



OIL SEARCH (YEMEN) LIMITED

(Incorporated in British Virgin Islands)

GOODS PURCHASE ORDER GENERAL TERMS AND CONDITIONS

1. Specifications

Seller must supply the Goods strictly in accordance with the GPO and the instructions, specifications, standards, quality requirements of Company and good industry standards and practices with due diligence and dispatch.

2. Prices And Payment

Seller's sole compensation in consideration for the supply of the Goods will be the prices specified in the GPO, inclusive of all taxes, which will not be subject to change except by a written variation order from Company. All prices will be quoted in US Dollars unless otherwise requested by Company. Within 30 days of delivery and acceptance of the Goods by Company, Seller must submit to Company at the address provided in the GPO, a fully detailed, referenced and supported invoice for the value of the Goods duly delivered and accepted. Within 30 days of receipt by Company of a correctly prepared and supported invoice, Company will pay the undisputed portion of such invoice due to Seller.

3. Variations

Company may make changes in drawings, specifications, quantities, delivery schedules, or methods of shipment or packaging for any of the Goods at any time. If such changes result in an increase or decrease in the cost of providing the Goods, it will be determined in accordance with the methods detailed in the GPO or in the absence of any specific provisions will be determined utilising the GPO prices as a guide for the determination and mutual agreement of a fair and reasonable evaluation and adjustment.

4. Warranty

Seller warrants and represents that the Goods will be of good and merchantable quality and workmanship, fit for the purpose which Company discloses the Contractor or for the purpose for which they are commonly provided, free of errors and defects and will comply in all respects with the requirements of the GPO. Without limiting the operation of any other provision of these General Terms And Conditions, Company is entitled to the benefit of all warranties conferred by law and the operation of any such warranty for the benefit of Company may not be excluded by Seller. If any defect of the Goods, other than arising from fair wear and tear or disregard for Seller's operating instructions, appears within 18 months from the date of delivery or within 12 months after the Goods have been put into operation following the satisfactory completion of any commissioning and testing programme, whichever occurs first, Seller must immediately start to remedy such defects to the satisfaction of Company at Seller's own cost or

Company will be entitled to remedy such defects and be reimbursed by Seller for the cost thereof. Repairs and/or replacements will themselves be subject to the foregoing warranty obligations for a further 12 month period.

5. Delivery Terms

Delivery terms in the GPO are as defined in the 2000 edition of "INCOTERMS", issued by the International Chamber of Commerce. Without limiting Seller's obligation to deliver the Goods on the delivery date specified in the GPO, Seller must give Company immediate notice in writing if any delays are anticipated. Delivery of the Goods will only be accepted if accompanied by a copy of the GPO and any other deliverables specified in the GPO. The country of origin, manufacturer and any additional information requested by Company, must be stated on the bill of lading and all delivery documentation. Signature, by Company, of any "goods received notes" or similar Seller's documents will denote Goods received unchecked and will not denote acceptance. Company will notify Seller of any discrepancies in the Goods within 14 days of their delivery.

6. Taxes and Duties

Seller must fully comply with all instructions issued by Company pertaining to importation of the Goods. Seller must assume full and exclusive liability for payment of all taxes, duties (including any import, export, customs and excise duties), levies, fiscal contributions and other charges levied by any government or authority in connection with the Goods or the payments to be made under this GPO payable by or in respect of Seller, including but not limited to withholding taxes, personal income taxes, property taxes, capital gains taxes, value added taxes, pensions, insurance contributions, turnover or sales taxes and all corporate taxes.

7. Liability And Title

- (a) Seller will be liable for and will defend, release, indemnify and hold Company harmless against all loss, damage or deterioration to the Goods, howsoever caused, up to and until such time the Goods have been delivered to Company at the specified delivery point and the Goods have been accepted by Company.
- (b) Title in the materials to be used in the manufacture of the Goods and/or title in the Goods will pass from Seller to Company upon delivery of the Goods to the delivery point except where payment for the Goods (in whole or in part) is made by Company prior to delivery in which event title in the Goods



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will pass to Company as soon as payment is made.

- (c) Notwithstanding paragraphs (a) and (b) above, if:
- (i) there are any defects in the Goods; or
 - (ii) the Goods are damaged when delivered to Company; or
 - (iii) payment for the Goods (in whole or in part) is made by Company prior to delivery, risk in the Goods remain with Seller.
- (d) Seller must ensure that no claims or liens of any kind are fixed upon or against the Goods or any property of Company where the Goods will be used or incorporated. Seller must defend, release, indemnify and hold Company harmless against all such claims or liens.

8. Patents, Copyright And Trademarks

Seller must defend, release, indemnify and hold Company harmless and its officers, personnel and agents against any liability, loss or expense by reason of any claim, action or litigation in respect of any alleged or actual infringement of any patent, copyright or trademark, foreign or domestic resulting from the use or resale of the Goods.

9. Licences And Permits

- (a) Seller must obtain any licence or other permit which is required by any laws, regulations, ordinances or other rules applicable for the performance of the GPO.
- (b) Seller must indemnify, defend, release and hold Company, its personnel, affiliates, co-venturers and their respective personnel harmless from and against any claims, losses, damages, costs (including legal costs), expenses arising out of non-compliance of said laws, regulations, ordinances or other rules.

10. Production, Inspection And Storage

Seller must prepare (and provide Company with copies of) any documentation as may be necessary for orderly production of the Goods. Seller must ensure that Company has the opportunity to inspect the Goods at any time during or after the manufacture and/or assembly thereof and to check on the progress of the supply of the Goods, either at Seller's premises or at any other location the Goods may be or work on the Goods is being performed. Such inspections or checks will not relieve Seller of any obligations under the GPO. Seller must properly store the Goods in a dry, clean and secure area segregated from other goods and marked and/or tagged to

clearly indicate that such Goods are the property of Company.

11. Packing And Marking

The Goods must always be packed, marked and shipped in such a way as to prevent damage during transportation, handling and storage of the Goods. The cost of packing, marking and shipping are included in the price of the Goods. All packages must be marked with Company's GPO number. All packages must have the gross weight, dimensions, lifting points and centre of gravity stencilled on the side of the package. Seller will comply with international standards of marking and labelling each package of dangerous Goods and each over pack containing dangerous Goods.

12. Drawings And Documents

Seller must provide with the Goods, 2 copies of all necessary drawings and documents that are required to install, commission, operate, maintain, replace, repair, handle or store the Goods. Title to the drawings and documents including all specifications and calculations will vest in Company and Company has the right to their free use without any obligation to Seller and at no additional cost to Company. All documents, specifications, descriptions on drawings provided by Seller must be in the English language. Where applicable, Seller will submit drawings, specifications and any other relevant data to Company for review and approval prior to commencement of the manufacture of the Goods. Such review and approval will not relieve Seller of its obligations under the GPO.

13. Spare Parts, Certificates And Test Data

Seller must a complete list of recommended spare parts for the Goods. Spare parts required for the commissioning of the Goods will be provided by Seller as an integral part of the Goods at no additional cost to Company. Test data, test curves, hydraulic test certificates and materials certificates provided by Seller in the normal course of its business or as explicitly required in the GPO will be provided by Seller upon delivery of the Goods.

14. Suspension and Termination

- (a) Company has the right at any time and for any reason to suspend the supply of the Goods or terminate the GPO by written notice to Seller effective immediately on dispatch of that notice. Seller will be entitled to payment for the value of the Goods delivered and accepted by Company up to the date of suspension or termination and, except where termination is attributable to Seller's default



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(including but not limited to failure to perform in accordance with this GPO), negligence or wilful misconduct, to payment for any documented unavoidable additional costs incurred by Seller as a direct and immediate consequence of such suspension or termination.

- (b) The expiration or any termination of this GPO will not affect clauses 6, 7, 8, 9, 17, 20 and 24 or any other provision of this GPO which are intended to continue after expiration or termination and will also be without prejudice to any claim by either Party against the other Party arising out of any breach or non-performance by that Party of any obligations assumed by or imposed on that Party under this GPO at any time prior to termination.

15. Force Majeure

The International Chamber of Commerce Force Majeure Clause 2003, ICC Publication No. 650 applies to this GPO.

16. Business Practices

Seller must not take any action on behalf of Company in the supply of the Goods that would subject either Company or Seller to liability or penalty under any laws, rules, regulations, or decrees of any governmental authority. The direct or indirect offer, payment, soliciting and acceptance of inducements in any amount or form are unacceptable business practices. Without prejudice to any other rights which Company may have, Company may terminate the GPO with immediate effect should Seller violate the provisions of this clause 16, and attribute such termination to the default of Seller.

17. Confidentiality

All information provided by Company to Seller, in connection with the GPO, including, but not limited to, any information with respect to Company's operations, all data relating to Company, its affiliates, its business, employees and all other data provided or disclosed to, or received by, Seller from any source in connection with this GPO is confidential, and Seller must not disclose such information to any third party or publish such information without the prior written consent of Company. All such information remains the property of Company. Any data supplied by Company must be returned upon completion or termination of the GPO.

18. Independent Contractor

Unless this GPO expressly provides otherwise, nothing in this GPO may be construed as creating

a relationship of partnership, of principal and agent or of trustee and beneficiary.

19. Subcontracting and Assignment

- (a) Seller may not subcontract or assign the GPO in whole or in part without the prior written consent of Company, which consent must not be unreasonably withheld.
- (b) Company has at all times the right to assign in whole or in part its right and obligations under this GPO, without the consent of Seller.
- (c) Notwithstanding Company's consent and approval in paragraph (a) above, no subcontract will relieve Seller from any of its obligations or liabilities under this GPO and Seller will be responsible for the acts and/or omissions of any subcontractor, its directors, officers and employees as fully as if they were the acts and/or omissions of Seller.
- (d) Every subcontract entered into by Seller must contain a provision permitting assignment to Company.

20. Dispute Resolution

- (a) Disputes or differences arising between Company and Seller regarding the GPO will preferably be settled by negotiation within 30 days of the dispute arising. If Company and Seller are unable to settle a dispute within the 30 day negotiation period, either Party may refer the dispute to arbitration.
- (b) Unless otherwise expressly agreed in writing by the Parties to the arbitration proceedings:
- (i) the arbitration proceedings will be held in Dubai, United Arab Emirates with three (3) arbitrators;
 - (ii) the arbitration proceedings will be conducted in the English language and the arbitrator(s) must be fluent in the English language;
 - (iii) the arbitrator(s) must be and remain at all times wholly independent and impartial;
 - (iv) the arbitration proceedings will be conducted in accordance with the Arbitration Rules of the International Chamber of Commerce; and
 - (v) any procedural issues not determined under the arbitral rules selected pursuant to this GPO will be determined by the law of the place of arbitration, other than those laws which would refer the matter to another jurisdiction.
- (c) The findings from arbitration will be final and binding.



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21. No Waiver

- (a) A failure, delay, relaxation or indulgence by a Party in exercising any power or right conferred on the Party by this GPO does not operate as a waiver of the power or right.
- (b) A single or partial exercise of the power or right does not preclude a further exercise of it or the exercise of any other power or right under this GPO.
- (c) A waiver of a breach does not operate as a waiver of any other breach.

22. Amendments

This GPO cannot be amended or varied except in writing signed by the Parties.

23. Order of Precedence

The Parties agree that any special conditions set out in this GPO will take precedence over the General Terms And Conditions to the extent of any inconsistency.

24. Applicable Law

- (a) The GPO is governed by and will be construed in accordance with the laws in force in England and Wales. The Parties submit to the non-exclusive jurisdiction of the courts of England in respect of all matters arising out of or relating to this GPO, its performance or subject matter.
- (b) The provisions of the United Nations *Convention on Contracts for the International Sale of Goods (Vienna Sales Convention)* do not apply to the GPO and are expressly excluded in all respects.
- (c) For the purpose of the GPO a person who is not a Party to the GPO has no right under the *Contract (Rights of Third Parties) Act 1999* (UK) to enforce any term of the GPO.

25. Entire Agreement

The GPO will constitute the sole and entire agreement between the Parties for the supply of the Goods. The GPO will supersede all prior negotiations, agreements, warranties and representations between the Parties. If Seller has not informed Company by way of written notice within 5 days of the issue of the GPO of any qualifications or objection to the GPO, Seller will have been deemed to have unconditionally accepted the GPO in full.