



## Announcement

### Ministry of Oil / Oil Marketing Company (SOMO) Public Announcement No. (MP/HSFO/2026/03) for Export High Sulfur Fuel Oil (HSFO)

Oil Marketing Company (SOMO), one of the entities of the Ministry of Oil, would like to inform you of the availability of High Sulfur Fuel Oil (HSFO) for export on an Ex-Floater Tank basis at the Iraqi Anchorage Area near the Khor Al-Zubair Terminal (by STS).

- Bidders are kindly requested to submit two separate price offers based on sodium content.
- You are kindly requested to submit your competitive price offer in accordance with the terms and conditions stated herein.

#### **1. Seller:** Oil Marketing Company (SOMO)

**2. Quality:** Below is a set of standard parameters and test methods for analyzing HSFO to evaluate quality and purity according to the specifications prescribed by Iraqi refineries.

Parameters		Test Methods
1	Density @15 C <sup>0</sup>	ASTM D 4052
2	Flash Point	ASTM D 93
3	Pour Point	ASTM D 97
4	Viscosity @50C <sup>0</sup>	ASTM D 445
5	Water & Sediment	ASTM D 1796
6	Micro Carbon Residue	ASTM D 189
7	Sulphur Content	ASTM D 4294
8	Sodium Content	IP 501, IP 470
9	Organic Chloride	UOP 779 (mod)

A. **Sulphur Content:** Guaranteed not to exceed 5 wt%.

B. **Organic Chloride:** Guaranteed not to exceed 5 ppm.

C. For lifting (EX-Floater) at the anchorage area near the KAZ terminal, these tests will be conducted in the Iraqi Ministry of Oil laboratories under the supervision of a third-party inspection company, and the final quality test shall be final and binding for all parties.

D. Any additional testing requested by the Buyer shall be at Buyer's sole cost and for reference only, and shall not be binding upon SOMO.

**3. Origin:** Iraqi refineries, including AlSomoud, Kirkuk, Haditha, Kar, Bazian, Siniya, Kasak, Daura, Samawah, Dhi Qar, and Maysan.

**4. Destination:** Free destination.

**5. Loading point:** Floater Tank at the Anchorage area near Khor AL-Zubair Terminal (by STS).

**6. Quantity:** As shown in the table below:

Quantities	(MT)
Monthly quantity $\pm$ 20%	1,000,000

A- These quantities are subject to increases/decreases according to product availability.

B- The bidder offering the most competitive price may be awarded double the volume allocated to other successful bidder(s).

C- The successful Bidder(s) must adjust their bid to ensure the award at the winner's price level.

**7. Duration of Contract:** From April 25<sup>th</sup>, 2026, to May 25<sup>th</sup>, 2026, subject to extension by mutual agreement, or until the smooth passage of crude oil and petroleum product vessels through the Strait of Hormuz resumes, whichever occurs earlier, taking into account the First Party's commitments toward the Second Party in respect of accepted vessel nominations and the agreed loading program. Notwithstanding the foregoing, the contract shall automatically terminate upon full payment of the settlement of the indebtedness amount if such payment is made before the expiry of the above-mentioned period.

**8. Price:**

The price should be quoted in United States Dollars (USD) per Metric Ton (MT) of HSFO 180 CST on FOB basis using the following formula:

- A.  $MOPAG \pm \beta_1$  when Na content  $\leq$  65 ppm,
- B.  $MOPAG \pm \beta_2$  when Na content  $>$  65 ppm

- MOPAG is the average of monthly quotations for Fuel Oil as published by (S&P Global Platts Asia-Pacific / Arab Gulf Marketscan) under the heading (FOB Arab Gulf - HSFO 180 CST) for the scheduled month of loading.
- $\beta_{1,2}$  = premium or discount as related to the above price formula, as stated in Per your bid (which should be in USD/MT)
- Bidders should submit their bids, including **premium** or **discount**, based on both sodium contents ( $\beta_1$  &  $\beta_2$ ); otherwise, bids with a single price based on the single sodium content option shall **not** be considered.

## 9. Payment:

- A) Buyer shall cover the estimated value of the monthly contractual or shipment quantity through:
- 1- Opening an irrevocable documentary letter of credit (L/C) by a bank from (outside of Iraq) accepted to CBI (**as shown in Appendix No.1**), advised through the Trade Bank of Iraq (TBI) according to SOMO's acceptable form.
    - The L/C should be confirmed by the Trade Bank of Iraq (TBI) or one of the banks acceptable to the Central Bank of Iraq CBI and be valid for at least 60 days from the date of the bill of lading.
    - Documents holding (Negotiation) field (41A) should be with (Trade Bank of Iraq) TBI or any banks accepted by CBI.
    - The L/C should be advised through (TBI) at least (7) seven calendar days before the laycan date.
  - 2- Or advance payment as a wire transfer from outside of Iraq to the Seller's account (SOMO) No. (0002-003946-002) In the TBI, Baghdad, Iraq, at least (7) seven calendar days before the laycan date.
- B) Seller (SOMO) is not obliged to issue an order processing unless notified by the Bank of covering the nomination of the quantity according to clause (A) above, and Buyer shall bear all costs concerning this delay.
- C) In case the product will be loaded from the Floater Tank at the Anchorage area near Khor AL-Zubair Terminal, the Buyer shall bear loading fees levied by the port authority prevailing at the time of loading.
- D) Buyer is obliged by the following conditions when his coverage of the nomination quantities under the documentary letter of credit:
- 1-The letter of credit must be valid for two months after the date of the bill of lading.
  - 2-Seller (SOMO) to draw from the letter of credit for each quantity loaded by Buyer in U.S. dollars and within (30) days from B/L (B/L date is day one), against to submit to the Trade Bank of Iraq the following original shipping documents:
    - Bill of Lading 2 (1 org. & 1 copy)
    - Commercial Invoice issued by SOMO. 2 (1 org. & 1 copy)
    - Quantity and Quality Certificate issued by SOMO. 2 (1 org. & 1 copy)
- E) Buyer shall bear all Bank costs and charges (including opening the letter of credit and confirmation amount and any other fees regarding L/C).
- F) If the payment is due on a Saturday or bank holiday (except on Monday), then you should make it on the last preceding banking day; if the payment is due on a Sunday, Monday, or bank holiday, then the amount is to be made on the next succeeding banking day.
- G) The seller has the right to add or deduct any penalty or demurrage owed by or to the buyer within the amount of the Commercial Invoice issued by SOMO.
- H) In case the buyer requires "OPEN CREDIT", its bid will be disqualified.

## **10. Performance Bond:**

**Other than state companies, bidders that have never purchased Iraqi crude oil from SOMO or have a crude oil purchase history of less than five years shall submit a Performance Bond as per the following:**

- A. The Buyer shall submit before signing the contract as a bond of good performance to the Seller a Performance Bond (Bank Guarantee) in USD equivalent to (5%) of the estimated value of the total contractual quantity issued from the banks licensed and accepted by the Central Bank of Iraq (**exspt as shown in Appendix No.2**) after being registered on the electronic platform of the (CBI). The said Performance Bond shall be valid for (90) days after the expiration of the contract period.
- B. Upon expiry of the contract:
  - If the Buyer performed 75% or more of the contractual quantity, the performance bond shall be fully reimbursed to the Buyer.
  - Deduction of (2%) of the performance bond amount shall be made for each (1%) less than 75% to the limit of 25% of the contractual quantity.
  - Seller has the right to confiscate the said performance bond if the Buyer fails to load quantities equal to or less than 25% of the contractual quantity.
- C. Performance bonds should be revised in case of an increase or decrease in the contractual quantity.
- D. For Iraqi and foreign companies, the contract liquidation shall be made at the end of the contract period and after receipt of the certificates issued by the Department of Retirement, Social Support for Workers, and by the General Administration of Taxation, which supports the integrity of the tax position based on the instructions of tax settling accounts no. (2) for the year 2008 for contracts between the Iraqi and foreign companies and amendment no. (1) For the year 2014, the seller is not responsible for the time the General Tax Authority and the Department of Retirement and Social Support for workers spend to complete procedures to provide the buyer clearance of responsibility.
- E. The Buyer has the right to transfer the amount of the (Performance Bond) as a cash Deposit, in the Oil Marketing Company Bank Account No (0002-003946-002) when the Buyer does not obtain a Clearance Certificate from the General Administration of Taxation and the Department of Retirement and Social Support for Workers “Social Security “within 90 days after the contract expiry date.

**11. Standard Terms:** All additional terms are governed by SOMO’s General Terms & Conditions (attached).

## **12. Bid Submission:**

### **A- Method:**

- (1) Sealed hard copies delivered to SOMO's headquarters or via courier, or
- (2) Password-protected PDF file, sent to **mp.offer@somooil.gov.iq**.

### **B- Password submission:**

Passwords must be sent to **info@somooil.gov.iq** between 12:01 PM and 1:00 PM on the bid submission deadline.

### **C- Deadline:**

20<sup>th</sup> of April, 2026, no later than 12:00 pm Baghdad time, and if the closing date is an official holiday, then the bid submission deadline shall be on the next working day.

### **D- Validity of Bid:** Bids must remain valid for at least 10 days from the closing date.

**Please accept our best regards,**

**Director-General  
SOMO**

**Email: [info@somooil.gov.iq](mailto:info@somooil.gov.iq)**

**Website: [www.somooil.gov.iq](http://www.somooil.gov.iq)**