

Loss Of Payable Clause

By an assignment contained in the Second Preferred Naval Mortgage dated the 2nd of September, 1998, ("the Mortagagee") PT. PELAYARAN LAUT BARU ("the Owner") as the owner of "AYU BARU" ("the vessel") has assigned to SOON FONG SHIPPING CO. SA. ("the Mortgagee") this insurance and the benefit thereof including all claims of whatsoever nature respect of the Vessel, return of premia and each and every right hereunder. Accordingly claims shall be payable directly to the Mortgagee unless the Mortgagees shall have given written consent that such claims shall be released to the Owner. Claims hereunder payable respect of an actual or constructive total loss or an arranged or agreed or compromised total loss shall be payable to the Mortgagee who shall apply such moneys in accordance with the provisions of the Mortgage PROVIDED ALWAYS the written consent of the Mortgagee shall be obtained prior to the compromise of agreed total loss being agreed with the underwriters.