

DEFINITIONS

"Purchase Agreement" or " P.A" means these General Purchasing Conditions, the Purchase Order Form ("PO") and other documentation referred to in the Purchase Order Form. Any other terms, whether attached to Supplier's acceptance of the P.A. or otherwise, shall not be applicable, unless agreed to in writing by Purchaser. Supplier's performance of the supply shall be deemed acceptance of these terms.

"Supply" means all items to be provided under this Purchase Agreement whether raw materials, processed materials, fabricated products, services, drawings and other applicable documentation.

"Supplier" means the entity responsible for the Supply as stated on the Purchase Order Form.

"Purchaser" means NeoDrill AS, Norwegian organization number 981 920 376.

"Price" means the total amount payable to the Supplier in accordance with the provision of the Purchase Agreement.

"Force Majeure" means an occurrence beyond control of the party affected, provided that such party could not reasonably have foreseen such occurrence at the time entering into the Purchase Agreement or could not reasonably have avoided or overcome the consequences.

ACKNOWLEDGEMENT OF ORDER The Supplier must, within 3 working days, acknowledge receipt and acceptance of the PO, by a reply to the PO-sender email address - stating: "Received and accepted". If not received, the Purchaser shall have the option to cancel the order at no incurred cost. The Supplier's acceptance of the order constitutes agreement to these general terms and conditions, and Supplier agrees that such terms and conditions shall not be modified by any terms and conditions contained in any delivery order, acknowledgement, invoice or other business form used by Supplier issued before, during or after this Order unless Purchaser agrees in writing to the same.

DELIVERY Terms of delivery shall be in accordance with Incoterms. Delivery shall be DDP unless otherwise stated in writing in the P.O. when a Supply is ready for shipment, the Supplier shall report weight, dimension and number of packages to the Purchaser by e-mail. Unless instructed otherwise by Purchaser, Supplier shall ship individual items of the Supply as they are completed.

GUARANTEES The Supplier guarantees that the Supply is in accordance with specified requirements and are suitable for the intended purpose and use, and are free of any defects or deficiencies of any kind. Unless otherwise stated in the Purchase Agreement, the guarantee period for the Supply expires one year from the date the Supply is taken into use, limited to two years from the date of delivery. If the Supplier has performed guarantee work during the guarantee period, the Supplier shall guarantee this work for a period of one year from the date of completion of the guarantee work.

INVOICING AND PAYMENT Unless otherwise set forth in the PO, the Supplier shall invoice Purchaser following delivery and acceptance of the Supply, and the Purchaser shall pay accepted invoices within 30 days of receipt or within the period stated in the PO. The terms of the payment period shall be determined from the date the invoice is received by Purchaser. All invoices must contain a reference to Purchaser's Purchase Order Number. Invoices to be submitted in PDF format to our accounts payable mailbox:

mb.15001@xledger.net (NOTE: One invoice in one pdf file per email only - any invoice attachments to be part of the invoice pdf).

Invoices which do not conform to these terms or to the

specifications of the P.A., are not valid and will be returned. If any items are disputed, Purchaser will pay the non-disputed items and the parties will settle the dispute as provided herein.

The Supplier shall not be entitled to receive any payment of any invoice received by the Purchaser after more than 30 days from completion of the Supply. Nevertheless, the Purchaser may at its sole discretion, make payment against such invoice.

FORCE MAJEURE The party affected by Force Majeure shall as soon as possible, but not later than three (3) working days after occurrence of such a situation, notify the other party in writing that a Force Majeure situation has occurred. If a Force Majeure situation continues without interruption for a period of 10 days, or more, each of the parties shall be entitled to terminate the Purchase Agreement by notifying the other party in writing.

LIQUIDATED DAMAGES Time is of the essence. If a material portion of the Supply is delayed, the Purchaser may terminate the order. In such event Supplier shall immediately ship all completed items which are accepted by Purchaser, and Supplier shall receive payment for those items. No sums shall be due to Supplier for non-delivered items. Should Purchaser agree to accept any late delivery, Purchaser may deduct from payment, or Supplier shall pay back to Purchaser, damages for such accepted late items. The damages are agreed to be 0.5% of the Price for the late delivered items per calendar day, not to exceed 10% of the Price in the aggregate.

QUALITY ASSURANCE The Supplier shall have an established and implemented Quality System in accordance with NSEN ISO 9001 or equivalent, depending on the nature of the Supply. Purchaser or its representative shall have the right to undertake quality audits and verifications of Supplier's or any subSupplier quality system. Purchaser shall provide notice to Supplier prior to performing an audit of any of Supplier's subcontractors. The Supplier shall without unnecessary delay notify Purchaser in writing of faults, omissions or inconsistencies discovered.

INSPECTION/VERIFICATION Purchaser or its representative shall have the right to undertake necessary inspections and verifications of the Supply at the Supplier's premises and/or any of his subSupplier premises. The abovementioned inspections and verifications do not exempt the Supplier from the responsibility to deliver the Supply in accordance with the Purchase Agreement, nor shall it preclude subsequent rejection, which right is reserved by Purchaser for any failure of the Supplier to comply with the PO and all specifications.

DELAY If the Supplier has reason to believe that the Supply or any part of it may be delayed, he shall immediately notify Purchaser in writing. The Supplier shall in such notice give the Purchaser information of the reason and extent of the delay together with the efforts the Supplier will make in order to avoid, limit or recover the delay.

VARIATIONS Purchaser has the right to order variations to the Supply. Such variations may include an increase or reduction in the quantity, character, quality, kind, features and characteristics of the Supply or part thereof and adjustments to the schedule. Such variations shall be reasonable with respect to the capacity available and shall not be in conflict with the Supplier's obligations in accordance with the Purchase Agreement. When Purchaser require a variation of the Supply, it shall issue a written Variation Order to the Supplier. If the variation should cause a change in the extent or the time for the completion of the Supply, the price and schedule shall be changed accordingly, then the Variation Order showing all necessary details shall be signed by both parties. If Supplier believes a variation is made to the supply, but a Variation Order has not been issued by the Purchaser, Supplier must give written notice to Purchaser within ten (10) days of the date Supplier believes the

variation was ordered. The Supplier shall not commence the variation work until an order in writing is received from the Purchaser.

CANCELLATION AND TERMINATION OF THE PURCHASE

AGREEMENT Purchaser has the right to cancel this Purchase Agreement at any time with immediate effect by giving written notice to the Supplier. If Purchaser cancels the order without cause, the Purchaser shall pay for work performed through the date of cancellation. In the event of such cancellation, Supplier shall cancel all sub-contracts and Purchaser shall pay for delivered, accepted Goods, and otherwise only necessary documented direct costs incurred by the Supplier in connection with the cancellation.

INTELLECTUAL PROPERTY RIGHTS The Supplier is responsible for and shall defend, indemnify and hold Purchaser harmless from and against any claims, damages, losses, expenses and the like on the account of any infringement of Patent, Registered Design, Trade Mark etc. in conjunction with Supplier's obligations here, in providing the Supply, or in the Supply, and the Purchaser's use of same.

DISPUTES This Purchase Agreement shall be governed by and construed in accordance with Norwegian law. Any disputes arising out of or in connection with the Purchase Agreement which cannot be solved out of court, shall if the amount, value or claim the dispute concerns is less the NOK 1,000,000 (or equivalent in any other currency) be referred to the ordinary courts of Norway with Stavanger District Court (Stavanger tingrett) as the agreed venue. If the dispute concerns amounts, values or claims in excess of the above set sum, the dispute shall be referred to arbitration in accordance with the Norwegian Arbitration Act. The venue of the arbitration proceedings shall be in Stavanger, Norway.

CONFIDENTIALITY All drawings, calculations and other information which the Supplier may receive from the Purchaser for the purpose of carrying out the work are proprietary to Purchaser and shall be treated by the Supplier as trade secret and may not be used for any other purpose, duplicated or made available to a third party. The Supplier is liable for any inconvenience and loss suffered by the Purchaser by such an infringement. The Supplier, if so requested, shall immediately return all such material together with all copies and duplicates.

DOCUMENTATION AND CERTIFICATES All documentation; Manuals, data sheets, test / inspection reports, material certificates etc. shall be PDF's and delivered by e-mail prior to shipment and issuing of invoice.

MARKING AND PACKING Each part shall be marked with an attached Identification Label. The Identification Label shall contain the following information: Description of the part with information concerning dimensions and quality of material; Manufacturer's name and Part Number; Certificate Number (when certificate is required or available); Identification Number containing Project Number (if applicable) in accordance with the PO. Each part of the shipment shall be addressed as shown in the PO, and marked with: Purchase Order Number, Number of the package and total number in the shipment (e.g. 1 of 3); All crates and packages shall be packed and preserved for transport in a manner that will prevent damage and deterioration during handling and transportation. All documents shall be properly marked with the Purchase Order Number and the Identification Number the documents refers to. Originals shall be e-mailed separately and one (1) copy shall follow the shipment in a separate envelope. One (1) complete Packing List shall be forwarded by e-mail prior to shipment and one (1) copy shall follow the

shipment. Customs documents on international shipments, forwarded with the Carrier, shall contain: Two (2) copies of the invoice; one (1) copy of the Packing List; European Movement Certificate (EUR.1) for transportation within the Pan-European preference system; Procedures for handling, storage and preservations shall be forwarded to the Purchaser in due time to prevent any damage to the Supply.

INDEMNITY The Supplier shall be liable for and agrees to Indemnify and to hold Purchaser, its agents, employees, officers, subsidiaries, associated companies and assigns harmless from and against any and all liability, damage, loss, cost or expense, including without limitation any liability arising from any injury or loss to any person or persons or any damage to or loss of any property, directly or indirectly arising out of or in connection with: (i) any act or omission in the performance of or in connection with any or all of the obligations undertaken by the Supplier pursuant to the P.A., whether by reason of the negligence of the Supplier, its agents, employees or sub-contractors or their agents or employees, or otherwise; or (ii) any alleged fault or defect howsoever arising in the work or Supply (whether in materials, workmanship or otherwise); except to the extent that any such liability was only incurred because the Supplier delivered the work solely in accordance with designs, plans or specifications supplied by Purchaser. (iii) any damage to any property owned leased or otherwise held by the Supplier. (iv) death, illness, sickness, disability or other damage or injury to any of the employees of the Supplier.

TAXES Supplier shall be exclusively liable for all income, sales, use, payroll and other taxes, customs, excise and import duties and other fees, levies and charges incurred by Supplier or its subcontractors and sub-vendors and its or their employees directly or indirectly imposed by or payable to any government (including any department, agency or subdivision thereof) with respect to the Purchase Order and the sale and delivery of the Goods. Supplier shall indemnify and hold Purchaser harmless from any expense, claim, liability or obligation with respect to such amounts. This indemnity shall survive the termination or expiration of the Purchase Order.

SUBCONTRACTS AND OTHER DATA Supplier shall not subcontract or assign any or all of its rights or obligations hereunder without Purchaser's prior written consent, which consent may be withheld at Purchaser's discretion. An attempted subcontract or assignment not in compliance with this provision shall be void. Supplier shall without additional cost to Purchaser supply all drawings, specifications or other technical data and manuals, related to the Supply or its use, which shall become the property of Purchaser, the acceptance of which shall not relieve Supplier of its liability or obligation for the accuracy or otherwise hereunder.

HEALTH, SAFETY AND ENVIRONMENT

Responsibility for HSE shall lie with Supplier line management. Supplier top executives shall be personally involved in HSE management. The commitment to HSE shall be evident at all levels within Supplier organisation and the corporate culture shall ensure a positive attitude to HSE issues. Supplier HSE policy for the Work shall be fully compatible with Purchaser corporate HSE policy and contribute to realising this. Supplier management shall be involved in HSE activities, and in setting and following up HSE objectives. Supplier organisation shall facilitate effective HSE management and communication, with particular emphasis on HSE as an integrated element in planning and implementing operations. Arrangements shall be put in place to ensure that meetings are held with HSE as a priority item on the agenda.