



TERMS AND CONDITIONS (SERVICES on demand)

Drilling Service Center

Deposited with the Chamber of Commerce of North West Netherlands under number 59429070

SECTION 1: DEFINITIONS

In these terms and conditions:

“Service Center” means Drilling Service Center B.V. private company with limited liability registered in the Netherlands, having its registered office at Havenkade 24, 1775 BA Middenmeer;

“the Customer” means the person, firm or company specified as such in any Agreement to whom any Equipment is supplied by way of sale as mentioned in Section 7:1 of the Dutch Civil Code and/or to whom any services are provided by Service Center;

“Services” means any service, single or packaged services or integrated services provided by Service Center to the Customer by way of sale including any accessories or component parts and including any replacement of spare parts supplied by Service Center whether initially or subsequently;

“Agreement” means any agreement or contract between Service Center and the Customer in relation to the sale of or service, or other services rendered by Service Center, into which agreement these Terms and Conditions are incorporated by reference; “Terms and Conditions” means the present by Service Center used terms and conditions.

SECTION 2: APPLICABILITY

These Terms and Conditions are to govern any Agreement between Service Center and the Customer and shall prevail over any terms put forward by the Customer unless Service Center expressly agrees to them in writing.

Any written confirmation of these Terms and Conditions containing proposals or terms additional to or different from those set forth herein are not binding on Service Center unless Service Center expressly agrees to any such proposal or terms in writing, signed by (or by some person duly authorized by) Service Center.

Service Center contracts and does business for the sale of or service to Equipment solely upon these Terms and Conditions notwithstanding anything to the contrary contained or purported to be contained in any document or statement made by the Customer. No variation or alteration of these Terms and Conditions shall be of any effect unless expressly agreed to in writing, signed (or by some person duly authorized by) Service Center.

No conduct by Service Center shall be deemed to constitute acceptance of any terms put forward by the Customer.

These conditions shall also apply to all future deliveries or service to the Customer, except when agreed otherwise and confirmed by Service Center in writing.

SECTION 3: OFFERS

All offers of Service Center, in any form whatsoever, are free of obligations. Service Center's offers shall be non-binding unless they are expressly designated as binding. Binding offers shall expire by the date mentioned in the binding offer and in any case, binding offers expire 30 days after the date of the offer, unless they are extended by Service Center in writing.

Service Center reserves the right to modify the technical concept on which the offer is based, provided that this has no adverse effect on the performance and quality of the item offered, the price or the delivery date.

All information provided in respect of Service Centre's offers, including cost estimates, quotes, illustrations, drawings, calculations, pricelists, and catalogues etcetera is as accurate as possible. This information is only binding on Service Center if Service Center confirms such expressly in writing.

For the avoidance of doubt, also details of weights and measures, drawings, explanations, descriptions and illustrations contained in Service Center's brochures or other sales literature shall be approximately authoritative; they shall represent a general description of materials and shall not be construed as part of the offer.

If the Customer provides Service Center with information, then Service Center considers this information as complete and as right.

Every offer from Service Center is based on the assumption that Service Center can perform her duties under normal circumstances and during regular work hours. The definition of Overtime is clearly stipulated in the Pricelist Services on demand and only available upon request.

SECTION 4: AGREEMENT

Apart from the acceptations as stated hereinafter, the Agreement is realised by written approval of Service Center.

The confirmation is deemed to represent the contents and purpose of the agreement correctly and fully.

In case the Agreement is not confirmed in writing and in spite thereof the parties carry out their obligations under this agreement, the parties consider the invoice as the written confirmation of the Agreement.

Any possible additional terms and conditions or alterations thereof, as well as (oral) agreements by employees of Service Center or by third parties on behalf of Service Center, are not binding unless Service Center expressly confirms them in writing. Procurement level of employees is registered and available at the chamber of commerce or available upon request with management.

Service Center shall retain sole ownership and copyright in respect of all software, drawings and other documentation. The drawings and other documentation may not be made accessible to third parties without Service Center's consent and shall be returned on request.

The Customer is not entitled to alienate or burden his rights under this agreement, without the prior written consent of Service Center.

If Service Center deems it necessary, Service Center is entitled to hire auxiliary persons without the consent and/or knowledge of the Customer. If so, these Terms and Conditions remain in full force regarding the liability of Service Center.

SECTION 5: PRICES

Unless otherwise agreed, the provided prices by Service Center are:

Based on Pricelist Services on demand
based on the information the Customer has provided;
based on the prices which apply at the moment Service Center has sent her or order confirmation;
VAT excluded and other (import) duties, taxes and other possible charges are also excluded;

Service Center is entitled to increase her prices, i.e. if one of the components in Section 5. increases.

SECTION 6: TERMS OF DELIVERY, SHIPPING, DELIVERY, HANDLING, INSURANCE AND EXPORTATION

Indicated and agreed delivery times and other times are determined by approach and are never to be considered as fatal terms. Should Service Center be unable to fulfill an order for longer than 2 months due to any event whatsoever, Service Center shall have the right to cancel all or part of the order with no resulting entitlement to compensation on the part of the Customer.

Unless expressly specified otherwise, agreed delivery periods shall relate to shipment from Service Centers facility or forwarding department. They do not begin before the Customer has fulfilled its obligations to cooperate, in particular by supplying documentation required from it and the agreed advance payments.

Equipment shall be shipped EX Works in accordance with Incoterms 2010 or the latest version from a place to be determined by Service Center.

Unless otherwise specified, prices shall include the in Section 5. mentioned costs of packing based on EX Works in accordance with Incoterms 2010 or the latest version.

Transport insurance shall be arranged only at the request and expense of the Customer.

Partial deliveries are permitted.

Storage insurance shall be arranged only at the request and expense of the Customer.

SECTION 7: RETENTION OF TITLE

Service Center shall retain the right of ownership of the delivered Equipment until the fulfillment of all claims to which Service Center is entitled under the terms of the commercial relationship, regardless of the legal grounds on which they are based.

The Customer shall be entitled to process Service Center's Equipment or combine them with other Equipment or products in the course of its normal commercial operations. Service Center shall acquire joint ownership, which the Customer shall hereby transfer Service Center, of the items produced by the processing or combination.

If the products are stored with a third party the Customer will inform this third party of the retention of title and that this third party constitutes as a detentor for Service Center. Service Center cannot be charged with storage costs or other costs, without written content.

The Customer shall not be entitled to otherwise dispose of the items for which Service Center retained the title or for which the corresponding debts were assigned to Service Center. The Customer shall inform Service Center immediately of any third-party attachments or other legal impediments.

The Customer is obliged to keep the products of which Service Center is still owner insured against all possible risks, in any case the risk of fire and the risk of theft. Any rights which the Customer may have under any insurance agreement or insurance policy have to be transferred to Service Center immediately after request thereto.

Service Center is entitled to retain or to take back the Equipment until the Customer has paid the amount due, which includes fees, damages and interest. Service Center is also entitled to sell the Equipment to a third party and to deduct the revenues from the amount due by the Customer.

In case of a breach of contract, or anticipatory breach of contract as mentioned in Section 6:80 of the Dutch Civil Code, Service Center is entitled to – without prior warning – take back the Equipment which had been delivered under retention of title. The Customer hereby gives permission to Service Center to enter the premises of the Customer or any other place where the Equipment shall be stored. After the repossession, the amount due shall be decreased with the market value, but increased for the costs in relation to the repossession.

SECTION 8: PAYMENTS

Prices are quoted ex works (INCOTERMS 2010 apply), excluding the applicable BTW (for Dutch) or value added tax (VAT); charging of the VAT shall only be waived in case the prerequisites for tax exemption of exportation deliveries are met and documented by the Customer.

Payments shall be made in accordance with the terms of payment set by Service Center; as a rule, payment shall become due within 30 days after date of invoice. Payments are allocated to costs and damages, then to interest and then to the oldest, payable invoice. In the case of a currency exchange rate deterioration of the amounts paid in a currency not agreed upon between the parties, the Customer shall compensate for the shortfall by additional payment.

As far as Service Center's payment claim is jeopardized due to circumstances which cause a substantial deterioration of the Customer's financial situation, Service Center is authorized to declare all payment obligations arising under the business relationship as immediately due and payable; this shall also apply for acceptance of bills of exchange or checks. Under such circumstances Service Center shall also be entitled to demand advance payments or payment securities for all regular business. The legal remedies for delay in payment shall not be affected by this provision.

All sums due to Service Center shall be paid without deduction and payment shall not be withheld or deferred on account of any claim, counterclaim, or set-off. The Customer is not entitled to invoke circumstances beyond one's control, as mentioned in Customer 6:75 of the Dutch Civil Code.

Invoicing shall be made in EUR. If foreign currency amounts are indicated in the invoices besides the EUR amount, the EUR amount shall govern. Amounts received in foreign currency shall be credited with the proceeds obtained in EUR from them.

If the term specified in Section 8. is exceeded, the Customer will be required without any notice of default to pay a penalty that is set at 2% of the outstanding invoice amount.

If the Customer files for bankruptcy or for suspension of payments, or goes or is put into liquidation (solely for amalgamation or restructuring or otherwise) or if a receiver is appointed over any part of the Customer's business or if the Customer suffers the seizure of any property for non-payment of debt, then Service Center may regard any such circumstances as grounds for immediately terminating the contract without prior notice.

Termination for any reason shall not discharge the Customer from performing any obligation or from payment of any sums already due or becoming due at the date of termination.

In the situation, mentioned in Section 8.7., all claims that Service Center may have on the Customer, will be immediately due and payable.

All legal and extrajudicial collection costs made by Service Center in relation to any amount due and/or any breach of contract, are for the Customer's expense and risk. At least, the Customer is obliged to pay a fine of 15% of the total amount due, with a minimum of EUR 250, -, also when only one or more demands for payment have been sent by Service Center. If the actual amount is more than 15% of the amount due the Customer is obliged to pay that amount.

SECTION 9: COMPLAINTS AND WARRANTY

The Customer shall promptly upon receipt check the Equipment and notify Service Center in writing, at the latest within 7 working days of receipt of the Equipment, of any visible defects. Carton stickers, contents labels or control slips enclosed with the shipment must be enclosed with the notification. The receipt of the notification by Service Center shall be taken into account when considering the timeliness of the notification.

Complaints regarding visible defects have to be filed in writing within 21 days after the transfer of risk by Service Center, at the address mentioned on the invoice. The Customer is obliged to specify in detail the nature of the defect, where it is discovered and when it is discovered.

The Customer may not refuse receipt of deliveries because of defects.

The Customer shall be responsible for the costs of transportation of the defective Equipment to Service Center. The repaired or replaced Equipment shall be shipped to the Customer at Service Center's costs. When the Equipment is repaired on the location of operation, then the costs for boarding, lodging and transportation from the Customer's place to the location and back shall be borne by the Customer. If the Customer's defect notification is found to be without merit, Service Center shall be entitled to claim damages from the Customer to cover costs incurred by Service Center due to the unjustified complaint.

Complaints regarding invisible defects also have to be filed in writing by Service Center, at the address mentioned on the invoice, within 21 days after such a defect is discovered by the Customer or reasonably should have been discovered. Complaints regarding invisible defects can only be made within 12 months after the transfer of risk. After 12 months, Service Center cannot be held liable for any defect whatsoever.

Complaints about invoices have to be made in writing within 14 days after the transfer of risk.

No complaints can be made for Equipment that the customer has processed, treated or converted into another object.

In case the Customer fails to provide Service Center with a timely notification of a defect, all claims, including subsequent warranty claims based upon such defect, shall be excluded.

Warranty is only given on sold new products and as specified in the written agreement. The warranty period starts with the transfer of risk.

The performance of warranty work does not trigger a renewed warranty period to commence.

If the warranty work should fail, the Customer may withdraw from the contract or claim for a reduction of the original purchase price.

The Customer's claims for recovery of costs suffered because of the warranty work, particularly cost for transportation, logistics, time and material costs shall be excluded to the extent these costs occurred or were increased because the object of the delivery has been brought to another place than the branch office of the Customer subsequent to the delivery, unless this change in place corresponds to its agreed use.

Warranty claims shall be excluded in cases where there is only an insignificant deviation of the qualities agreed upon or only an insignificant impairment of the usefulness.

The following are not defects and thus not covered under the warranty conditions:

natural wear and tear;

defects of the product or damages which occurred after the transfer of risk and which result from the non-observance of installation and treatment guidelines or excessive use or because of improper treatment, storage or placement;

defects of the product or damage, due to force majeure or which arise due to particular external influences which were not provided for in the contract, or due to the use of the product outside the use which was provided for in the contract or outside its ordinary use;

costs for the opening or disassembling of other items to reach the defective goods;

costs for transportation of the Equipment or transport of personnel to repair the Equipment.

When the Equipment is operated in remote areas defect claims are excluded, if the product is changed by third parties or by installation of parts from third parties, unless there is no causal link between the defect and the change, which the customer has to prove.

Service Center shall not be liable for qualities of the product which are due to the construction or the choice of material for the product, if the Customer has ordered the construction or the material.

Legal deficiencies in the products supplied by Service Center shall be governed also by the provisions set out in this Section 9, unless the deficiency consists in a third party intellectual property right infringement.

In the event Service Center manufactures or modifies Products in accordance with the plans or specifications furnished by Customer, then Service Center only warrants the proper performance of the manufacturing or modifying process, but not the product itself. The warranty provisions as per this Section

9 shall only apply when defects in the products are caused by Service Center's not manufacturing according to the Customer's plans and/ or specifications or deficiencies in the manufacturing process.

SECTION 10: FORCE MAJEURE

For the purposes of Section 10 Force Majeure means: circumstances which prevent Service Center to perform her obligations under the Agreement and which circumstances don't constitute an attributable shortcoming.

Force Majeure i.e. means international or national conflicts, (acts of) war, armed conflicts whether national, international or supranational, measures from any foreign or national authority, boycott (-actions), strike actions whether from third parties or personnel of Service Center, malfunction of communication equipment or malfunction of other equipment of Service Center, such as computer (networks).

During the Force Majeure, all obligations of Service Center (including the obligation to deliver Equipment) are suspended. If the period of Force Majeure lasts longer than two months, both parties have the right to terminate the agreement without judicial intervention, in which case neither of the parties is obliged to pay any damages at all.

If Service Center, when the Force Majeure is in effect, has already partially fulfilled her obligations, Service Center is then entitled to send an invoice for that part of the agreement. The Customer is obliged to pay that invoice.

SECTION 11: LIABILITY

Except to the extent expressly prohibited by law:

Service Center shall not be liable for any personal injury including death or disease to any person employed by the Customer and its affiliates/subcontractors arising from or relating to the performance of any Agreement and/or the use of the Equipment;

Service Center shall not be liable for any loss or damage to the property of the Customer and its affiliates/subcontractors whether owned, hired, leased or otherwise provided by the Customer and its affiliates/subcontractors arising from or relating to the performance of any Agreement and/of the use of the Equipment;

Service Center shall not be liable for any personal injury including death or disease or loss of or damage to the property of any third party caused by the performance of any Agreement and/or the use of the Equipment. For the purposes of this section and the following section "third party" shall mean any party that is not Service Center or the Customer;

Service Center shall not be liable for any consequential loss of the Customer and its affiliates/subcontractors and/or any third party which is caused by or arises from the performance of any Agreement and/or the use of the Equipment irrespective of whether such Consequential Loss is caused by the negligence or breach of duty (whether statutory or otherwise of Service Center). For the purposes of this section "Consequential Loss" shall mean indirect losses and/or loss of production, loss of product, loss of use and loss of revenue, profit or anticipated profit;

Service Center shall not be liable for any 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 which arises from the performance of any Agreement and/or the use of the Equipment.

The Customer shall be responsible for and shall save, indemnify, defend and hold harmless Service Center from and against all claims, losses, damages, costs (including legal costs), expenses and liabilities in respect of:

personal injury including death or disease to any person employed by the Customer and its affiliates/subcontractors arising from or relating to the performance of any Agreement and/or the use of the Equipment;

loss of or damage to the property of the Customer and its affiliates/subcontractors whether owned, leased, hired or otherwise provided by the Customer or its affiliates/subcontractors arising from or relating to the performance of any Agreement and/or the use of the Equipment;

personal injury including death or disease or loss of or damage to the property of any third party caused by the performance of any Agreement and/or the use of the Equipment.

The Customer shall save, indemnify, defend and hold harmless Service Center from and against any claim of whatsoever nature arising from 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 which arises from the performance of any Agreement and/or the use of the Equipment.

The Customer shall save, indemnify, defend and hold harmless Service Center against all claims, losses, damages, costs (including legal costs), expenses and liabilities resulting from:

the loss of or damage to any well or hole;

blow out, fire, explosion, cratering or uncontrollable oil condition (including the cost to control a wild well and the removal of debris);

damage to any reservoir, geological formation or underground strata of the loss of oil or gas there from;

the use of radioactive tools in relation to the use of the Equipment or any contamination resulting there from (including retrieval and/or containment and clean up);

which arise from the performance of any Agreement and/or the use of the Equipment.

All exclusions and indemnities given under the above mentioned sections 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 delict under contract or otherwise at law.

The Customer shall indemnify Service Center against all fines, penalties and liabilities imposed on Service Center or arising in respect of any non-compliance or contravention of law or regulation arising from any Agreement and/or from the use of the Equipment.

Service Center shall not be liable to the Customer in respect of any incorrect or incomplete advice of information given by Service Center or any servant or agent of Service Center to the Customer.

If Service Center nevertheless is liable to pay damages to a third party, Service Center has recourse against the Customer, for all amounts due, including damages, interest and out-of-court costs and the costs of proceedings.

SECTION 12: FINAL PROVISIONS

Should a provision of these conditions and the further agreements concluded between the parties be or become invalid, then the validity of the remaining provisions shall be unaffected by such partial invalidity.

The contracting parties undertake not to make any information received by the other contracting party including this contract accessible to third parties either directly nor indirectly verbally or written or in any other way with the exception of members of their respective corporate group. The obligation for confidentiality does not apply in case information is disclosed to the third party with the express written consent of the disclosing contracting party. The disclosing party reserves all rights for its information.

The parties' rights and obligations arising out of or in connection with these Terms and Conditions shall be governed, construed, interpreted and enforced according to the laws of The Netherlands. Dutch rules on conflict of laws as far as they refer to a foreign law, the Hague uniform law of sales, the UN uniform law of sales or other international conventions about sales laws shall not be applicable, excluding principles of conflict of laws. The applicability of the United Nations Convention on Contracts for the International Sale of Goods (CISG) is excluded.

The parties agree that any suits, actions or proceedings that may be instituted by any party shall be initiated exclusively before the competent court in The Netherlands, in this case the court that has power within the place where the company's registered office is situated without prejudice to Service Center's right to submit the relevant case to the court which would have jurisdiction if this provision has not been incorporated in the Terms and Conditions, and the parties do hereby consent to the jurisdiction of those courts and waive any objection which they may have, now or hereafter, to venue of those suits, actions or proceedings.

Changes and additions on these "Terms and Conditions Equipment Sales and Services" will be filed at the Office of The District Court in Alkmaar. In case these changes and additions are sent to the Customer by Service Center, they will be binding after 30 days.