

LETTER OF INTENT

Shipbuilding Project

Date: August 4, 2025

Reference: LOI-SBC-2025-001

TO:

Pacific Shipyard Industries Pty Ltd
456 Shipyard Road
Newcastle, NSW 2300, Australia
Attention: Ms. Sarah Johnson, Managing Director

FROM:

Maritime Shipping Corporation
123 Harbor Drive
Sydney, NSW 2000, Australia
Attention: Mr. John Smith, Chief Executive Officer

SUBJECT: LETTER OF INTENT FOR BULK CARRIER CONSTRUCTION

Dear Ms. Johnson,

Maritime Shipping Corporation ("**Buyer**") hereby expresses its intention to enter into a shipbuilding contract with Pacific Shipyard Industries Pty Ltd ("**Builder**") for the construction of one (1) bulk carrier vessel subject to the terms and conditions outlined herein.

1. VESSEL DESCRIPTION

Vessel Type: Bulk Carrier

Classification: DNV GL  1A1 Bulk Carrier BC-A E0

Flag State: Australia

Intended Trade: International dry bulk cargo

Principal Particulars:

- **Length Overall:** Approximately 180 meters
- **Beam:** Approximately 30 meters
- **Deadweight:** Approximately 35,000 MT

- **Service Speed:** Not less than 14.5 knots
 - **Main Engine:** MAN B&W 6S50ME-C8.5 or equivalent
 - **Classification Society:** DNV GL
 - **Delivery Location:** Newcastle, NSW, Australia
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2. COMMERCIAL TERMS

Contract Price:

Indicative Contract Price: AUD \$45,000,000 ± 5%

(Forty-Five Million Australian Dollars, subject to final specifications)

Payment Terms (Indicative):

- Contract Signing: 10%
- Steel Cutting: 15%
- Keel Laying: 15%
- Launch: 25%
- Sea Trials: 20%
- Delivery: 15%

Delivery Schedule:

Target Delivery Date: December 2027

Construction Period: Approximately 30 months from contract effective date

3. CONDITIONS PRECEDENT

This Letter of Intent is subject to the following conditions:

Technical Conditions:

- a) Completion of detailed technical specifications mutually acceptable to both parties
- b) Confirmation of vessel design meeting Buyer's operational requirements
- c) Classification society approval of design and specifications
- d) Flag state preliminary approval for construction and registration

Commercial Conditions:

- a) Finalization of contract price based on detailed specifications
- b) Agreement on acceptable payment security arrangements

- c) Confirmation of Builder's production slot availability
- d) Buyer's board approval for the shipbuilding project

Legal Conditions:

- a) Completion of satisfactory due diligence on Builder's capabilities
 - b) Agreement on acceptable contract terms and conditions
 - c) Establishment of appropriate insurance arrangements
 - d) Execution of acceptable guarantee and security documentation
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4. EXCLUSIVITY PERIOD

Exclusive Negotiations:

Builder agrees to negotiate exclusively with Buyer for a period of **ninety (90) days** from the date of this Letter of Intent, extendable by mutual written agreement.

Slot Reservation:

Builder agrees to reserve a construction slot with delivery in Q4 2027, subject to contract execution within the exclusivity period.

5. NEXT STEPS AND TIMELINE

Phase 1 - Technical Development (30 days):

- Finalize detailed technical specifications
- Complete preliminary design review
- Obtain classification society approval-in-principle
- Confirm major equipment selection and pricing

Phase 2 - Commercial Negotiation (45 days):

- Finalize contract price and payment terms
- Negotiate contract terms and conditions
- Arrange guarantee and security documentation
- Complete legal due diligence

Phase 3 - Contract Execution (15 days):

- Obtain internal approvals

- Execute definitive shipbuilding contract
- Exchange guarantee documentation
- Issue notice to proceed

Target Contract Signing: November 1, 2025

6. DESIGN AND SPECIFICATION DEVELOPMENT

Design Basis:

- Modern bulk carrier optimized for Australian flag operations
- Fuel-efficient design meeting latest environmental regulations
- Enhanced safety features exceeding minimum regulatory requirements
- Optimized cargo handling arrangements

Technical Meetings:

Regular technical meetings to be scheduled bi-weekly during Phase 1 to ensure alignment on specifications and design development.

Specification Approval:

All major specifications subject to Buyer's written approval before incorporation into final contract.

7. COSTS AND EXPENSES

Development Costs:

Each party bears its own costs during the negotiation period, including:

- Legal and technical advisory fees
- Travel and accommodation expenses
- Classification society fees for preliminary approvals

Exclusivity Consideration:

No consideration required for exclusivity period, demonstrating good faith from both parties.

8. CONFIDENTIALITY

Both parties acknowledge that:

- Confidential information will be exchanged during negotiations
 - A separate Non-Disclosure Agreement has been executed
 - All project information remains confidential until contract execution or termination of negotiations
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9. TERMINATION

This Letter of Intent may be terminated:

Automatic Termination:

- Expiration of exclusivity period without contract execution
- Failure to satisfy conditions precedent within agreed timeframes
- Material breach of LOI terms by either party

Voluntary Termination:

- Mutual written agreement
- Either party with 14 days written notice after good faith negotiations
- Buyer determination that conditions precedent cannot be satisfied

Effect of Termination:

- All obligations cease except confidentiality obligations
 - Construction slot reservation released
 - Each party retains responsibility for its own costs
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10. LEGAL STATUS

Non-Binding Nature:

This Letter of Intent expresses intentions only and creates no binding legal obligations except for:

- Exclusivity provisions
- Confidentiality obligations
- Cost and expense provisions
- Good faith negotiation obligations

Governing Law:

This Letter of Intent is governed by the laws of New South Wales, Australia.

11. CONTACT INFORMATION

For Buyer:

Primary Contact: John Smith, CEO

Technical Contact: Michael Brown, Fleet Manager

Legal Contact: Jennifer Wilson, General Counsel

Email: shipping@maritimecorp.com.au

Phone: +61 2 9555 0123

For Builder:

Primary Contact: Sarah Johnson, Managing Director

Technical Contact: David Chen, Chief Naval Architect

Commercial Contact: Lisa Park, Commercial Manager

Email: commercial@pacificshipyard.com.au

Phone: +61 2 4920 5678

12. ACCEPTANCE

Please confirm your acceptance of this Letter of Intent by signing and returning one copy within **seven (7) business days** of receipt.

We look forward to working with Pacific Shipyard Industries on this exciting project and to developing a mutually beneficial long-term relationship.

SIGNATURES

BUYER

Maritime Shipping Corporation

John Smith

Chief Executive Officer

Date: _____

BUILDER

Pacific Shipyard Industries Pty Ltd

Sarah Johnson

Managing Director

Date: _____

WITNESSES:

Witness 1 - Name & Date

Witness 2 - Name & Date

Document Control:

Reference: LOI-SBC-2025-001

Pages: 1 of 4

Classification: Commercial in Confidence

Authorized by: J. Smith, CEO

Date: August 4, 2025