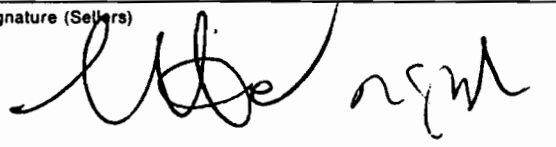





1. Place and Date of Contract London, 21st October 1997		THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO) STANDARD CONTRACT FOR THE SALE OF VESSELS FOR DEMOLITION CODE NAME: "SALESCRAP 87"	
2. Sellers/Place of Business (full name, address & telex number) P&O Cruises Fleet Management Ltd. 77 New Oxford Street London WC 1A 1PP Great Britain Tel: 0171 800 2345 Tlx: 885551		3. Buyers/Place of Business (full name, address & telex number) Eckhardt Marine GMBH Postfach 10 17 46. d-20012 Hamburg Ballindam 13. d-20095 Hamburg Germany Tel: 040 32810247 Fax: 040 335783 Tlx: 2161172	
4. Name of Vessel (also state ex. name) Canberra	5. Type of Vessel ex Passenger	6. Built (year and builder's name) 1961, Harland & Wolff, Belfast	7. Flag British
8. Class Lloyds	9. Register Number 302649	10. Place of Registration London	11. GRT/NRT GRT 49073 NRT 25190
12. Light Displacement Tonnage (Lightweight) (state whether in metric tons or long tons) (Cl.3) 32605.89 long tons excluding permanent ballast		13. Working Propeller(s) (state number and material) 2 Nikalium	14. Spare Propeller(s) (state number and material) 2 Nikalium available in Southampton
15. Spare Tail End Shaft (state no.) 1 available in Southampton	16. Main Engine (type and number) Turbo Electric 2 x 25000 HP	17. Generator(s) (state number and type) 4 x 1500 kw Allans Turbo Alternators	
18. Purchase Price (in figures and letters) (state both lump sum price and equivalent price per ton lightweight; also state currency in which purchase price is payable) (Cl. 4)			
(a) Lump sum price USD 5.640.818,97 (Unitedstatesdollarsfivemillionsixhundredandfourtythousandeighthundredandeighteen andninetysevencent)			
(b) Equivalent price per ton lightweight USD 173.00 (Unitedstatesdollarsonehundredandseventythree)			
(c) Currency in which purchase price payable United States dollars			
19. Deposit (state amount, name and place of bank to which the deposit shall be paid) (Cl. 5) \$ 564.082,- To The Royal Bank of Scotland, Corporate Banking Office, 5-10 Great Tower Street London EC3P 3HX Attn Kim Brindley, Asst manager Commercial & Industrial			
20. Letter of Credit (Cl. 6)			
(a) Number of banking days for establishing Letter of Credit (sub-clause 6.1. of Cl. 6) 4 - four			
(b) Opening Bank (name and place) (sub-clause 6.2. of Cl. 6) Deutsche Bank AG, International division, Hamburg, Germany			
(c) Advising Bank (name and place) (sub-clause 6.2. of Cl. 6) Deutsche Bank AG 6, Bishopsgate London Attn Russel Brown			
(d) Expiry Date of Letter of Credit (sub-clause 6.5. of Cl. 6) 5th December, 1997			

<p>21. Vessel's present position (if trading state "now trading"; if laid up state "in lay-up" and place where) (Cl. 7)</p> <p>Ballast voyage to place of delivery</p>	<p>22. Voyage (state whether under own power or under tow, as agreed) (Cl. 8)</p> <p>Under own power</p>
<p>23. Place of Delivery (also state approximate arrival draft fore and aft in metres or feet) (Cl. 9)</p> <p>(a) Place of delivery (sub-clause 9.1. of Cl. 9) Port official outer anchorage Karachi Pakistan</p> <p>(b) Approximate arrival draft fore and aft in metres or feet (sub-clause 9.1. of Cl. 9) 29 feet fore/35 feet aft</p>	<p>24. Time of Delivery/Canceling Date (Cl. 10)</p> <p>(a) Expected to be ready for delivery between (two dates to be given) (sub-cl. 10.1. of Cl. 10) 28th October and 28th November 1997 in Sellers' option</p> <p>(b) Cancelling date (sub-cl. 10.1. of Cl. 10) 28th November 1997</p>
<p>25. Advance Notices of Arrival and Delivery (state number of days definite notice of delivery) (Cl. 11)</p> <p>3 days approximate notice of delivery</p>	
<p>26. Financial Documentation and Payment (Cl. 13)</p>	<p>27. Buyers' Representative(s) (state no. of Representative(s)) (Cl. 19)</p> <p>4 - four</p>
<p>(a) state by whom Bill of Sale shall be legalised (sub-cl. 13.1.(i) of Cl. 13)</p> <p>British Foreign & Commonwealth Office</p>	<p>28. Buyers' Default (state rate of interest per annum) (Cl. 22)</p> <p>7 pct</p>
<p>(b) state number of Commercial Invoice (sub-cl. 13.1.(iv) of Cl. 13)</p> <p>3 - three</p>	<p>29. Sellers' Default (state rate of interest per annum) (Cl. 23)</p> <p>7 pct</p>
<p>30. Law and arbitration (state 24.1., 24.2. or 24.3. of Cl.24, as agreed; if 24.3. agreed also state place of arbitration) (if Box 30 not filled in 24.1. shall apply) (Cl. 24)</p> <p>24.1 as agreed</p>	
<p>31. Names and Addresses for Notices and other Communications to be given by the <u>Sellers</u> (Cl. 25)</p> <p>Eckhardt Marine GMBH Postfach 10 17 46. d-20012 Hamburg Ballindam 13. d-20095 Hamburg Germany Tel: 040 32810247 Fax: 040 335783 Tlx: 2161172 Attn: Mr. Richard Kraus/Mr. Horst Glowatzki</p>	<p>32. Names and Addresses for Notices and other Communications to be given by the <u>Buyers</u> (Cl. 25)</p> <p>P&O Cruises Ltd. 77 New Oxford Street London WC1A 1PP Great Britain Tel: 44 171 800 2345 Fax: 44 171 831 1279 Tlx: 51 885551 Attn: Mr. Leigh Horsley, Company Secretary</p>
<p>33. Numbers of additional clauses covering special provisions, if agreed</p> <p>Clauses 26-29</p>	

It is mutually agreed between the party named in Box 2 (hereinafter referred to as "the Sellers") and the party named in Box 3 (hereinafter referred to as "the Buyers") that on the date of this Contract the Sellers have sold and the Buyers have bought the Vessel described in PART I hereof and as may be further described in Appendix "A" (hereinafter referred to as "the Vessel") on the terms and conditions contained in this Contract consisting of PART I including additional clauses, if any agreed and stated in Box 33, and PART II as well as APPENDIX "A" as annexed hereto. In the event of a conflict of conditions, the provisions of PART I shall prevail over those of PART II and APPENDIX "A" to the extent of such conflict but no further.

<p>Signature (Sellers)</p> 	<p>Signature (Buyers)</p> 
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PART II
"SALESCRAP 87" Standard Contract

1. Vessel	1	9.2. If, on the Vessel's arrival, the Place of Delivery is inaccessible for any reason whatsoever including but not limited to port congestion, the Vessel shall be delivered and taken over by the Buyers as near thereto as she may safely get at a safe and accessible berth or at a safe anchorage which shall be designated by the Buyers always provided that such berth or anchorage shall be subject to the approval of the Sellers and the Master. Such approval shall not be unreasonably withheld. If the Buyers fail to nominate such place within 24 hours of arrival, the place at which it is customary for vessels to wait shall constitute the Place of Delivery.	87
On the date of this Contract the Vessel shall be of the description set out in PART I and, if required, as further described in Appendix "A".	2	9.3. The delivery of the Vessel according to the provisions of sub-clause 9.2. shall constitute a full performance of the Sellers' obligations according to sub-clause 9.1. and all other terms and conditions of this Contract shall apply as if delivery had taken place according to sub-clause 9.1.	88
2. Outright Sale	4	10. Time of Delivery/Canceling Date	100
2.1. The Vessel has been accepted by the Buyers without inspection and the sale is, therefore, outright and definite and not subject to subsequent inspection.	5	10.1. The Vessel is expected to be ready for delivery between the dates (both inclusive) stated in Box 24 (a) but latest on the date stated in Box 24 (b) (hereinafter referred to as "the cancelling date").	101
2.2. The Vessel is sold with all materials, tackle, apparel, stores and spare parts belonging to her as on board at the date of this Contract but excluding items listed in Appendix "A" annexed to this Contract.	6	10.2.(i). Should the Sellers anticipate with reasonable certainty that the Vessel will not be ready for delivery by the cancelling date, they shall notify the Buyers hereof without delay stating the probable date of the Vessel's readiness for delivery. Upon receipt of such notification the Buyers shall have the option either to cancel the Contract according to Clause 23 or to postpone the cancelling date.	102
2.3. Unless otherwise agreed, any remaining bunkers on board at the time of delivery shall become the Buyers' property.	7	10.2.(ii). If the Buyers decide to maintain the Contract and postpone the cancelling date or if the Buyers do not within 4 working days of receipt of the Sellers' notification declare their option to cancel the Contract according to Clause 23, the fourth running day after the new date of readiness for delivery indicated in the Sellers' notification shall be regarded as a new cancelling date and shall be substituted for the cancelling date stipulated in Box 24(b).	103
2.4. The Sellers shall, at the time of delivery, hand to the Buyers all plans, specifications and certificates, or photocopies hereof, as available and whether valid or invalid.	8	10.3. If the Buyers elect to maintain the Contract, all the terms and conditions of this Contract including the notification procedures laid down in Clause 12 shall remain in full force and effect.	104
2.5. The Sellers shall have the right to take ashore without compensation the following items: crockery, plate, cutlery, linen and other articles bearing the Sellers' flag or name, as well as library, forms, etc., exclusively for use in the Sellers' vessels. Captain's, Officers' and Crew's personal belongings including stow chest to be excluded from the sale.	9	11. Advance Notice of Arrival and Delivery	119
2.6. The Sellers are not required to replace such material, spare parts or stores including spare propeller(s) (if any) which may be consumed or taken out of spare and used as replacement prior to delivery, but all replaced spares shall be retained on board and shall become the property of the Buyers.	10	The Sellers shall keep the Buyers fully informed about the Vessel's position and about any alteration in expected time of arrival and shall also give to the Buyers the number of days <u>advance notice</u> of delivery as agreed in Box 25. <u>approximate</u>	120
3. Light Displacement Tonnage (Lightweight)	11	12. Notice of Readiness for Delivery	123
The Vessel's Light Displacement Tonnage (Lightweight) as stated in Box 12 shall be evidenced by the Builder's capacity plan incorporating deadweight scale (or an authenticated copy hereof) or, in the Sellers' option, a letter from the Builders (or an authenticated copy hereof) or, subject to Buyers' approval, any equivalent evidence of present lightweight of the Vessel confirming same. Such proof shall be delivered by the Sellers to the Buyers latest 10 days after the date of this Contract but latest on delivery whichever is the earlier.	12	12.1. When the Vessel is ready for delivery, the Sellers or their Agents shall give to the Buyers and to the Opening Bank a written Notice of Readiness for Delivery. Such Notice of Readiness for Delivery shall be countersigned by Lloyd's Agents at the Place of Delivery.	124
4. Purchase Price	13	12.2. In the event of the Vessel being a tank vessel, the Notice of Readiness for Delivery shall be accompanied by a valid Certificate issued by a competent authority or person acceptable to the Buyers certifying that all cargo tanks, cofferdams and pump rooms are gas-free, safe for men and fire, and substantially free of residues, slops and sludges and such Certificate shall be deemed to be a full compliance and discharge of the Sellers' obligations with respect to the cargo tanks, cofferdams and pump rooms. Such Certificate shall be provided by the Sellers at their cost.	125
The Purchase Price is the lump sum stated in Box 18 (a) payable in the currency indicated in Box 18 (c), based upon a price per ton lightweight as stated in Box 18 (b) calculated on the basis of the Vessel's lightweight as stated in Box 12. In the event the Vessel's lightweight as stated in Box 12 differs from the evidence as delivered by the Sellers according to Clause 3 hereof, the lump sum stated in Box 18 (a) shall be adjusted with the amount as stated in Box 18 (b) so as to reflect the difference.	14	See also under appendix additional clauses	127
5. Deposit See also under appendix/additional clauses	15	13. Financial Documentation and Payment	136
5.1. As a security for the correct fulfilment of this Contract, the Buyers shall pay a Deposit of 10 (ten) per cent. of the Purchase Price with the bank stated in Box 19 in the joint names of the Sellers and Buyers.	16	13.1. The Sellers shall furnish the Advising Bank with the following documents:	137
5.2. Such Deposit shall be made latest within 3 banking days from the date of this Contract <u>signed</u>	17	(i) Legal Bill of Sale stating that the said Vessel is free from all encumbrances and maritime liens or any other debts whatsoever, duly notarially attested and legalised by the Consul or other competent authority stated in Box 26(a);	138
5.3. Interest, if any, on such Deposit shall be credited the Buyers.	18	(ii) Certificate of Ownership issued by the competent authorities of the Flag State of the Vessel;	139
5.4. Any fees or charges for establishing and holding such Deposit shall be borne equally by the Sellers and the Buyers.	19	(iii) Certificate stating that the Vessel is free from registered encumbrances;	140
6. Letter of Credit <u>signed</u> <u>fax or</u>	20	(iv) Commercial Invoice in the number stated in Box 26(b) signed by the Sellers, setting out the Vessel's particulars;	141
6.1. The Buyers shall establish by a fully detailed cable or telex a Confirmed Irrevocable At Sight Letter of Credit in a form satisfactory to the Sellers for the full amount of the Purchase Price latest within the number of banking days from the date of this Contract as stated in Box 20(a).	21	(v) Certificate of Deletion of the Vessel from the Vessel's Registry or in the Sellers' option, a Written Undertaking by the Sellers to promptly, and latest within four weeks after the Purchase Sum has been fully paid and the Vessel has been delivered, to effect deletion from the Vessel's Registry and that a Certificate of Deletion will thereupon be furnished to the Buyers;	142
6.2. Such Letter of Credit shall be established by the Buyers with a first class Bank as named in Box 20(b) (hereinafter referred to as "the Opening Bank") under advice to the Bank nominated by the Sellers as named in Box 20(c) (hereinafter referred to as "the Advising Bank").	22	(vi) A written authorization from the Sellers to release to the Buyers the Deposit established by the Buyers according to Clause 5;	143
6.3. Such Letter of Credit shall contain a provision that if the Opening Bank has not within 3 banking days confirmed by telex or cable to the Advising Bank that Notice of Readiness for Delivery has been tendered according to Clause 12.1., the full amount of the Letter of Credit shall be released to the Sellers immediately upon the Sellers' presentation to the Advising Bank of a copy of the Notice of Readiness for Delivery together with the documents listed in sub-clause 13.1.	23	(vii) A Written Undertaking by the Sellers to instruct the Master or their Agents by cable or telex to release and physically deliver the Vessel to the Buyers. <u>fax or</u>	144
6.4. All bank charges in connection with the Confirmed Irrevocable Letter of Credit shall be for the Buyers' account except for Advising Bank negotiating charges.	24	13.2. Immediately upon the tendering of Notice of Readiness for Delivery according to Clause 12.1., the Opening Bank shall confirm by <u>telex or cable</u> to the Advising Bank that the Notice of Readiness for Delivery has been received whereafter the full amount of the Letter of Credit shall be released to the Sellers provided that the Advising Bank has been furnished with the documents listed in sub-clause 13.1. <u>fax or</u>	145
6.5. The expiry date of the Letter of Credit shall not be earlier than the date stated in Box 20(d).	25	If such confirmation by telex or cable has not been given by the Opening Bank to the Advising Bank within 3 banking days after the Sellers' Notice of Readiness for Delivery has been tendered, the full amount of the Letter of Credit shall be released to the Sellers immediately upon the Sellers' presentation to the Advising Bank of a copy of the Notice of Readiness for Delivery and the documents listed in sub-clause 13.1.	146
7. Vessel's Present Position	26	14. Condition on Delivery	172
The Vessel's present position is as indicated in Box 21.	27	14.1. The Vessel with everything belonging to her shall be at the Sellers' risk and expense until she is delivered to the Buyers.	173
8. Voyage	28	14.2. Notwithstanding the provisions of sub-clause 14.1., the Vessel with everything belonging to her shall be delivered and taken over by the Buyers substantially in the same condition as she was on the date of this Contract after which the Sellers shall have no responsibility for possible faults or deficiencies of any description.	174
8.1. The Vessel shall proceed to the Place of Delivery either under her own power or under tow, as agreed in Box 22.	29	Notice of Readiness to be tendered only after vessel has arrived at outer anchorage Karachi and Sellers have completed the normal port clearance and the vessel is in all respects ready for physical delivery as per <u>is in all respects ready for physical delivery as per</u>	175
8.2. The Sellers shall have the right either to let the Vessel proceed in ballast to the Place of Delivery or, in their option, to proceed thereto with cargo on board up to the Vessel's full capacity, via port or ports whether en route or not.	30		176
9. Place of Delivery	31		177
9.1. The Vessel shall be delivered by the Sellers to the Buyers safely afloat, free of cargo and (except for tank vessels) with hatches closed and with the approximate arrival draft stated in Box 23(b) at the place stated in Box 23(a) (hereinafter referred to as "the Place of Delivery").	32		178
<u>substantially intact, free of hull leakages, free of damage, free of fire damage</u>	33		179

Original Builders' form and stability booklet or

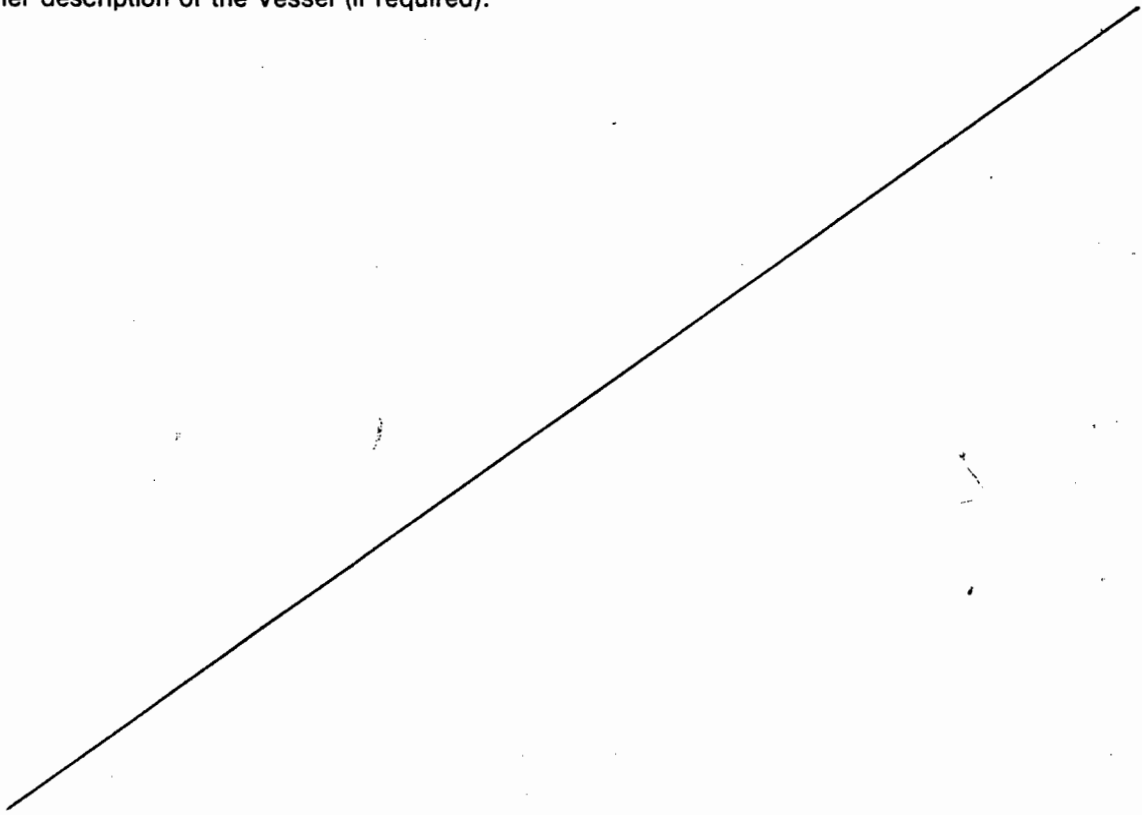
6.4. All bank charges of the Letter of Credit opening bank shall be for the Buyers' account and all bank charges of the Advising Bank to be for Sellers' account.

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Notice of Readiness to be tendered only after vessel has arrived at outer anchorage Karachi and Sellers have completed the normal port clearance and the vessel is in all respects ready for physical delivery as per

Appendix "A" to Standard Contract for the Sale of Vessels for Demolition
Code Name: "SALESCRAP 87" - dated

(i) Further description of the Vessel (if required):



(ii) Items excluded from the sale:

See Appendix "A" exclusion list Canberra dated 14/10/97 totaling 36 pages.

A handwritten signature or set of initials, possibly 'C. W.', located in the bottom left corner of the page.

A handwritten signature or set of initials, possibly 'R. G. L. A.', located in the bottom right corner of the page.

APPENDIX/ADDITIONAL CLAUSES:

CLAUSE 5 - DEPOSIT

5.5 Deposit to be returned to Buyers immediately after the vessel has been successfully beached. The bank is to be instructed to pay out of the account only from one accountholder to another, or on their joint instructions or on production of an arbitration award in favour of the payee.

CLAUSE 13 - FINANCIAL DOCUMENTATION AND PAYMENT

13.1.

(i) A Legal Bill of Sale between Abbey National March Leasing (1) Limited as transferor and P&O Cruises Fleet Management Limited as the transferee duly notarially attested and duly apostiled by the British Foreign and Commonwealth Office, London and a second legal Bill of Sale between the Sellers as transferor and the Buyerws as transferee stating that the said vessel is free from all encumbrances and maritime liens or any other debts whatsoever, duly and notarially attested and apostiled by the British Foreign and Commonwealth Office, London. - see also clause 27.

(ii) A closure transcript in respect of the vessel from the UK Registry of Shipping and Seaman, by fax at delivery, followed by the original by post.

(viii) Faxcopy of physical delivery certificate signed by Sellers' representative and Buyers' representative.

CLAUSE 26

Sellers will keep the vessel under British flag until arrival at place of delivery. Sellers to provide beach assistance after delivery at Sellers expense and Buyers risk. Master, chief engineer and skeleton crew as deemed necessary by Sellers to remain onboard after delivery capable to run the main engine and to safeguard the beaching of the vessel. The beaching to be carried out within 1 week after delivery. The vessel shall be delivered with sufficient bunkers, d.o., lubes and fresh water to maintain and beach the vessel from the date of delivery until the beaching date.

Seller to have the right to place minimum 3 representatives on board at their own risk until the vessel has been beached.

Buyers confirm that if the vessel cannot be beached within 1 week after delivery Sellers costs for delay will be borne by Buyers including fuel, crew costs etc.

CLAUSE 27

Further to clause 20.1 Sellers to have retention of title to the propellers until the blades have been cut and removed from the vessel and to the main engines until the main engines have been removed from the vessel and the vessel has been cut up to the extent that it is not practicable to rebuild the vessel.



The Bill of Sale from Sellers to Buyers will contain a clause saying 'ownership of the propellers shall not pass until the blades have been cut and removed from the vessel and ownership of the boilers, turbine-generators and propulsion motors shall not pass until the vessel is cut up to the extent that it is not practicable to rebuild the vessel.'

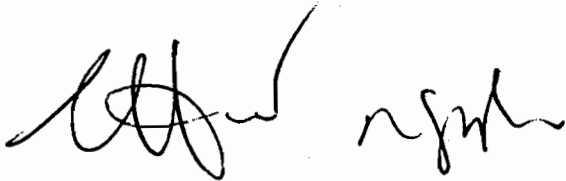
Sellers have the right to have Buyers' representative office at Karachi accompany Sellers' representative or officer of the British Consulate/Embassy in Pakistan to the demolition yard at Gadani to ascertain the progress of the demolition of the vessel.

CLAUSE 28

The terms of the sale to be kept private and confidential.

CLAUSE 29

Closing to take place in London at the offices of the advising bank.

Handwritten signature of the seller, consisting of a large, stylized initial 'A' followed by a cursive name.

SIGNATURE SELLERS:

Handwritten signature of the buyer, featuring a large, stylized initial 'P' followed by a cursive name.

SIGNATURE BUYERS: