



Ref. No.: CSO/HVM/282-022  
Sohar, 4 August 2022

To: All CSO Clients

**Subject: Implementation Fuel Surcharge**

Dear customer,

Due to the global political situation, the price of fuel purchased for the use of our equipment has significantly increased in a short period of time. To ensure the continuity and quality of our operations, CSO is forced to introduce a fuel surcharge. The fuel surcharge is not considered by CSO as a revenue, but merely as a compensation for the additional costs. The rise in fuel prices since January 2022 until and including mid-September 2022 will be absorbed by CSO.

The introduction of the fuel surcharge will take place on the 15 September 2022. The supplement will be charged per (Freight/Metric) Ton and will be indicated separately on (stevedoring) invoices.

The fuel surcharge will be adjusted monthly (upwards or downwards) depending on the development of the fuel prices. The average purchase price of diesel in January 2022 serves as price basis. If the purchase price returns to this level, the fuel surcharge will be zero. The fuel surcharge will never become negative.

The fuel cost component varies significantly from one commodity to the other, which is why CSO will use 2 different surcharges: a 'Fuel Surcharge Dry Bulk' (in OMR per Metric Ton) and a 'Fuel Surcharge General Cargo' (in OMR per Freight Ton). The supplements are applied on all volumes which are loaded or discharged (transshipment volumes are counted twice).

The fuel surcharges are calculated monthly, using the average CSO purchase price of the previous month. In each first week of a new month the updated fuel surcharges will be communicated via a circular and posted on our website. The supplement will be applied as of the 15<sup>th</sup> of that month until and including the 14<sup>th</sup> of next month.

**EXAMPLE**

The average CSO diesel purchase price in July 2022 was 0.490 OMR/liter. Compared to the average purchase price of January 2022, this would result in the following fuel surcharges as of the 15<sup>th</sup> of August till and including the 14<sup>th</sup> of September:

1. Fuel Surcharge Dry Bulk: 0.030 OMR/MT (incl. 0% VAT) or 0.032 OMR/MT (incl. 5% VAT)
2. Fuel Surcharge General Cargo: 0.141 OMR/FRT (incl. 0% VAT) or 0.148 OMR/FRT (incl. 5% VAT)

In the first week of September 2022, the updated fuel surcharges, based on the average purchasing price in August, will be communicated. These will then be applied as of the 15<sup>th</sup> of September until and including the 14<sup>th</sup> of October.

CSO Management regrets having to pass on these costs and thanks you for your understanding. For more information, please approach your account manager.

Yours sincerely,

P.P. Hendrik Van Nieuw  
Chief Executive Officer