

CANSCO DUBAI LLC

TERMS AND CONDITIONS FOR PURCHASE

This Agreement for General Conditions of Purchase is made, and is effective from, this 9th day of September 2009 between Cansco Dubai LLC whose office is situated at PO Box 37063, Jebel Ali Industrial Area 3, Dubai, UAE (hereinafter referred to as "CANSCO DUBAI LLC") and the supplier to CANSCO DUBAI LLC of any goods or services purchased or procured (hereinafter referred to as the "Supplier") either of whom may hereinafter be referred to individually as the "Party" or collectively as the "Parties".

1. Prevailing Effect of these General Conditions

- 1.1 These General Conditions of Purchase shall apply and shall be incorporated by reference in any Order issued hereunder and shall prevail at all times between the Parties over any other terms and conditions with respect to the sale and purchase of Goods except as modified, supplemented, or amended either:- (i) by formal written amendment to these General Conditions of Purchase; or, (ii) by incorporation of any special conditions into any Order.
- 1.2 These General Conditions of Purchase shall apply to any verbal or written instruction, provided such instruction is subsequently ratified in writing by the issue of an Order by CANSCO DUBAI LLC (as hereinafter defined) to the Supplier.
- 1.3 Nothing in these General Conditions of Purchase shall obligate CANSCO DUBAI LLC to order any Goods from the Supplier.

2. Definitions

- 2.1 "Affiliate" shall mean any company, persons or legal entity which:
 - (a) controls, either directly or indirectly, the party in question; or
 - (b) is directly or indirectly controlled by a company, persons or entity that controls, directly or indirectly, the party in question, or
 - (c) is directly or indirectly controlled by the party in question.
- 2.2 "Control" means the right to exercise fifty per cent (50%) or more of the voting rights of such company or entity.
- 2.3 "CANSCO DUBAI LLC" shall mean Cansco Dubai LLC or any Affiliate on whose behalf as agent or otherwise CANSCO DUBAI LLC is issuing any Order for the purchase of Goods.
- 2.4 "Goods" shall mean the materials, equipment, services or products to be provided by the Supplier in accordance with and as specified in the Order.
- 2.5 "Order" shall mean the purchase order or other written instruction signed by CANSCO DUBAI LLC and issued to the Supplier for the provision of Goods and any subsequent written amendment thereto.

3. Affiliates

It is hereby agreed that any company falling within the definition of "CANSCO DUBAI LLC", may place an Order directly with the Supplier under these General Conditions of Purchase. For the purposes of any Order placed by a company within the definition of "CANSCO DUBAI LLC", other than CANSCO DUBAI LLC, any reference to CANSCO DUBAI LLC in these General Conditions of Purchase shall be deleted and substituted by the name of the relevant Affiliate.

4. Delivery Date

Time for delivery of the Goods shall, unless otherwise stipulated in the Order, be of the essence. The Supplier shall give written notice to CANSCO DUBAI LLC as soon as practicable after Supplier becomes aware that delivery is likely to be delayed. In

such event, CANSCO DUBAI LLC may, at its sole discretion, either amend the delivery date or terminate the Order and any advance payments made by CANSCO DUBAI LLC shall, on demand, be refunded in full and no further payments shall be due to the Supplier.

5. Carriage and Delivery Instructions

Delivery instructions shall be governed by and construed in accordance with the provisions of "Incoterms 2000" published by the International Chamber of Commerce, as may be amended from time to time. In the event of conflict between the provisions of Incoterms 2000 and these General Conditions of Purchase, the provisions of these General Conditions of Purchase shall prevail. All Goods supplied under an Order shall be delivered carriage paid unless otherwise expressly stipulated in the Order. Goods shall be adequately packed, palletised and protected to withstand transit and short term storage. Packages shall be clearly and conspicuously marked with the Order number and a packing note shall be enclosed in the package. Dangerous Goods shall, at all times, be accompanied by the relevant materials data safety sheet.

6. Risk and Property

- 6.1 Title to and risk in the Goods shall remain with the Supplier and shall only pass to CANSCO DUBAI LLC following full delivery of the Goods to the delivery address specified in the Order.
- 6.2 Whenever CANSCO DUBAI LLC is not the ultimate consumer of the Goods, all rights, benefits and remedies conferred upon CANSCO DUBAI LLC by these General Conditions of Purchase including specifically the benefit of any warranties and transfer of title, shall accrue to and shall be for the express benefit of any company to whom CANSCO DUBAI LLC is providing its services or on whose behalf CANSCO DUBAI LLC has purchased the Goods.

7. Acceptance

If Goods delivered by the Supplier fail to conform to the Order, CANSCO DUBAI LLC shall have the right to reject such Goods within a reasonable time of delivery. Following rejection of any Goods, CANSCO DUBAI LLC shall be entitled to either require replacement of the Goods by the Supplier or to purchase alternative goods elsewhere and, in such latter event, any advance payments made to the Supplier shall be repaid by the Supplier to CANSCO DUBAI LLC. In either event, CANSCO DUBAI LLC shall be entitled to claim for any additional expense reasonably incurred, without prejudice to any other right which CANSCO DUBAI LLC may have against the Supplier. The making of any advance payments by CANSCO DUBAI LLC to the Supplier shall not prejudice the right of CANSCO DUBAI LLC to reject non conforming Goods.

8. Price

CANSCO DUBAI LLC shall, in consideration of delivery of the Goods by the Supplier in accordance with the Order, pay to the Supplier the price agreed between CANSCO DUBAI LLC and the Supplier in the Order. Neither Party may alter the price without the prior written agreement of the other Party. The price as agreed shall, unless otherwise agreed in writing, be deemed to cover any and all costs incurred in the manufacturing, design, delivery, installation, inspection and testing and any other costs of any nature required to be furnished or performed in connection with the Goods. The price for the Goods shall include all requirements specified in the Order and is fixed and is not subject to adjustment for escalation. The price includes all taxes and duties to the specified delivery point, proper packing and loading and securing of the Goods on the carrier's equipment at the

shipping point. CANSCO DUBAI LLC's count shall be final and conclusive on any shipments not accompanied by a Supplier's itemized packing list.

9. Payment

9.1 Unless otherwise stated in the Order, CANSCO DUBAI LLC shall make payment of the Supplier's invoice within sixty (60) days of the receipt by CANSCO DUBAI LLC of such properly prepared invoice. A properly prepared invoice shall contain a copy of the Order together with all relevant supporting documents and certifications together with the invoice. Supplier shall submit its final invoice for the Goods no later than thirty (30) days after completion of the Order.

CANSCO DUBAI LLC shall not have any obligation for payment of late invoices except where delay for cause beyond the reasonable control of Supplier has been previously notified to, and accepted by, CANSCO DUBAI LLC.

9.2 If CANSCO DUBAI LLC disputes all or any part of any invoice it shall notify the Supplier within thirty (30) days of the date of its receipt by advising the Supplier specifying the disputed parts thereof. CANSCO DUBAI LLC and the Supplier shall endeavour to settle the disputed amount as quickly as possible. Following settlement, the Supplier shall issue an invoice for the amount, if any, agreed and payment of such amount shall be made as soon as reasonably practicable thereafter.

9.3 Supplier shall ensure that all necessary service manuals, data books, materials safety data sheets and/or any certifications are complete and are delivered either with the Goods or at a time no later than the date of invoice. If CANSCO DUBAI LLC has not received such items, CANSCO DUBAI LLC shall be entitled to withhold payment of the invoice until such items are delivered to the place of delivery as specified in the relevant Order.

9.4 No interest shall be payable for late payment of invoices.

10. Access

CANSCO DUBAI LLC shall have the right of access to the Supplier's premises to inspect the progress of manufacture, testing and commissioning of the Goods and to otherwise satisfy itself as to compliance of the Goods with the Order. The Supplier shall procure similar rights of access for CANSCO DUBAI LLC at the premises of any sub-contractor. Inspection of the progress of manufacture, testing and commissioning of the Goods by CANSCO DUBAI LLC shall in no way relieve the Supplier of its liabilities and obligations under the Order or otherwise.

11. Confidentiality

Any Order placed by CANSCO DUBAI LLC shall be treated as confidential by the Supplier and in particular the Supplier shall not make use of CANSCO DUBAI LLC's name (or the name of any companies associated with CANSCO DUBAI LLC) for publicity purposes without the prior written consent of CANSCO DUBAI LLC. All designs, drawings, specifications and information which may be supplied by CANSCO DUBAI LLC in connection with any Order are confidential and shall only be used for the purpose of such Order, except where such information is already lawfully known to the Supplier without binder of confidentiality.

12. Suspension

12.1 CANSCO DUBAI LLC may, at its sole discretion, suspend an Order at any time for any reason whatsoever. In the event such suspension is not due to the fault or default of Supplier, and subject to the provisions of Clauses 7 and 9, the Supplier shall have the right to receive payment in accordance with such Order for all Goods supplied to CANSCO DUBAI LLC prior to the date of suspension and a

right to receive payment of the fair and reasonable value for any Goods in course of manufacture at the date of suspension.

12.2 In the event of suspension of an Order, the Goods being supplied under such Order shall, at CANSCO DUBAI LLC's discretion, either be delivered to the delivery address or shall be securely and separately stored at the Supplier's premises and marked as the property of CANSCO DUBAI LLC until either the manufacture and/or provision of such Goods is resumed or CANSCO DUBAI LLC terminates the Order and instructs the Supplier with regard to the disposal of the Goods stored at the Supplier's premises.

13. Termination

13.1 CANSCO DUBAI LLC reserves the right to terminate an Order with immediate effect:

- (a) if the Supplier is in default of any of its obligations under these General Conditions of Purchase or under such Order;
- (b) if the Supplier becomes apparently insolvent, is wound up (other than for purposes of reconstruction while solvent), suffers a liquidator, receiver or administrator to be appointed to its undertaking, or any part thereof, or enters into any composition with its creditors; or
- (c) if the Supplier refuses to permit CANSCO DUBAI LLC to conduct a compliance audit as provided in Clause 19.1.

All advance payments made by CANSCO DUBAI LLC shall, on demand, be refunded in full and no further payments shall be due to the Supplier.

13.2 CANSCO DUBAI LLC further reserves the right to terminate an Order at any time for any reason whatsoever by giving the Supplier written notice to that effect. On receipt of such notice, the Supplier shall immediately cease manufacture and/or supply of the Goods under the Order. In the event such termination is not due to the fault or default of Supplier, Supplier shall have the right to be paid in accordance with such Order for all Goods supplied to CANSCO DUBAI LLC prior to the date of termination and a right to receive payment of the fair and reasonable value for any Goods in course of manufacture at the date of termination, together with such other charges that, in the reasonable opinion of CANSCO DUBAI LLC, arise directly from such termination, and the Supplier shall comply with CANSCO DUBAI LLC's instructions with regard to disposal of such completed or partially completed Goods.

14. Indemnity

14.1 For the purposes of this Clause 14 and Clauses 17 and 23, "CANSCO DUBAI LLC Group" shall mean and include CANSCO DUBAI LLC, its Affiliates and its and their other contractors or suppliers of any tier and its and their respective officers, directors, employees, agents, servants and insurers and any vessel (including drilling rigs of a semi-submersible or jack-up type) operated by any of the foregoing and the legal and beneficial owners thereof.

14.2 For the purposes of this Clause 14 and Clause 23, "Supplier Group" shall mean and include the Supplier, its Affiliates and its and their sub-contractors and suppliers of any tier and its and their respective officers, directors, employees, agents, servants and insurers.

14.3 The Supplier shall release, defend, indemnify and hold harmless the CANSCO DUBAI LLC Group, from and against any and all claims, liabilities, costs (including legal costs), damages and expenses of every kind and nature howsoever arising in respect of:

- (i) personal injury to or sickness, illness, disease or death

of any employee of or other person engaged by the Supplier Group; and/or

- (ii) loss of or damage to any property procured, owned, hired or leased by the Supplier Group as a result of or arising out of or relating to or in connection with any Order, irrespective of cause and irrespective of the sole or contributory negligence or breach of duty (contractual, statutory or otherwise) or any liability in tort, contract, statute or otherwise at law, of the CANSCO DUBAI LLC Group.

The above indemnity shall extend to any company to whom CANSCO DUBAI LLC is providing its services under contract, including any Affiliate of such company and any co-venturer in any applicable licence block or concession area.

14.4 CANSCO DUBAI LLC shall release, defend, indemnify and hold harmless the Supplier Group from and against any and all claims, liabilities, costs (including legal costs), damages and expenses of every kind and nature howsoever arising in respect of:

- (i) personal injury to or sickness, illness, disease or death of any employee of or other person engaged by the CANSCO DUBAI LLC Group; and/or
- (ii) loss of or damage to any property procured, hired or leased, excluding any property referred to in Clause 14.3(ii), or owned, by the CANSCO DUBAI LLC Group, as a result of or arising out of or relating to or in connection with any Order, irrespective of cause and irrespective of the sole or contributory negligence or breach of duty (contractual, statutory or otherwise) or any liability in tort, contract, statute or otherwise at law, of the Supplier Group.

14.5 Notwithstanding any other provision herein to the contrary, CANSCO DUBAI LLC and Supplier shall each be responsible for and shall release, defend, indemnify and hold harmless the Supplier Group and the CANSCO DUBAI LLC Group respectively, from and against any and all liability howsoever arising, whether or not foreseeable at the date of entering into the Order, in respect of its own indirect or consequential losses, including but not limited to business interruption, loss of production, loss of product, loss of use, loss of revenue, loss of profit or anticipated profit, as a result or arising out of or relating to or in connection with any Order, irrespective of cause and irrespective of the sole or contributory negligence or breach of duty (contractual, statutory or otherwise) or any liability in tort, contract, statute or otherwise at law of the Supplier Group or the CANSCO DUBAI LLC Group, as the case may be. The above indemnity given by the Supplier shall extend to any company to whom CANSCO DUBAI LLC is providing its services under contract, including any Affiliate of such company and any co-venturer in any applicable licence block or concession area.

15. **Warranty**

15.1 The Supplier warrants and guarantees that:

- (i) all Goods shall be supplied in accordance with the provisions of the Order with regard to quality, specification, quantity and measurement and that the Goods shall be of the highest quality and workmanship within recognised industry standards and free from defects in material and workmanship.
- (ii) Supplier shall convey clear title to the Goods free of any lien, encumbrance or security interest upon delivery of the Goods to the delivery address specified in the Order.
- (iii) if the Goods are manufactured by reference to

Supplier's data or other specified data provided to CANSCO DUBAI LLC, the Goods shall have been manufactured in accordance with such data.

- (iv) if the Goods are sold by sample then they shall conform to the sample.

- (v) if the Goods are manufactured to designs supplied by CANSCO DUBAI LLC, the Goods shall have been manufactured in conformity with such designs and any approved working drawings.

All warranties and guarantees shall survive inspection, test, acceptance of and payment for the Goods, and shall accrue to CANSCO DUBAI LLC, its successors and assigns.

15.2 Without prejudice to any other rights which CANSCO DUBAI LLC may have hereunder, the Supplier undertakes to repair any of the Goods which fail or are found to be defective for a period of eighteen (18) months from date of delivery or twelve (12) months from the date of commencement of use, whichever is the later. Failing repair, the Supplier shall, at CANSCO DUBAI LLC's option immediately on demand, either replace or refund the cost of any such Goods. However, the Supplier shall not be liable for:

- (i) the costs of routine maintenance of the Goods; and/or
- (ii) the costs of correcting any such defects which result from the following:
 - (a) incorrect operation by CANSCO DUBAI LLC; or
 - (b) actual operating conditions being different from those specified in the Order; or
 - (c) defects in materials or equipment supplied by CANSCO DUBAI LLC which could not reasonably have been discovered by the Supplier.

16. **Specification Changes**

16.1 Supplier shall give prior written notice to CANSCO DUBAI LLC of any changes the Supplier proposes to make to the specification of Goods to be supplied under any Order before any such changes are implemented. CANSCO DUBAI LLC shall, at its sole discretion, have the right to accept or reject any such change proposed by the Supplier for any reason whatsoever. CANSCO DUBAI LLC shall send its written acceptance or rejection of any such change to the Supplier.

16.2 CANSCO DUBAI LLC may, at any time, make changes within the general scope of the Order by giving written notice to the Supplier. Such changes may include changes to the technical specification of the Goods (where such Goods are manufactured to order), quantities, method of shipping and/or packing, inspection standards and place of delivery. If any such change affects the purchase price and/or delivery date, CANSCO DUBAI LLC and the Supplier shall agree upon an adjustment to the price and/or delivery date. The change to the Order, together with any adjustment to price and/or delivery date, shall be set forth in a revised Order issued by CANSCO DUBAI LLC and acknowledged by the Supplier in writing.

17. **Patent Indemnity**

The Supplier shall indemnify CANSCO DUBAI LLC Group and any company to whom CANSCO DUBAI LLC is providing its services under contract, from and against any claim by a third party for infringement of patents, copyrights, trademarks, registered designs or other proprietary rights which may arise out of the sale and/or use of the Goods supplied by the Supplier. This indemnity shall extend to all reasonable direct expenses, costs (including legal costs) and damages which CANSCO DUBAI LLC Group, and any company to whom CANSCO DUBAI LLC is

providing its services under contract, may incur arising out of such claim.

18. Force Majeure

No failure or omission by either Party to carry out or observe any of the stipulations, conditions or obligations to be performed under any Order shall give rise to any claim by the other Party, or be deemed to be a breach of contract, if such failure or omission arises from a cause beyond the reasonable control of the Party claiming force majeure.

19. Audit

19.1 CANSCO DUBAI LLC shall have the right to audit Supplier's books and records to verify that Supplier is in compliance with the requirements of these General Conditions of Purchase and any relevant Order(s). In addition, at all reasonable times, for a period of two years after completion of any Order, CANSCO DUBAI LLC's duly authorised representatives, including any third party designated consultant, shall have access to, and the right to question Supplier's and its subcontractors, agents and consultant's personnel and to examine their respective books, records, correspondence, instructions, plans, drawings, receipts, vouchers, computer records, bid files of subcontractors (both successful and unsuccessful), original estimates, change order files, general ledger entries, payment vouchers and documentation of business entertainment expenses pertaining to the Goods for the purposes of auditing and verifying that the charges or costs presented by Supplier to CANSCO DUBAI LLC for payment are in accordance with these General Conditions of Purchase, or for any other reasonable purpose, including verifying Supplier's compliance with its obligations under this Agreement. However, in no event shall CANSCO DUBAI LLC have the right to audit the composition of any lump sum prices, percentage overlays or fixed sums. CANSCO DUBAI LLC's representatives shall have the right to require Supplier to produce any of the aforesaid documents for a period of two years after the completion and acceptance for termination of any Order.

Supplier shall ensure that any subcontract entered into in accordance with these General Conditions of Purchase confers upon Supplier the same audit rights in relation to such subcontractor as are conferred upon CANSCO DUBAI LLC by this Clause.

19.2 The right to conduct audits in accordance with the provisions of Clause 19.1 shall extend to any company to whom CANSCO DUBAI LLC is providing its services under contract and any co-venturer of such company in any applicable licence block or concession area.

20. Assignment

20.1 Except as provided below, the Supplier shall not assign or sub-contract any part of the Order without the prior written approval of CANSCO DUBAI LLC.

20.2 Supplier may procure component parts of the Goods from recognised sources of supply, provided always that the Supplier remains responsible and liable to CANSCO DUBAI LLC for the Goods to be provided under any Order to the same extent that Supplier would otherwise have been responsible or liable if Supplier itself had manufactured such component parts of the Goods.

20.3 CANSCO DUBAI LLC shall have the right to assign any Order to any Affiliate or any company to whom CANSCO DUBAI LLC is providing its services under contract and on whose behalf the Goods have been purchased.

21. Entire Agreement

The terms and conditions set out in these General Conditions of Purchase together with any subsequent amendments made in accordance with Clause 1.1 represent the entire agreement between CANSCO DUBAI LLC and the Supplier.

22. Special Conditions

Where special conditions, including modified, supplemental and/or amended terms and conditions, are incorporated in any Order such special conditions shall apply equally with these General Conditions of Purchase except where there is any inconsistency between these General Conditions of Purchase and such special conditions, in which event such special conditions shall apply. In no event shall Supplier's terms and conditions supersede these General Conditions of Purchase unless otherwise expressly agreed in writing by CANSCO DUBAI LLC.

23. Taxes

The Supplier shall, in respect of any taxes of any nature whatsoever incurred, due or owing by Supplier Group under any Order, indemnify and hold harmless CANSCO DUBAI LLC Group against any claims, penalties, expenses, liabilities, costs (including legal costs) against the Supplier Group arising out of or in connection with such Order.

24. Severance

Any provision of these General Conditions of Purchase that is now or hereafter prohibited, illegal or unenforceable in any applicable jurisdiction shall be ineffective to the extent of such prohibition, illegality or unenforceability without invalidating the remaining provisions hereof. In the event any act required under these General Conditions of Purchase is inconsistent with, penalised by or prohibited under the Laws of the UAE, the Party obligated hereunder to perform such act shall be excused from such performance and these General Conditions of Purchase construed as if such obligation had not been set forth herein.

25. Notices

All notices and other communications provided for in these General Conditions of Purchase shall be in writing and shall be delivered by post, telefax or hand to an authorised representative of the Party to whom such notice is directed at the address shown on any Order or to the address of the office or such other address as may, from time to time, be notified to the other Party. Any notices served hereunder shall be deemed effective upon actual receipt by the receiving Party.

26. General Provisions

26.1 The headings used in these General Conditions of Purchase are intended for convenience only and shall not form part of, or be used in the construction or interpretation of, these General Conditions of Purchase.

26.2 Words importing the singular only shall also include the plural and vice versa where the context so requires.

26.3 No failure by CANSCO DUBAI LLC to enforce all or any part of these General Conditions of Purchase shall be interpreted as a waiver of all or any part of these General Conditions of Purchase unless such waiver is expressly given in writing.

28. Law

These General Conditions of Purchase, together with any Order issued hereunder, shall be governed, construed and interpreted, and shall take effect in accordance with the Law of the UAE and any dispute between the Parties remaining unresolved shall be submitted to the exclusive jurisdiction of the Courts of Dubai, UAE.