



DEFENSE LOGISTICS AGENCY
DEFENSE ENERGY SUPPORT CENTER
2261 HUGHES AVENUE, SUITE 128
LACKLAND AIR FORCE BASE, TEXAS 78236-9828

IN REPLY
REFER TO DESC-RR

AUG 25 2004

MEMORANDUM FOR Air BAS Transportation, Inc.
P.O. Box 8299
Sharjah, U.A.E.

SUBJECT: Fuel Purchase Agreement

On March 9, 2004 Air BAS Transportation, Inc. entered into the enclosed Fuel Purchase Agreement with the Defense Energy Support Center (DESC) for the purchase of fuels at U.S. Military facilities. Note 1 of this agreement stipulates that the purchaser, when preparing the agreement, will provide specific information in paragraph 1 of the agreement. Note 1 reads as follows:

NOTES:

1. Include the type of business you are conducting (for example, contract, charter, or civil aircraft operations). Be specific: cite contract numbers, charter agreements, specific type of civil operations, etc. Insufficient information may delay approval or result in disapproval to purchase fuel from DESC. "Contract" refers to carriers under contract to the U.S. Government to transport passengers or cargo or as authorized by the US Government or DESC. Civil aircraft operations include emergency landings for medical evacuations, weather or mechanical problems, fire fighting operations, etc. **Further clarification is available by contacting DESC-RRF at the above address or phone (210) 925-4887.**

My office has attempted to contact you repeatedly since July 8, 2004 in an attempt to clarify which U.S. government agency you have charter agreements with. Our latest attempt to obtain this information was on August 19, 2004. As of today, we have received no reply to our inquiries.

As a result of your failure to clarify or identify the contracting agency, the Fuel Purchase Agreement is hereby terminated, effective immediately. You will not be permitted to purchase fuel from any U.S. Military facility on credit or otherwise until such time as we receive clarification regarding which U.S. government agency you have charter agreements with.

All DESC locations have been notified not to issue fuel to Air BAS Transportation, Inc., under any circumstances.

If you have any questions regarding this matter, please contact me at (210) 925-0282 or at David.Lawson@dla.mil.

A handwritten signature in black ink, appearing to read "David A. Lawson".

DAVID A. LAWSON
Chief, Retail Management Division
Defense Energy Support Center

Attachment
Fuel Purchase Agreement