

**CENTURION SUBSEA SERVICES
LIMITED**

**STANDARD TERMS AND CONDITIONS OF RENTAL, SALE AND
SERVICES**

GENERAL TERMS AND CONDITIONS

For the purpose of these Terms and Conditions the following definitions apply:

"CSS"	means Centurion Subsea Services Limited, a company incorporated in Scotland with Company Registered Number SC272679, having its registered address at Blackwood House, Union Grove Lane, Aberdeen, AB10 6XU, Scotland;
"CSS Group"	means CSS its affiliates and agents and its and their respective directors, officers and employees;
"Claim"	shall mean all liabilities loss, claims, fines, penalties, demands, causes of actions, proceedings and damages including legal fees court costs and expenses;
"Customer"	means person, persons, firm or company named in the Contract to rent the Equipment hereinafter defined;
"Customer Group"	means the Customer, its subcontractors (other than CSS) its and their respective affiliates and agents, its and their respective directors, officers and employees (including agency personnel but shall not include any member of the CSS Group);
"Equipment"	means all equipment, tools, products, materials and supplies and/or merchandise rented or sold by CSS and/or provided in connection with services performed by CSS;
"Services"	means all services furnished by CSS, including services of employees and equipment, tools and/or other merchandise necessary to perform the Contract; and
"Special Conditions"	means those Special Conditions set out in the Contract or any other document issued by CSS.

A General

Equipment and Services quoted for, sold and/or furnished to Customer by CSS shall be quoted, sold or furnished only on the basis of these General Terms and Conditions, supplemented by the following Terms and Conditions of Sale and Services ("**Sale and Services Terms**"). Equipment rented to Customer shall be rented by CSS only on the basis of these General Terms and Conditions, supplemented by the following Terms and Conditions of Rental ("**Rental Terms**"). These General Terms and Conditions, the Sale and Services Terms and the Rental Terms shall be referred to herein, individually and collectively, as the "**Terms and Conditions**".

B Applicability

The Terms and Conditions, together with any Special Conditions agreed to in writing by CSS constitute the entire contract (the "**Contract**") between the parties and may not be amended except in writing by a CSS authorised representative. Each shipment received by, and rentals or Services furnished to, Customer will only be on these Terms and Conditions, notwithstanding different or additional terms and conditions contained on any of Customer's forms, which are hereby objected to and which will not be binding on CSS. Any quotation issued by CSS is valid for a period of 30 days only from the date of issue provided that CSS has not previously withdrawn it. All quotations of CSS are subject to change at any time. The failure of either party to enforce any provision hereof will not constitute a waiver or preclude subsequent enforcement thereof. No partial invalidity of this Contract will affect the remainder. All instructions, notices, agreements, authorizations, approvals and acknowledgements shall be in writing.

C Quotations

Quotations do not constitute an offer by CSS to supply the Equipment or Services or carry out the work referred to herein and no order placed in response to a quotation will be binding unless accepted by CSS in writing. All such acceptances by CSS will be subject to availability of the necessary materials and to CSS being able to obtain any necessary authorisation and/or licences and the same remaining valid.

D Acceptance of Terms and Conditions by Customer

- i. In the event of a conflict between these Terms and Conditions and the provisions of any of Customer's printed or other prepared form of purchase orders, work or service orders, job or delivery tickets, or other similar forms, the provisions of these Terms and Conditions shall govern and control.

- ii. Customer agrees to the Terms and Conditions contained herein, unless Customer specifically object to CSS in writing to those specific Terms and Conditions which are not acceptable (a) no later than 7 days after confirmation date or invoice date whichever is earlier, or (b) prior to the time CSS, as per Customer's request, dispatches Equipment or Service personnel to Customer, whichever is earlier. Any conflict between these Terms and Conditions shall not be altered, changed or modified, except as specifically provided herein or by the written agreement of Customer and CSS, signed by a duly authorised officer or representative of CSS.

E Governing Law

The laws of England shall govern the validity, construction, interpretation, and effect of these Terms and Conditions

F Disputes

Any dispute related to this Contract that cannot be resolved by negotiation between Customer and CSS shall be settled by binding arbitration conducted in accordance with the Arbitration rules of the London Court of International Arbitration which shall take place in London.

G Amendment of Indemnities to Conform to Law

The indemnities provided by the Customer shall be limited to the extent necessary for compliance with the laws of the applicable jurisdiction, and to the extent that any applicable laws are at variance with the indemnities provided herein, such indemnities shall be deemed to be amended so as to comply with such laws.

H Credit

Any agreement between CSS and Customer is subject to Customer establishing and maintaining credit satisfactory to CSS. CSS reserves the right to approve or reject the credit of any Customer and to establish credit terms for each Customer. CSS can terminate this Contract or modify credit terms at any time prior to delivery of Equipment or furnishing of Equipment or Service personnel without further liability if CSS's assessment of Customer's financial condition changes. CSS reserves the right, prior to making any shipment of Equipment, or furnishing of Equipment or Service personnel to require that Customer furnish security for performance of Customer's obligations.

I Confidentiality

Customer shall strictly maintain the confidentiality of all confidential information concerning CSS, Equipment and Services, which is acquired by, or disclosed to, Customer. Customer shall not acquire any title, interest or rights in such confidential information pursuant to this Contract.

J Assignment and Subcontracting

The Customer shall not assign, charge, sub-contract or delegate its rights or obligations under a Contract in whole or in part without the prior written consent of CSS.

K Anti-Bribery and Corruption

The Customer warrants, represents and agrees that in negotiating and concluding any Contract it has complied, and in performing its obligations under the Contract it has complied and shall comply, with all applicable anti-bribery and corruption laws, regulations and other legally binding measures relating to bribery, corruption or similar activities of: (i) the United States of America, including without limitation, the Foreign Corrupt Practices Act 1977; (ii) the United Kingdom, including without limitation, the Bribery Act 2010; and (iii) any country or countries in which any of the obligations of the Contract are to be or are performed.

L Export Controls and Sanctions

Customer warrants, represents and agrees that the Equipment and all of the subject technology supplied by CSS to the Customer in connection with any Contract shall not be exported, re-exported, sold, transferred, diverted, rented or otherwise disposed of in violation of relevant laws and regulations including: (a) US Export Administration Regulations (EAR) and International Traffic in Arms Regulations (ITAR); (b) applicable EU export control regulations, sanctions and embargoes; (c) applicable US sanctions and embargoes administered by the US Department of Treasury; and / or (d) any applicable foreign laws and regulations.

TERMS & CONDITIONS OF RENTAL

1. SPECIFICATION OF EQUIPMENT

- 1.1 All Equipment shall be required only to conform to the specification in Customer's purchase order. For the avoidance of doubt no description, specification or illustration contained in any CSS product, pamphlet or other sales or marketing literature and no representation written or oral, correspondence or statement shall form part of the Contract.
- 1.2 CSS give no undertaking that the Equipment is fit for any particular purpose and the Customer, having greater knowledge of its own requirements, relies entirely on its own skill and judgement in evaluating the suitability of the Equipment for its purpose.

2. PRICE

- 2.1 Subject to Clause 2.3, Equipment will be on-hire and rental charges be applied when each piece of Equipment departs CSS's premises and will continue until the same Equipment is returned to the same store location or an alternative point designated by CSS (the "Rental Period").
- 2.2 All rental charges are on a daily basis for a 24-hour day (Customer shall be charged a full calendar day's rental for any portion of a calendar day which day shall end at midnight).
- 2.3 The returned Equipment will be inspected by CSS within fourteen (14) days of the date of delivery by Customer and Customer will be informed in writing of any Equipment found to be damaged during inspection. In the event of Customer being notified of such damage Customer will have three (3) working days from receipt of the damage notice to enter CSS's premises and inspect the Equipment. The Equipment will go back on-hire from the date of discovery and the Rental Period for damaged equipment will be extended until CSS and Customer have agreed the value of monetary damages payable by Customer, such damages to include but not be limited to all associated costs of transportation and inspection. For the avoidance of doubt all Equipment deemed to be damaged beyond repair will be charged to Customer at full reinstatement value.
- 2.4 In the case of power unit rentals, such Equipment the minimum Rental Period will be as follows:
 - a) Seven (7) days for all offshore and overseas rentals plus any specific onshore projects. Rates to include 24/7 call out cover and unlimited running time for Equipment.
- 2.5 Should there be any increase in the price and costs of raw materials, labour and overhead expenses that were not taken account of by CSS in any estimate, quotation or order acknowledgment form signed by CSS then CSS reserves the right to increase the price upon giving written notice of such increase to the Customer at any time before completion of the Contract.
- 2.6 If CSS and the Customer agree any variation to the Contract whereby additional work is to be undertaken by CSS then CSS reserves the right to reflect any increase in price and cost of raw material, labour and overhead expenses that may have taken place since the commencement of the original Contract works in the price of such additional work.
- 2.7 Any variation by the Customer in the design, quantification or specification of the Equipment following any instruction by the Customer in accordance with the provisions of the Contract shall allow CSS to increase the price to reflect any additional costs that CSS may incur as a result thereof. Unless otherwise agreed in a Contract, CSS shall not be bound to accept any request for variation.
- 2.8 The price and all prices quoted are strictly net.
- 2.9 In addition to the price the Customer shall pay all relevant charges (including but not limited to):
 - (i) delivery, freight, craneage and labour charges;
 - (ii) all insurance costs;
 - (iii) all associated sundry items including but not limited to fuels, spares, oil, lubricants;
 - (iv) any sales or withholding taxes, customs duties, import and export local and any other taxes where applicable at the appropriate rate prevailing at the time payment is due; and
 - (v) charges related to transportation or other services supplied by an outside contractor and purchased by CSS in connection with providing the Equipment to the Customer, which may be charged to the Customer at a minimum of cost plus 15%. In the event of Equipment failure Customer will be responsible for covering all transportation costs of returning the failed Equipment to a designated CSS site if such Equipment cannot be repaired at Customer worksite or is located out with a radius of 150 miles from a designated CSS site.
- 2.10 Weather or other factors which prevent satisfactory operation of the Equipment (including loss of or damage to the Equipment) shall not relieve the Customer of the responsibility for paying the price during the Rental Period.

3. PAYMENT

- 3.1 Payment shall be made by the Customer to the CSS entity designated in the Quotation (in cleared funds) within (30) thirty days from the date of invoice. Time for payment shall be of the essence of the Contract. CSS shall be entitled to invoice the Customer at the time of delivery of the Equipment, or at any time thereafter.
- 3.2 All prices are quoted in Pounds Sterling (GBP £) and payment shall be made in Pounds Sterling (GBP £) or such other currency as may be agreed.
- 3.3 Customer shall not withhold or defer payment on account of any Claim, counter-Claim or set-off.
- 3.4 If credit terms are not met, in addition to its other legal rights CSS has the right to (i) defer or cancel, at its option, further shipments of Equipment; and (ii) charge Customer interest at the maximum rate permitted by applicable law on the unpaid balance due. Customer will indemnify CSS for all costs including legal fees and court costs CSS incurs in connection with past due amounts by Customer.

4. DELIVERY

- 4.1 Unless otherwise agreed, delivery of Equipment shall take place at the address specified in the Customer's purchase order.
- 4.2 Rentals will commence from the date notified in the mobilisation notice or as otherwise contractually agreed.
- 4.3 Any date or time given by CSS for delivery of Equipment shall be an estimate only. Time for delivery shall not be of the essence of the Contract.
- 4.4 If for any reason the Customer fails to accept delivery of any of the Equipment when it is ready for delivery, or CSS is unable to deliver the Equipment on time because the Customer has not provided appropriate instructions, documents, licenses or authorisations:
 - (a) all risk in the Equipment shall be borne by the Customer (including for loss or damage caused by CSS's negligence or breach of duty (whether statutory or otherwise));
 - (b) the Equipment shall be deemed to have been delivered; and
 - (c) CSS may store the Equipment until delivery, whereupon the Customer shall be charged in accordance with Clause 6.3.
- 4.5 The quantity of any consignment of Equipment as recorded by CSS on despatch from CSS's place of business shall be conclusive evidence of the quantity received by the Customer on delivery unless the Customer can provide conclusive evidence proving the contrary.
- 4.6 CSS shall not be liable for any non-delivery of Equipment (even if caused by CSS's negligence or breach of duty (whether statutory or otherwise)) unless the Customer gives written notice to CSS of the non-delivery within (7) seven days of the date when the Equipment would in the ordinary course of events have been received.
- 4.7 Any liability of CSS for non-delivery of the Equipment shall be limited to replacing the Equipment within a reasonable time or issuing a credit note at the pro rata price against any invoice raised for such Equipment.

5. SPECIAL EQUIPMENT/SERVICE CHARGES

- 5.1 For all special Equipment purchased from another supplier by CSS for a special job, Customer will be charged for materials, shop time, plus either a minimum rental or the sales price for Equipment, whether used or not. All third party charges are subject to a minimum 15% surcharge.
- 5.2 Where applicable, standby rates may be applied under conditions specified in various sections of the applicable price list.

6. CANCELLATION and DELAYS

- 6.1 Purchase orders once placed and accepted by CSS may be cancelled only with CSS's consent.
- 6.2 Any cancellation at Customer's request made within a 48 hour period prior to the agreed delivery date will result in a cancellation charge equal to
 - (a) 20% of the first 7 days of rental; and
 - (b) 100% of the full Contract price for non-standard or special Equipment.
- 6.3 Cancellation charges for accessories and components sourced from third parties will be charged at full price. CSS shall, at its sole discretion, adjust the price and delivery dates or make such other amendments as may be required as a result of any change order agreed to be issued by the Customer and CSS. No amendment to the Contract shall be valid unless agreed in writing by CSS (at its sole discretion).
- 6.4 In the event Customer requests a delay in the agreed delivery date for any power unit as per the Contract Customer shall be charged 40% of the agreed standby rental rate per day until the actual date of delivery.

7. RISK

All risk in the Equipment shall pass to the Customer upon dispatch and shall remain with the Customer throughout the Rental Period and the Customer shall keep the Equipment insured against this risk. The Customer shall, if required by CSS, provide written evidence of such insurance.

8. TITLE TO EQUIPMENT

- 8.1 Unless otherwise agreed in writing between the parties the property and title in the Equipment shall not pass to the Customer but shall remain vested in CSS throughout the Rental Period.

- 8.2 The Customer shall not do or permit or cause to be done any matter or thing whereby the rights of CSS in respect of the Equipment are or may be prejudicially affected and shall not assign, let, pledge, mortgage, charge, encumber, or part with possession of or otherwise deal with the Equipment or any interest therein.
- 8.3 CSS shall have the right, to be wholly exercised at their discretion, without prejudice to any other remedies to enter, any premises owned or occupied by the Customer:
- (a) to search for, inspect and examine the condition of the Equipment on reasonable notice to the Customer; and/or
 - (b) without prior notice, to search for and recover the Equipment in any one or more of the following circumstances:-
 - (i) any sum due by the Customer to CSS in respect of the Equipment or any part thereof becomes overdue for payment;
 - (ii) the Customer:
 - 1) enters into liquidation (other than for the purpose of effecting a reconstruction or amalgamation) whether compulsorily or voluntarily;
 - 2) compounds with or convenes a meeting of its creditors or has a receiver appointed of all or any part of its assets;
 - 3) takes or suffers any similar analogous action to those listed at 1) - 2) above in consequence of a debt; or
 - 4) ceases for any reason to trade or carry on business;
 - (iii) on termination of the Contract, and the Customer shall be responsible for all costs, charges and expenses incurred by CSS in ascertaining the location of and re-taking possession of the Equipment.

9. CSS'S OBLIGATIONS

- 9.1 CSS warrants that where appropriate the Equipment, as at the commencement of the Rental Period, shall comply with the manufacturer of the Equipment's guidelines and instructions as in force at the commencement of the Rental Period.
- 9.2 Subject to Clause 9.3, where the Equipment is found to be defective or not to comply with the terms of Clause 9.1, CSS shall, in its sole discretion, repair or replace the defective Equipment free of charge or, if in its sole discretion such repair or replacement is impossible or uneconomical, CSS shall refund the price paid by the Customer in relation to the defective item(s) of Equipment.
- 9.3 In the event of Equipment breakdown or failure CSS will at Customer's request send a CSS engineer to Customer's worksite to carry out any repairs. Any Services undertaken by CSS will be done so in accordance with the CSS Terms and Conditions of Sale & Service. If the Equipment is deemed unrepairable CSS will not be liable for sourcing replacement equipment from third parties.
- 9.4 The obligations of CSS contained in Clauses 9.1 and 9.2 shall be conditional upon:-
- (a) notice being given of the defect within twenty four (24) hours of the defect becoming apparent;
 - (b) such notice in 9.4(a) to be served no later than seven (7) days from the date of delivery;
 - (c) the defect not having arisen because the Customer failed to follow CSS's oral or written instructions as to the storage, installation, commissioning, use or maintenance of the Equipment or in accordance with good trade practice.
- 9.5 Where the Equipment is found to be defective for any other reason other than described in Clause 9.2, CSS shall, at Customer's option, repair or replace the defective Equipment at the Customer's cost unless otherwise agreed. For the avoidance of doubt all damaged Equipment shall be charged in accordance with Clause 2.
- 9.6 Any Equipment to be repaired or replaced in accordance with Clause 9.2 or 9.5 shall be delivered to CSS at the Customer's expense.
- 9.7 Subject to this Clause 9 and to Clause 10, all other conditions, warranties or other stipulations concerning the Equipment whether express or implied by common law or under statute are excluded to the fullest extent permitted by law, and in particular, but without limiting the foregoing generality, CSS grants no warranties regarding fitness for purpose, use, quality or nature of the Equipment whether express or implied by statute or common law. This Clause 9 sets out Customer's only right of recourse to CSS for failed or broken down equipment. CSS will not be liable for any costs relating to third party repairs arranged by Customer.

10. LIABILITY

- 10.1 CSS's cumulative liability to the Customer under any Contract howsoever arising shall be limited to 100% of the Contract price.
- 10.2 CSS will not have any liability whether contractual or in tort, for any indirect or Consequential Loss, costs, damages, charges or expenses arising out of or in connection with any Contract. For the purpose of this Clause 10.2 and Clause 12.5 "**Consequential Loss**" shall mean vessel and/or installation downtime, loss and/or deferral of production, loss of profit, loss of use, loss of revenue, profit or anticipated profit (if any), in each case whether direct or indirect and whether or not foreseeable at the date of the Contract.

11. CUSTOMER'S OBLIGATIONS

- 11.1 The Customer shall keep the Equipment in good repair and condition (fair wear and tear excepted and as to what constitutes fair wear and tear, CSS shall decide).
- 11.2 The Customer undertakes not to dress, change, alter or modify (or obtain services of any other party to dress, change, alter or modify) the Equipment in any way without CSS's prior written approval.
- 11.3 Subject to Clause 14.2, all Equipment lost or damaged beyond repair during the Rental Period including whilst being transported to and from the Customer's worksite except to the extent resulting from fair wear and tear or latent defect, shall be paid for in full by the Customer at the reinstatement value (i.e. replacement cost new) documented or applicable at the time of loss, plus the cost of freight charges, customs duty and cost of exporting/importing such Equipment.
- 11.4 Unless otherwise agreed in writing Customer will be solely responsible for all maintenance servicing and certification of Equipment during the Rental Period to ensure compliance with all applicable laws.
- 11.5 If Customer requests replacement Equipment from CSS such replacement Equipment will be provided subject to Customer agreeing in writing that it will immediately return the failed Equipment to CSS's premises for inspection by CSS.
- 11.6 The Customer accepts all responsibility for the monitoring and measurement of Equipment supplied under the Contract for the presence of Low Specific Activity (LSA) Scale also referred to as Normal Occurring Radioactive Scale (Norm).
- 11.7 The Customer accepts all responsibility for the treatment and decontamination of equipment supplied under the Contract where the presence of Low Specific Activity (LSA) Scale also referred to as Normal Occurring Radioactive Scale (Norm) has been detected.
- 11.8 The Customer agrees to return all Equipment supplied as part of the Contract free from contamination with Low Specific Activity (LSA) Scale also referred to as Normal Occurring Radioactive Scale (Norm). All such Equipment must be accompanied with a written declaration that the Equipment has been cleaned down and is free from any NORM contamination.
- 11.9 In the event of Equipment being supplied by CSS in lifting frames duly certified to relevant industry standards, Customer shall be responsible for carrying out all inspections at the appropriate time. All costs in relation thereto shall be for Customer's account.

12. INDEMNITIES

- 12.1 Without prejudice to the provisions of Clause 9.2, 9.6, 11.3 and 14.2, the Customer shall be responsible for and shall save, indemnify and hold harmless CSS Group from and against:-
 - (a) all claims, losses, damages, proceedings, causes of action and expenses (including court costs and other litigation costs) arising in respect of/or as a result of loss or damage to the Equipment during the Rental Period;
 - (b) personal injury including death or disease to any person employed by the Customer Group arising from or relating to the performance of the Contract or the use of the Equipment;
 - (c) loss of or damage to the property of the Customer Group whether owned, leased, hired or otherwise provided by the Customer Group arising from or relating to the performance of the Contract and/or the use of the Equipment;
 - (d) personal injury including death or disease or loss of or damage to the property of any third party caused by the performance of the Contract.
- 12.2 The Customer shall be responsible for and shall save, indemnify and hold harmless the CSS Group from and against all claims, losses, damages, proceedings, causes of action and expenses including court costs and other litigation costs) of whatsoever nature arising from:-
 - (a) pollution and/or contamination (including without limitation pollution or contamination emanating from any reservoir or in-hole below the rotary table or above the rotary table);
 - (b) any non-compliance or contravention of law or regulation; or
 - (c) without prejudice to Clause 12.1:
 - (i) the loss or damage to any well or hole;
 - (ii) blow out, fire, explosion, cratering or uncontrollable oil condition (including the costs to control a wild well and the removal of debris);
 - (iii) damage to any reservoir, geological formation or underground strata or the loss of oil or gas therefrom;
 - (iv) the use of radioactive tools in relation to the use of the Equipment or any contamination resulting therefrom (including retrieval and/or containment and clean up), which arise(s) from the performance of the Contract.
- 12.3 If Customer receives a claim or otherwise becomes aware that any Equipment or part thereof manufactured by CSS infringes or allegedly infringes a patent or other intellectual property right, Customer shall notify CSS immediately in writing and give CSS information, assistance and exclusive authority to evaluate, defend and settle such claim or potential infringement. CSS shall then at its own expense and option (a) settle such claim; (b) procure for Customer the right to use such Equipment; or (c) replace or modify it to avoid infringement or (d) remove it and refund the purchase price (including transportation and installation costs) less a reasonable amount for depreciation; or (e) defend against such claim.

- 12.4 The Customer shall save, indemnify, defend and hold harmless the CSS Group from all claims, losses, damages, costs (including legal costs), expenses and liabilities of every kind and nature for, or arising out of, any alleged infringement of any patent or proprietary or protected right arising out of or in connection with the performance of the obligations of the Customer under the Contract.
- 12.5 Notwithstanding any provision to the contrary elsewhere in the Contract, the Customer shall save, indemnify, defend and hold harmless the CSS Group from the Customer Group's own Consequential Loss and CSS shall save, defend, indemnify and hold harmless the Customer Group from the CSS Group's own Consequential Loss, arising from, relating to or in connection with the performance or non-performance of the Contract.
- 12.6 All exclusions and indemnities given under this Clause 12 shall apply irrespective of cause and notwithstanding the negligence or breach of duty (whether statutory or otherwise) of the indemnified party or any other entity or party and shall apply irrespective of any claim under contract, tort or otherwise at law.

13. TERMINATION

CSS may terminate any Contract forthwith by notice in writing to the Customer;

- (a) by giving notice of the same to the Customer; or
- (b) if the Customer:
 - (i) commits a material breach of this Contract which in the case of a breach capable of remedy shall not have been remedied within thirty (30) days of the receipt by the party in default of a notice from the innocent party identifying the breach and requiring its remedy;
 - (ii) is unable to pay its debts as they fall due or enters into liquidation (other than for the purpose of effecting a reconstruction or amalgamation) whether compulsorily or voluntarily or compounds with or convenes a meeting of its creditors or has a receiver appointed of all or any part of its assets or takes or suffers any similar action in consequence of debt, or ceases for any reason to carry on business; or
 - (iii) fails to pay any sums due to CSS within the thirty day period provided for in Clause 3, without prejudice to CSS's right to receive interest for non-payment.

14. CONSEQUENCES OF TERMINATION

- 14.1 Upon the termination or expiry of any Contract howsoever arising:
- (a) CSS shall be entitled to invoice the Customer for the price payable under that Contract until the Equipment is returned to CSS's premises as directed by CSS and the Customer shall pay such invoice in accordance with these Terms and Conditions; and
 - (b) the Customer shall deliver the Equipment relating to that Contract to CSS's premises as directed by CSS.
- 14.2 Equipment which is returned at the end of the Rental Period shall be inspected by CSS in accordance with industry recognized standards with all costs to the Customer's account unless stated otherwise. If any piece of Equipment is downgraded for any reason other than due to normal wear and tear Customer shall pay damages for such items as set out in Clause 2 hereof.

15. FORCE MAJEURE

- 15.1 If performance of the Contract by CSS shall be delayed by any circumstances or conditions beyond the control of CSS including (but without prejudice to the generality of the foregoing) any war, industrial dispute, strike, lockout, riot, malicious damage, fire, storm, flood, act of God, biological contamination, disease, epidemic, pandemic, accident, failure of production equipment, any statute, rule, byelaw, order, regulation or requisition made or issued by any government department, local or other duly constituted authority, then CSS shall have the right to suspend further performance of the Contract until such time as the cause of delay shall no longer be present.
- 15.2 If performance of the Contract by CSS shall be delayed by any such circumstances or conditions beyond the control of CSS for a period of three (3) months, then CSS shall have the right to be discharged from further performance of and liability under the Contract.

16. GENERAL PROVISIONS

- 16.1 Any notice to be given under, or in connection with the matters contemplated by, these Terms and Conditions shall be in writing and signed by or on behalf of the party giving it and shall be served by delivering it personally or sending it by facsimile, e-mail or pre-paid recorded delivery or registered post (or registered airmail in the case of an address for service outside the United Kingdom) to the address and for the attention of the person stated in the Contract (or as otherwise notified by that party hereunder). Any such notice shall be deemed to have been received:-
- (i) if delivered personally, at the time of delivery;
 - (ii) in the case of pre-paid recorded delivery or registered post, forty-eight (48) hours from the date of posting;
 - (iii) in the case of registered airmail, five (5) days from the date of posting;
 - (iv) in the case of fax, at the time of transmission; and
 - (v) in the case of electronic mail, forty-eight (48) hours after the time of sending.
- If deemed receipt occurs before 9am on a business day the notice shall be deemed to have been received at 9am

on that day and if deemed receipt occurs after 5pm on a business day, or on a day which is not a business day, the notice shall be deemed to have been received at 9am on the next business day. For the purpose of this Clause, a "business day" means any day which is not a Saturday, a Sunday or a public holiday in the place at or to which the notice is left or sent.

- 16.2 No failure or delay by any party in exercising any right, power or privilege under any Contract shall operate as a waiver nor shall any single or partial exercise preclude any further exercise of any right, power or privilege under any Contract or otherwise.
- 16.3 Nothing in these Terms and Conditions shall be construed as establishing or implying any partnership or joint venture between the parties as the agent of the other. Nothing in these Terms and Conditions shall be construed as establishing or implying an employer/employee relationship between CSS and any employees of the Customer and/or its affiliates.
- 16.4 These Terms and Conditions and the documents referred to herein set out the entire agreement of the parties and supersede all prior agreements relating to the subject matter.

TERMS AND CONDITIONS OF SALE AND SERVICES

1. PRICES

- 1.1 All prices are subject to change without notice. Prices do not include packing and preparation of export shipment, inland or ocean freight, loading, unloading, insurance or forwarding fees, taxes, or duties of any kind or other similar charges applicable to the Equipment, Services and/or the Contract.
- 1.2 Personnel charges will apply from the day of departure from a designated CSS facility until day of return to a designated CSS facility inclusive.
- 1.3 Unless otherwise agreed in writing all CSS personnel will work on a maximum 12 hour shift as per the CSS Health & Safety Policy in place from time to time. In the event that CSS personnel are required by Customer to work longer than 12 hours CSS will provide Customer with additional personnel supply of which will be subject to these Terms and Conditions of Sale and Services.
- 1.4 Customer agrees to pay such charges incurred by CSS on Customer's behalf including but not limited to all flight, subsistence, mileage, accommodation together with additional handling charges upon receipt of CSS's invoice for the same.

2. TERMS OF PAYMENT

Unless CSS and Customer otherwise agree in writing to payment terms other than those specified herein, payment shall be made in accordance with remittance instructions furnished by CSS.

- (i) All payments shall be made within 30 days after date of CSS's invoice.
- (ii) Time for payment shall be of the essence.
- (iii) CSS may suspend credit to Customer and may withhold shipment of products ordered, suspend or cancel performance under the Contract if in its sole judgement the financial condition of the Customer warrants such action. Suspension of performance may result in rescheduling delivery.
- (iv) Prices do not include applicable taxes or duties. Customer is solely responsible for paying all applicable taxes and duties. CSS will add taxes to the price where required by applicable law, and Customer will pay all such taxes unless Customer provides CSS with a duly executed tax exemption certificate in a form satisfactory to CSS.
- (v) The Customer shall make all payments due under the Contract in full without any deduction whether by way of set-off, counterclaim, discount, abatement or otherwise.
- (vi) All payments payable to CSS under the Contract shall become due immediately on its termination despite any other provision.
- (vii) If credit terms are not met, in addition to its other legal rights CSS has the right to (i) defer or cancel, at its option, the Services and/or further shipments of Equipment; and (ii) charge Customer interest at the maximum rate permitted by applicable law on the unpaid balance due. Customer will indemnify CSS for all costs including legal fees and court costs CSS incurs in connection with past due amounts by Customer.

3. SHIPPING, DELIVERY, TITLE & RISK OF LOSS

- 3.1 Risk for loss or damage shall pass to the Customer upon delivery to the Customer. Title shall pass to the Customer upon receipt of payment in cleared funds by CSS of amounts due in respect of the Contract.
- 3.2 CSS may deliver the Equipment in instalments. Each instalment shall be a separate Contract and no cancellation or termination of any one Contract relating to an instalment shall entitle the Customer to repudiate or cancel any other Contract. Delivery dates are intended to be an estimate and time and date for delivery shall not be made of the essence by notice or otherwise and are dependent on prompt receipt by CSS of all information and assistance required or requested by CSS to permit CSS to carry out its obligations under the Contract. CSS shall not be liable for any damage, losses or expenses incurred by Customer if CSS fails to meet the estimated delivery dates.
- 3.3 In the event that products are not collected by Customer on actual date of delivery, CSS may (at its discretion) place Equipment in storage at the sole cost, expense and risk of the Customer.

4. FORCE MAJEURE

CSS reserves the right to defer the date of delivery of Equipment and /or the date of performance of Services, to cancel the Contract, or reduce the volume of the Equipment and/or amend the scope of the Services ordered by the Customer (without liability to Customer) if it is prevented from or delayed in the carrying out of its business due to circumstances beyond its reasonable control, including but not limited to, natural disasters, forces of nature, earthquake, tidal wave, landslide, flood, lightning, hurricane, typhoon, storm or other weather condition not included in normal planning, epidemic, pandemic and plague; changes in law or regulations, governmental actions; acts of civil or military authority; fire; explosion; lock-outs, strikes and/or labour disputes (whether or not relating to either party's workforce); civil commotion; protests; war; national emergency; riot; civil insurrection; acts of terrorism; restraints or delays in transportation; restraints or delays in manufacturing and inability of CSS to obtain adequate or suitable supplies from usual sources, or acts of Customer resulting in commercial impracticality. In the event of any such delay, the date of delivery and or/ performance shall be deferred for the period equal to the time lost by reason of the delay.

5. WARRANTY

- 5.1 CSS provides no warranty in relation to sale items however CSS will pass on any third party warranties insofar as is legally possible.

6. LIMITATION OF LIABILITY

- 6.1 For the purpose of this Clause 6.1 and Clause 6.2 the expression "Consequential Loss" shall mean (in each case whether or not foreseeable at the date of the purchase order); (a) any and all consequential, indirect, special, incidental, punitive and/or special loss and/or damage; and (b) loss and/or deferral or production, loss of product, loss of goodwill, loss of use, loss of revenue, profit or anticipated profit, cost of capital, in each case whether director indirect to the extent that such loss, deferral and/or cost are not included in Clause 6.1; and (c) claims for service interruption or failure to supply, costs and expenses incurred in connection with labour overhead, transportation or substitute facilities or supply sources, labour performed in connection with the removal and replacement of Equipment within the well or any other loss or damage incurred as a result of or otherwise in connection with interruption of services in each case to the extent that such claim is not included in Clause 6.1 or Clause 6.2.
- 6.2 Notwithstanding any provision to the contrary elsewhere, in no case will CSS be liable for Consequential Loss and the Customer shall be liable for and shall save, indemnify, defend and hold harmless CSS Group from and against any and all Consequential Loss even if caused by CSS's sole, joint, comparative contributory or concurrent negligence, fault, breach of duty (whether statutory or otherwise) strict liability or product liability, and regardless of the form, of action, whether in contract, tort (including negligence), breach of warranty, indemnity, statute, strict liability or otherwise.
- 6.3 The total liability of CSS on any claim whether in contract, tort (including negligence whether sole or concurrent) or otherwise arising out of, connected with, or resulting from the manufacture, sale, delivery, resale, repair, replacement or use of any Equipment, or the furnishing of any Service, or the performance or non-performance of the Contract shall not exceed the price received by CSS and allocable to the Equipment or part thereof, or the cost of furnishing of any Service work which gives rise to the claim.
- 6.4 Customer understands and agrees that the forgoing liability limitations are essential elements of the Contract and that in the absence of such limitations the material and economic terms of the Contract would be substantially different.

7. INDEMNITIES

- 7.1 All exclusions and indemnities given under this Clause 7 (save for those under Clause 7.2(c) and 7.3(c)) and Clause 6.2, shall apply irrespective of cause and notwithstanding the negligence or breach of duty (whether statutory or otherwise) of the indemnified party or any other entity or party and shall apply irrespective of any claim in tort, under contract or otherwise at law.
- 7.2 CSS shall be responsible for and shall save, indemnify, defend and hold harmless the Customer Group from and against all claims, losses, damages, costs (including legal costs) expenses and liabilities in respect of:-
- (a) loss of or damage to property of CSS Group whether owned, hired, leased or otherwise provided by CSS Group arising from or relating to the performance of the Contract;
 - (b) personal injury including death or disease to any person employed by CSS Group arising from or relating to the performance of the Contract; and
 - (c) personal injury including death or disease or loss of or damage to the property of any third party to the extent that any such injury, loss or damage is caused by the negligence or breach of duty (whether statutory or otherwise) of CSS Group. For the purposes of this Clause 7.2(c) "third party" shall mean any party which is not a member of CSS Group or the Customer Group.
- 7.3 Customer shall be responsible for and shall save, indemnify, defend and hold harmless CSS Group from and against all claims, losses, damages, costs (including legal costs) expenses and liabilities in respect of;
- (a) loss of or damage to property of the Customer Group whether owned, hired, leased or otherwise provided by the Customer Group arising from or relating to the performance of the Contract;
 - (b) personal injury including death or disease to any person employed by the Customer Group arising from relating to or in connection with the performance or non-performance of the Contract; and
 - (c) subject to any other express provisions of the Contract, personal injury including death or disease or loss of or damage to the property of any third party to the extent that any such injury, loss or damage is caused by the negligence or breach of duty (whether statutory or otherwise) of the Customer Group. For the purpose of this Clause 7.3(c) "Third Party" shall mean any party which is not a member of CSS Group or the Customer Group.
- 7.4 Notwithstanding Clause 7.2 Customer shall be liable for, and shall defend, indemnify and hold CSS Group harmless from and against any and all claims which arise out of the performance or non-performance of the Contract in relation to the following, and whether or not resulting from, or contributed by, the negligence or breach of duty (whether statutory or otherwise) of CSS Group;
- (a) loss of or damage to any well or hole or any third party oil and gas production facilities;
 - (b) reservoir seepage or pollution originating underground or from the property of any third party oil and gas production facilities;
 - (c) blow-out, fire, explosion, cratering of any well or reservoir or any other uncontrolled well condition (including the costs to control a wild well and the removal of debris); and
 - (d) damage to any reservoir, geological formation or underground strata or the loss of oil or gas or escape of product, or other substance.
- 7.5 Notwithstanding anything to the contrary in the Contract, Customer shall be responsible for and shall save, indemnify, defend and hold CSS Group harmless from and against all claims, losses, damages, costs (including legal costs) expenses and liabilities in respect of any acts or omissions of the employees or agents of CSS Group in connection with the performance of the Services (or any part of the Services), where, in accordance with the Contract, the employees of

CSS Group are under the supervision, direction or control of the Customer in respect of those Services or part of the Services.

- 7.6 All indemnities set out in Clauses 7.2, 7.3, 7.4, 7.5 and 7.6 shall apply regardless of CSS's negligence or breach of duty (whether statutory or otherwise).

8. NON-DELIVERY

The quantity of any consignment of Equipment as recorded by CSS on dispatch from CSS's place of business or other designated location shall be conclusive evidence of the quantity received by the Customer on delivery unless the Customer can provide evidence proving the contrary. CSS shall not be liable for non-delivery of Equipment (even if caused by CSS's negligence or breach of duty (whether statutory or otherwise)) unless Customer gives written notice to CSS of the non-delivery within forty-eight (48) hours of the date and time when the Equipment would in the ordinary course of events have been received. Any liability of CSS for non-delivery of the Equipment shall be limited to at CSS's sole discretion either replacing the Equipment or issuing a credit note against any invoice raised for Equipment.

9. PATENT INFRINGEMENT

- 9.1 If Customer receives a claim or otherwise becomes aware that any Equipment or part thereof manufactured by CSS infringes or allegedly infringes a patent or other intellectual property right, Customer shall notify CSS immediately in writing and give CSS information, assistance and exclusive authority to evaluate, defend and settle such claim or potential infringement. CSS shall then at its own expense and option (a) settle such claim; (b) procure for Customer the right to use such Equipment; or (c) replace or modify it to avoid infringement or (d) remove it and refund the purchase price (including transportation and installation costs) less a reasonable amount for depreciation; or (e) defend against such claim.
- 9.2 The Customer shall save, indemnify, defend and hold harmless the CSS Group from all claims, losses, damages, costs (including legal costs), expenses and liabilities of every kind and nature for, or arising out of, any alleged infringement of any patent or proprietary or protected right arising out of or in connection with the performance of the obligations of the Customer under the Contract

10. CANCELLATION AND CHARGES

The Customer may not cancel or reschedule the delivery date of any Equipment/Services to be provided under the Contract without the prior written consent of CSS. In the event that CSS provides such consent, any such cancellation or rescheduling of Equipment and/or Services by Customer will result in a charge to Customer to be determined by CSS. Purchase orders once placed and accepted by CSS may be cancelled only with CSS's consent. Any cancellation at Customer's request may result in a cancellation charge equal to (a) 20% of standard Equipment; and (b) 100% of the full Contract price for non-standard or special Equipment. Cancellation charges for accessories and components sourced from third parties will be charged at full price. CSS shall, at its sole discretion, adjust the price and delivery dates or make such other amendments as may be required as a result of any change order agreed to be issued by the Customer and CSS. No amendment to the Contract shall be valid unless agreed in writing by CSS (at its sole discretion).

11. WAIVER

Any waiver by CSS of any breach or default by Customer of any of the Customer's obligations under the Contract, or any failure by CSS to enforce any rights arising under the Contract shall not be construed as a waiver of any other or subsequent breach or default by Customer or CSS's right to enforce its rights arising hereunder in any circumstances. In the event of any default by Customer, CSS may decline to make further shipments. If CSS elects to continue to make deliveries, CSS's action shall not constitute a waiver of any such default or affect CSS's remedies for any such default.

12. ENTIRE AGREEMENT

This Contract together with any special conditions as agreed by CSS constitute the entire agreement between the parties relating to the sale of the Equipment and/or Services and supersedes all previous communications, representations or agreements, either oral or written, with respect to the subject matter hereof. No prior representations or statements relating to the sale of Equipment and/or Services made by any CSS representative, which are not stated herein, shall be binding on CSS.

13. EXPORT CONTROL

- 13.1 Customer agrees that unless proper authorization is obtained from the U.S. Department of Commerce, neither Customer nor its subsidiaries shall export, re-export, or release, directly or indirectly, any Equipment received from CSS to any destination or country to which the export re-export or release of the technology or Equipment is prohibited by the Export Administration Regulations of the U.S. Department of Commerce ("EAR"), or prohibited by US or applicable non-US laws.
- 13.2 Customer will be responsible for obtaining any necessary export licenses or other documentation prior to the exportation or re-exportation of any Equipment acquired from CSS under the Contract. Further, Customer shall give notice of the need to comply with such laws and regulations to any person, firm or entity which it has reason to believe is obtaining any such Equipment from Customer with the intention of exportation. Each party shall secure, at its own expense, such licenses and export and import documents as are necessary for each respective party to fulfill its obligations under the Contract. If approvals cannot be obtained, CSS may terminate, cancel or otherwise be excused from performing any obligations it may have under the Contract. Any export classification made by CSS shall

be for CSS's internal use only and shall not be construed as a representation or warranty regarding the proper export classification for such Equipment or whether any export license or other documentation is required in respect of the exportation of such Equipment. This Clause 13 shall survive termination of the Contract.

14. MISCELLANEOUS

- 14.1 All samples, drawings, descriptive matter, specifications and advertising issued by CSS and any descriptions or illustrations contained in CSS's catalogues or brochures are issued or published for the sole purpose of giving an approximate idea of the Equipment and/or Services described in them. They shall not form part of the Contract.
- 14.2 The Customer shall at its own expense secure any permits or any other authorizations (including but not limited to work permits and visas for employees of CSS) which may be required to permit CSS to perform the Services. The Customer agrees to indemnify CSS against any costs, claims, actions, demands or expenses incurred or suffered in connection with the Customer's failure to obtain any permits or authorizations required to perform the Services.
- 14.3 Any notice to be given under, or in connection with the matters contemplated by, these Terms and Conditions shall be in writing and signed by or on behalf of the party giving it and shall be served by delivering it personally or sending it by facsimile, e-mail or pre-paid recorded delivery or registered post (or registered airmail in the case of an address for service outside the United Kingdom) to the address and for the attention of the person stated in the Purchase Order (or as otherwise notified by that party hereunder). Any such notice shall be deemed to have been received:-
- (i) if delivered personally, at the time of delivery;
 - (ii) in the case of pre-paid recorded delivery or registered post, forty-eight (48) hours from the date of posting;
 - (iii) in the case of registered airmail, five (5) days from the date of posting;
 - (iv) in the case of fax, at the time of transmission; and
 - (v) in the case of electronic mail, forty-eight (48) hours after the time of sending.

If deemed receipt occurs before 9am on a business day the notice shall be deemed to have been received at 9am on that day and if deemed receipt occurs after 5pm on a business day, or on a day which is not a business day, the notice shall be deemed to have been received at 9am on the next business day. For the purpose of this Clause, a "business day" means any day which is not a Saturday, a Sunday or a public holiday in the place at or to which the notice is left or sent.