

SERVICE ORDER - GENERAL TERMS AND CONDITIONS

The present General Terms and Conditions are applicable to the order of services, hereinafter referred to as SERVICE ORDER or ORDER, placed by the COMPANY and they prevail over the General Terms and Conditions of the CONTRACTOR. They may be modified only by Special terms stipulated in the SERVICE ORDER. These modifications will be valid only for the relevant SERVICE ORDER and the CONTRACTOR cannot apply them to other SERVICE ORDERS. In case of discrepancies between the General Terms and Conditions and the Special terms and conditions, the Special terms and conditions shall prevail.

ARTICLE 1 DEFINITIONS

COMPANY means "PETROGAS E&P L.L.C. for whom the SERVICES are rendered.

CONTRACTOR means the natural person or the company or other entity which has undertaken to carry out the SERVICES which have been entrusted to him by the COMPANY.

ORDER or SERVICE ORDER (S.O) means the document, including any possible amendments, by which the COMPANY entrusts the CONTRACTOR with the performance of a services contract and sets its conditions.

The ORDER can be enlarged by adding documents (e.g. appendices, technical descriptions, etc.) to which it refers and which are deemed to be a part thereof.

SERVICES or Services or Works" means all the services to be carried out by the CONTRACTOR pursuant to the SERVICE ORDER.

Acceptance of the SERVICES means where required by the S.O, this shall mean a written statement issued by the COMPANY certifying that the COMPANY accepts the SERVICE as having been performed and completed in accordance with the S.O.

Value Added Tax (VAT) means a consumption tax assessed on the value added to goods and services. It applies to goods and services that are bought and sold for use or consumption in the Sultanate of Oman as defined in Oman Tax Law.

ARTICLE 2 ACCEPTANCE OF THE ORDER

The contract is made only if the CONTRACTOR accepts without reservation the present General Terms and Conditions and when applicable, the Special Terms and Conditions as defined in the S.O.

The acceptance of the S.O is established by the return to the COMPANY, within a delay of eight (8) working days from the dispatch of the ORDER, of the copy of the ORDER named "receipt notice", excluding all other documents, bearing the signature of the CONTRACTOR which means acceptance without reservation of the said Conditions.

Any beginning of implementation of the S.O by the CONTRACTOR indicates his final acceptance of the present General Terms and Conditions and when applicable of the Special Terms and Conditions of the COMPANY.

The provisional acceptance does not preclude the CONTRACTOR from formally sending back within the set delay the signed "receipt notice".

Any beginning of implementation without a previous S.O from the COMPANY cannot commit the latter.

ARTICLE 3 MODIFICATION

Any modification to the S.O must imperatively be implemented pursuant to an Addendum issued and accepted under the same conditions as set out in Article herein.

ARTICLE 4 DUTY AND OBLIGATION OF THE CONTRACTOR

General Obligations

The CONTRACTOR undertakes to carry out the SERVICES within the time-limits, in accordance with the practices of the industry and the provisions of the S.O.

The CONTRACTOR recognizes having full knowledge of his contractual obligations, of the conditions in which the SERVICES must be carried out and of the duties, burdens and charges pertaining to them.

In consequence, no claim from the CONTRACTOR in order to modify the agreed prices, the time-limits set, the procedure of implementing his obligation or a claim to restrict his liability shall be accepted by the COMPANY.

Health, Safety and Environment (HSE) Health, Safety and Environment

CONTRACTOR, its sub-contractors and their respective employees, servants, and agents shall strictly:

- a) Give the highest regard to HSE to avoid any injury to any person and damage to any property;
- b) Ensure that the management of HSE is an integral and visible part of its work planning and execution processes;
- c) Strive for continuous improvement of its HSE performance;
- d) Obtain Corporate HSE Policy, understand and implement the applicable content of this policy;
- e) Follow all applicable requirements of Corporate HSE policy;
- f) Monitor and evaluate its safety performance to effectively take such actions as appropriate to rectify or improve its overall safety performance;
- g) Ensure that it complies with all applicable HSE laws, Government regulations and any HSE requirements of the COMPANY in force from time to time.
- h) Ensure that in case Purchaser (COMPANY) produces a safety and health documentation for the HSE Plan and provides CONTRACTOR with a copy of the HSE Plan, CONTRACTOR shall confirm receipt thereof in writing and comply with the regulations contained therein. The same shall apply to updates of the HSE Plan which COMPANY may produce as it deems necessary. CONTRACTOR shall ensure that its direct and indirect subcontractors employed to perform the Works commit themselves to the HSE Plan and its updates. The CONTRACTOR shall commit to this clause to avoid any injury to any persons who are legally on the work site including personnel, COMPANY's personnel and visitors.
- i) In case of any inconsistency between the Petrogas E&P CONTRACTOR HSE REQUIREMENT PROCEDURES, COMPANY requirements and the laws and governmental regulations, the most stringent provision shall prevail.

CONTRACTOR's Personnel

The CONTRACTOR:

- undertakes to perform the SERVICES with competent personnel and in adequate number, in accordance with the applicable laws and regulations, mainly in respect of the industrial relations and the social coverage.
- warrants the respect by his personnel of the laws and regulations applicable where the SERVICES are implemented and the observance by the said personnel of all applicable particular rules of HSE stated hereinabove.

Material Means of the CONTRACTOR

The CONTRACTOR undertakes:

- to make available and to use the material means necessary to carry out the SERVICES in conformity with the industrial practices and the contractual provisions.

- to ensure the maintenance, repair and replacement of the said material means.

Warranty

The CONTRACTOR warrants:

- the proper design of the installation studies made by him,
- the proper implementation of the SERVICES,
- the time-limits.

The CONTRACTOR is solely liable towards the COMPANY for the overall implementation of these provisions.

If the SERVICES turn out be dissatisfactory due to a mistake, an omission or for any other reason, the CONTRACTOR shall make at his own expense the necessary corrections to comply with the provisions of the ORDER without waiving, when applicable, the provision for compensation for delay.

Liquidated Ascertained Damage

The S.O specifies the dates to implement the SERVICES. It can provide the compensation for delay, the amount of which shall be deducted from the CONTRACTOR's invoices; this compensation cannot be deemed as liquidated damages in consideration of the damage suffered by the COMPANY. The existence of such provisions does not preclude the right of the COMPANY to terminate the S.O as specified in relevant article hereafter.

Sub-contracting

The CONTRACTOR may not subcontract any part of the SERVICES without the previous written agreement of the COMPANY. This authorization does not free the CONTRACTOR from any of his obligations pursuant to the S.O. In particular, the CONTRACTOR is solely responsible towards the COMPANY as well as towards third parties of the subcontractors he has chosen and also of the proper and complete performance of the part of the SERVICES subcontracted.

ARTICLE 5 CONDITIONS OF ACHIEVEMENT OF WORK

Time-limits - Compensation for Delay

The delivery and/or completion date is binding, and the CONTRACTOR acknowledges having been duly warned without any need for further formalities.

For any delivery and/or completion made after the date stated in the S.O., the CONTRACTOR shall be liable by right for payment of Liquidated Ascertained Damage (LD) for delay. The amount of the said LD, deducted from the payment due, shall be equal either to the costs incurred by CUSTOMER due to the CONTRACTOR' s default, or to a fixed lump sum per day of late delivery up to 10% of the total value of the S.O., as stipulated in the S.O.

COMPANY shall also be entitled, at its option, to request replacement of the defective SERVICE which it shall specify.

Control - Insurance - Quality

The CONTRACTOR is bound to communicate upon the COMPANY's request the Program of Quality Insurance that he will implement to satisfy all the quality requirements of the COMPANY defined in the contractual documents.

The COMPANY retains the right to verify, at any time, during the SERVICES, the progress of the Program of Quality Insurance.

Completion of SERVICES Acceptance

In consideration of the nature of the SERVICES, the S.O may establish a procedure for acknowledgement of SERVICES such as an acceptance procedure by the COMPANY. The payment of the last installment of the invoicing schedule shall be made only upon the execution of the acceptance acknowledgement as per the acceptance procedure.

ARTICLE 6 FINANCIAL PROVISION

Price

The S.O provides the means of payment to the CONTRACTOR. The price is understood to include all applicable taxes including Value Added Taxes (if any), firm and shall not subject to revision. Prices of the S.O express the full remuneration of the CONTRACTOR for the full implementation of the SERVICES, the CONTRACTOR being presumed to have taken into account in his prices all burdens, hardship, insurance premiums, etc. and also all taxes, payments and other legal levies which are to be borne by the CONTRACTOR by whatever method of computing or collecting.

In the field of taxation and any other legal contribution or levy pertaining directly to it, the CONTRACTOR is bound to fulfill in the required time all his obligations to the relevant administrations and shall indemnify and hold the COMPANY free and harmless from and against any relevant claim.

Invoicing and payments

In the absence of particular conditions provided in the S.O, the CONTRACTOR shall make a sole invoice at the end of the SERVICES.

Invoices shall bear the complete reference number of the S.O, shall be drafted in full conformity with the conditions of the S.O and be supported by the necessary document.

Any invoice not in conformity with the contractual provisions shall be returned to the CONTRACTOR and the time-limits for the payment shall be postponed accordingly.

Payment shall be made forty five (45) days (unless otherwise specified in the S.O.) from the end of the calendar month following the date of receipt of the undisputed invoice, by cheque or bank transfer.

In case of dispute on an invoice, the COMPANY shall only take into account the undisputed part of the invoice and the payment of that part shall be made upon request of the CONTRACTOR and shall be deemed an installment payment.

ARTICLE 7 LIABILITIES - INSURANCES

Liability

Liabilities toward the Administration

The CONTRACTOR guarantees the COMPANY against any claim which is the consequence of his failure or a failure of his personnel, sub-contractors and suppliers and their personnel to comply with the legislation of the country in which the SERVICES are rendered, i.e. Sultanate of Oman or abroad if the SERVICES or part of it, are performed outside Oman.

Liability toward third parties

The CONTRACTOR and the COMPANY shall be, individually, liable for all pecuniary consequences, whether directly or indirectly, of the civil liability they incur under the law in respect to all damages of

whatever nature caused to third parties by their personnel or property or other contractors, subcontractors and suppliers, arising from the implementation of the SERVICES.

In consequence the Party liable for such damages shall hold free and harmless the other Party against any claim from a third party.

Liability toward the other Party

Bodily injury

Each Party shall bear the full cost of any accident which may occur to the personnel it employs directly or indirectly in respect of the SERVICES and whoever may be responsible for the accident.

In consequence each Party waives its right of recourse against the other Party, the other contractors, subcontractors and suppliers for all damages to its personnel without prejudice to the right of the parties concerned or their successors and those of the Social Security or any similar body in a foreign country.

Damage to property

Each Party shall bear the consequences of damages or losses caused thereto to the goods or properties belonging to it, whatever may be the cause.

In consequence each Party in its name and in that of its other contractors, subcontractors or suppliers which it shall indemnify and hold free and harmless waives its right of recourse against the other Party, its other contractors, subcontractors or suppliers, pertaining to such damages or losses.

Indirect losses

Each Party waives its right of recourse against the other Party, the other contractors and subcontractors and suppliers for all indirect losses subsequent or non-subsequent to all damages of whatever nature caused by the fault of the other Party or the personnel acting on its behalf.

Insurance

The CONTRACTOR shall, in due time and at his own expense, take out and maintain the necessary insurance policies covering all insurable risks for which he is liable under the CONTRACT/ORDER during the validity of the CONTRACT/ORDER including the extension period, wherever applicable, and applicable laws and regulations. The COMPANY shall be entitled at all times to require certificates thereof. Each Party shall arrange to obtain from its insurers the necessary waivers of their rights of recourse.

ARTICLE 8 PROPRIETARY RIGHTS AND PATENTS

Each Party remains the holder of the proprietary rights vested before the beginning of the SERVICES.

Technical documents of any kind, such as plans, computation notes, lists of materials, schemes, details of installation and specifications furnished to the CONTRACTOR by the COMPANY, will remain the exclusive property of the COMPANY.

Technical documents of any kind, such as plans, computation notes, lists of materials, schemes, details of installation and specifications prepared by the CONTRACTOR will be the exclusive property of the COMPANY.

The results of the SERVICES will be the exclusive property of the COMPANY, and he will benefit from the exclusive right to apply for patents pertaining to any invention made during or in connection with the SERVICES.

The CONTRACTOR shall provide the COMPANY with his know-how and shall indemnify and hold the COMPANY free and harmless from and against all claims or actions from holders or licensees of any

proprietary and/or patent and/or trademark rights and arising in connection with or during the performance of the SERVICES. The CONTRACTOR shall indemnify and hold the COMPANY free and harmless from and against any damages and expenses incurred by COMPANY as a result.

ARTICLE 9 CONFIDENTIALITY AND PUBLICITY

All information obtained by the CONTRACTOR in connection with the performance of the CONTRACT (other than information which is in public domain) shall be considered confidential and the CONTRACTOR shall not divulge such information to any third party, and shall cause the CONTRACTOR Personnel and Subcontractors not to divulge such information to any third party, either during the term of the CONTRACT or thereafter, except with the prior written consent of the COMPANY.

ARTICLE 10 FORCE MAJEURE

Force Majeure shall mean an event which is beyond the control of the party claiming Force Majeure. It makes it impossible (as opposed to more difficult or more expensive) or illegal for such party to perform the Service Order. Force Majeure is not attributable to the fault or negligence of such party affected and/or its Subcontractor. Force Majeure could not have been foreseen or prevented by such party when exercising reasonable diligence.

Force majeure means any event beyond the control of the party concerned having either an unforeseeable and insurmountable nature preventing the performance of either all or part of the ORDER. Acts including the strike of the CONTRACTOR's, subcontractors' or suppliers' employees, agents or representatives shall in no case constitute force majeure circumstances.

The Party claiming force majeure shall within a maximum period of eight (8) days from the occurrence of the force majeure event (failing which it shall not be entitled to avail itself thereof) (i) notify the other Party of this event, giving evidence of its force majeure nature (ii) indicate its estimated duration and (iii) inform the other Party of the steps taken or which it intends to take.

As a result of the occurrence of a force majeure event, the Parties' performance of the obligations affected shall be suspended; accordingly, each Party shall bear the costs respectively incurred in connection with the same. Should force majeure render the performance, or continued performance of the SERVICES impossible, the COMPANY shall be entitled to exercise any or all of the following options:

- determine the steps to be taken, with the CONTRACTOR's agreement, during the period of suspension ;
- propose a modification of the ORDER to take into account the new situation provided that the CONTRACTOR shall not avail himself of such modification (e.g. reduction in the extent of the SERVICES) to claim any indemnity whatsoever or any additional remuneration ;
- terminate the ORDER with retroactive effect to the date on which the SERVICES were interrupted, without payment of compensation to the CONTRACTOR other than payment for the part of the SERVICES performed to the date of interruption.

ARTICLE 11 TERMINATION

COMPANY shall have the right at any time to terminate the S.O by giving 30 days' notice in writing without any direct or indirect cost to either party.

In the event of termination hereunder, the CONTRACTOR shall be entitled to payment for the SERVICES performed in accordance with the S.O prior to the date of termination.

ARTICLE 12 ASSIGNMENT

Unless previously agreed upon by the COMPANY, the CONTRACTOR shall not assign in any way the ORDER or part of the ORDER or any benefit or interest thereof.

Subject to having first informed the CONTRACTOR, the COMPANY shall be entitled to freely assign the ORDER or part of the ORDER or any benefit or interest thereof.

ARTICLE 13 RULE OF COURT - LIQUIDATION

In the event of a compulsory winding up or rule of Court against, or voluntary liquidation or personal bankruptcy of the CONTRACTOR, the COMPANY shall have the option to terminate the S.O by simple written notification and without compensation, unless it decides to continue the SERVICES with the liquidator or trustee or unless the latter decides to continue to perform the S.O.

ARTICLE 14 SETTLEMENT OF DISPUTES

The S.O shall be construed and take effect in accordance with the laws of the Sultanate of Oman.

Any dispute arising from the S.O shall be referred to a single arbitrator to be mutually agreed between the parties. If no single arbitrator is acceptable to both parties then each party shall nominate an arbitrator and these two arbitrators shall designate a third arbitrator. In the event that either party fails to nominate an arbitrator, as required above, within two months of that date then the other party may apply to the President of the Omani Commercial Court who has the authority to nominate an arbitrator to represent the defaulting party. Where the two arbitrators cannot agree on a third arbitrator, either party shall ask the President of the Omani Primary Court to nominate the third arbitrator.

The findings of the single arbitrator or the panel of three arbitrators shall be accepted as final and binding upon the parties.

The venue of arbitration shall be Muscat, Sultanate of Oman. The rules for the arbitration shall be the UNCITRAL Arbitration Rules in so far as they do not conflict with the provisions of this Article in which case the latter shall prevail.

The language to be used in the arbitration proceedings shall be English.

The Parties shall keep strictly confidential the contents of this arbitration proceeding.

The arbitral decision shall be final, binding and without the right of appeal. The Parties agree to abide by the decision and hereby waive any right to other recourse, to the maximum extent permitted by law.

The existence of an arbitration procedure during the performance of the S.O. shall not suspend the contractual obligations of the Parties.

ARTICLE 15 APPLICABLE LAW

The S.O, its performance and consequences thereof, shall be governed by the laws of the Sultanate of Oman.

ARTICLE 16 NOTICES

In the absence of information on the S.O, CONTRACTOR and COMPANY are deemed to have chosen as their address the address of their registered place of business.

Any correspondence shall be valid when sent to the address chosen by the parties in the S.O or, in its absence, to their registered place of business.