be onsite at the loading port to inspect the containers, security seals are still attached and supervise and oversee the Custom Inspection prior to loading.

Third Parties

SPC is aware that UCO producers are required to utilise the services of Third Parties to package, inspect and deliver the UCO to Europe, such as shipping companies, Flexitank Agents, Container Agents etc. SPC requires that all Third Parties' that are utilised are members of the relevant international trade bodies and carry adequate insurance. SPC will require notification of who the Third Parties are and verification that the Third Parties have the relevant documentation in place.

Sustainability

SPC is required to conform to the European legislation for the handling and importing of Used Cooking Oil into European Biodiesel marketplace. The European legislation imposes strict and onerous conditions onto SPC to identify and demonstrate that the UCO is actually Used Cooking Oil and specifically not Virgin Oil, and also to assign a carbon footprint value of the UCO. The UCO Suppler will be required to cooperate with SPC to identify the ultimate location that Virgin Cooking Oil became Used Cooking Oil and to provide information to SPC to enable SPC to calculate the carbon footprint. SPC is not required to view any commercially sensitive information owned by the UCO Supplier, furthermore SPC shall sign the appreciate undertakings to protect the interest of the UCO Supplier confidential information and its customers identity.

Engagement

SPC suggests the easiest way for SPC to engage with UCO Suppliers is to follow the steps below;

- 1) Agree basic commercial terms for the UCO Supplier (Specification, Monthly Volume, Price Per MT, Port of loading, Port of Discharge, Payment Method)
- 2) Agree Security and Inspection procedures (Location of Container Filling, Filling Storage capabilities of the UCO Supplier, Duration of filling operation to match the monthly volume, Inspection parties agreed, security procedures agreed.)



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- 3) Exchange of Company information between SPC and the UCO Supplier (including Shipping Agents, Flexitank Agents, Insurance Companies etc.) for Due Diligence undertakings.
- 4) Agree a formal contract for the supply of UCO.
- 5) Arrange and complete a factory, warehouse and / or office visit of the UCO supplier, execute and sign contracts by the SPC and UCO supplier's senior management teams.
- 6) Commence the delivery schedule.

Used Cooking Oil Specification

CONTRACTUAL

<u>Item</u>	<u>Standard</u>	<u>Preferred</u>
Free Fatty Acid	5% Max	3% Max
MIU	2% Max	1% Max
Saponification Value	185-200	185-195
Iodine Value	90 Min	100-120
Titre C (melting point)	20oC	13.75oC
Sulphur Content (mg/kg)	60 ppm Max	18 ppm Max
Phosphorous Content (mg/kg)	40 ppm Max	15 ppm Max
Insoluble Impurities	1% Max	0.5% Max

COMMON

<u>Item</u>	<u>Standard</u>	<u>Preferred</u>
Specific Gravity @ 25oC	0.915	0.915
Density (kg/m3)	920	920
Flashpoint by P-M (Degrees C)	220	220
Acid Value (mg. OH/g)	7.0 Max	5.0 Max
Calorific Value (j/kg)	36000	36000
Kinematic Viscosity (40 deg.C /mm/2s)	38 Max	38 Max
Carbon Residue	0.4% Max	0.2% Max
Oxidation Stability	5.0 Min @ 110 oC	5.0 Min @ 110 oC
Ash Content	0.1 Mass % Max	0.05% Mass Max
Water Content	0.2 Mass % Max	0.1% Mass



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Buyer Summary

The specs given are good for us. We would expect a cheaper price for the high acid content oil but we can Work with either.

Basically we will need to inspect the factory before we pay for the oil. We are happy to sign up to Broker Fee Agreements before we visit but our security people will need to be involved with the movement of the oil From when we pay for it until it is delivered.

We do have our own containers and are looking for a good price EX Works. However if the seller prefers to sell FOB or CIF we are happy to discuss these options with them.

Volume: We will want between **50 and 100 MT as a trial shipment** which we will **pay 100% upfront** when we Have seen the factory and signed the contract. Thereafter normal trading terms (LCs) and **1,000 MT per Month.**

Origin

We have an existing contract with China a present we are interested in other origins (**e.g.: Malaysia, Cambodia, Thailand, South Africa etc.**)