

Rule 102 – GRADE, QUALITY, SETTLEMENTS OF CRUDE EMU OIL FOR FURTHER PROCESSING AND REFEREE CHEMISTS

Section 1. STANDARD OF QUALITY

The Standard of Quality shall be the designated type of pure Emu Oil of fair average quality based on the season's production, which must conform to standard specifications of the Association, which are herewith made a part of the Trading Rules and which are subject to modification from time to time as conditions may warrant, upon recommendation of the Technical Committee.

- A. Types of Crude Emu Oil. Crude Emu oil shall be of any of the following designated types:
- (1) Wet rendered and filtered
 - (2) Dry rendered and filtered
 - (3) Mixtures of any of the above types. (In which case seller shall specify that analysis shall be made corresponding to one of the specific types.)
- B. Grade & Quality. Crude Emu oil sold under this rule shall be any of the above-designated types and shall conform to the following specifications:
- (1) Not more than 0.5% moisture and volatile matter (A.O.C.S. Method Ca 2d-25).
 - (2) A color not darker than 4.0 red (A.O.C.S. Method Lovibond Cc 13b-45).
 - (3) Not more than 1.5% unsaponifiable matter (exclusive of moisture and insoluble impurities) (A.O.C.S. Method Ca 6a-40).

Crude Emu oil not meeting the above specifications is rejectable, and shall be sold on sample only.

Section 2. METHODS OF ANALYSIS

- A. OFFICIAL SAMPLE FOR 55GALLON (208.2 liter) DRUM AND LARGER: The official Sample shall be three **one-pint (.47Liter)** samples. These portions should be packaged in clean, dry and new containers. Either tinned metal containers or high density polyethylene bottles fitted with metal caps having oil resistant cap liners are acceptable. Polyethylene containers must be enclosed for shipping in custom-made, close fitting cardboard containers. The sample must be drawn at the time of loading by a qualified sampler in accordance with A.O.C.S. Official Method for sampling crude oils (C 1-47-Continuous Flow and Trier methods), and shall be so indicated on invoice. If the Shipper neglects to provide such a sample at the time of loading, or fails to show on invoice that an Official Sample has been taken, a sample drawn at destination shall be official when taken in accordance with the A.O.C.S. Official Methods as noted above. Shipper shall forward to Consignee one of the **one-pint (.47liter)** portions at no expense to Consignee within one working day of completion of loading, and label of sample must designate type of oil and plant destination. The second **one-pint (.47liter)** is the Shipper's sample, and the third **one-pint (.47liter)** is to be retained by Shipper as the referee sample.

The following label has been approved:

OFFICIAL LOADING SAMPLE

Crude Emu Oil _____ Type

Shipper _____
(Firm's Name)

Plant Location _____
Loaded _____ 20 _____ Shipped _____ 20 _____

To _____
(Name of buyer firm)

Plant Located at _____

B. BASIS FOR HANDLING ADJUSTMENTS FOR LOSS AND COLOR IN CRUDE EMU OIL:

1. The Consignee shall inform the Shipper of this analysis within ten (10) working days after receipt of official samples by the Consignee. The Shipper shall have three (3) working days after the receipt of the Consignee's analysis to reject this analysis.

If the difference between the Shipper's and Consignee's loss analysis is not over three-tenths of one percent, the settlement will be made on the average of Shipper's and Consignee's analyses both with respect to Loss and Color.

If the difference between Consignee's and Shipper's Loss analyses is greater than three-tenths of one percent, then the third portion of the Official Sample may be sent to an Official Referee Chemist not previously concerned, and settlement shall be based on the Official Referee Chemist's analysis. In the event that the analysis is refereed for Loss and Color, and is decided against the Shipper on one count, and against the Consignee on the other and/or the referee's results are the mean of the Shipper's and Consignee's analyses, then the referee's fee shall be shared equally; otherwise, the fee for this work shall be charged to the account of the party against whom the decision results.

2. In the event that the Consignee does not furnish the Shipper will analytical determination of Loss on the Consignee's portion of the Official Sample within thirty (30) days after the shipment of each unit, as determined by the date of the bill of lading for that unit, then settlement for that unit will be made on the basis of the analysis of the Shipper's portion of the Official Sample only.

In the event that the Shipper does not report his analytical determination of the Official Sample within thirty (30) days after shipment of each unit, as determined by the date of the bill of lading for that unit, then settlement for that unit will be on the basis of the Consignee's portion of the Official Sample only.

C. ADJUSTMENTS FOR LOSS: Shipper shall pay Consignee for Loss at the rate of 1.0% of the contract price for each 1.0% loss above 5.0% calculated on the official net weight of crude. Where the crude oil delivered analyses with a loss under 5.0% the Consignee will credit the Shipper at the rate of 1.0% of the contract price for each 1.0% under 5.0% up to a maximum credit of 4.5% of the contract price, calculated on the official net weight of the crude. Loss is to be figured fractionally throughout.

1. If the shipper does not intend to have an analytical determination made on his portion of the Official Sample, this fact must be shown on the invoice, and in such event, the Consignee's analytical determination shall government settlement.

D. REFINED BLEACH (R.B.) COLOR ADJUSTMENT FOR PRIME CRUDE EMU OIL (LIGHTER IN COLOR THAN STANDARD A. SEE APPENDIX): The R.B. Color shall be determined by A.O.C.S. Official Methods Cc 8e-63 and Cc 8b-52, Procedure (c), and the following discount schedule shall apply:

A.O.C.S. R. B. Color % Discount		A.O.C.S. R. B. Color % Discount	
4.0 red	Prime	5.0	0.50
4.1	0.05	5.1	0.55
4.2	0.10	5.2	0.60
4.3	0.15	5.3	0.65
4.4	0.20	5.4	0.70
4.5	0.25	5.5	0.75
4.6	0.30	5.6	0.80
4.7	0.35	5.7	0.85
4.8	0.40	5.8	0.90
4.9	0.45	5.9	1.00
		6.0	1.10

E. ADJUSTMENT FOR FILTERABLE IMPURITIES AND MOISTURE: **To Be Determined**

F. ADJUSTMENT FOR MOISTURE AND VOLATILE MATTER (A.O.C.S. Method Ca 2d-25) : A deduction for moisture and volatile matter in crude oils in excess of 0.5% will be allowed at the contract price.

G. REJECTION PROCEDURE: If Consignee and Shipper cannot agree on a proper allowance on oil that is rejectable under Rule 102, Section 1, Paragraph B, the rejection and replacement procedure shall be as follows: Rejection is to be made by fax within 72 hours after delivery of the oil to Consignee's plant. Shipper shall tender replacement shipment within 24 hours after receiving Consignee's fax. Actual shipment must follow within 48 hours of receipt of Consignee's wire, or as soon as Consignee's tank cars arrive for loading at Shipper's plant.

H. OFFICIAL REFEREE CHEMISTS FOR OIL: Only those chemists which are certified to the American Emu Association (AEA) by American Oil Chemists Society (AOCS) shall be considered Official Referee Chemists for Oil and listed in the Appendix to these rules.