



Oil & Gas International Fze (O.G.I)' Standard Terms & Conditions

1. The term "Client" in the context of this proposal shall mean
2. O.G.I, in the context of this proposal shall mean **Oil & Gas International Fzc.**
3. For the purpose of this quotation, the Client is considered to be the end user of the services proposed by O.G.I, as such all terms stated in this proposal including the payment terms shall prevail. Therefore, unless expressly agreed, in writing, by both Client and O.G.I, this proposal shall not be construed as being a "back-to-back" proposal and any terms and conditions that may exist between the Client and its subsequent customer shall have no bearing on the terms of this proposal.
4. Certificate: Manufacturer Mill Certificate/QDP will be provided for sale offer as per request.
5. Rental Charges shall commence on day the equipment leave O.G.I.' nominated base and shall continue until same is returned to O.G.I.' nominated base in good order, subject to any special terms or concessions stated in the body of this proposal. Daily Rental Rates shall be charged for full day and/or part thereof.
6. Unless otherwise stated in the body of the proposal, all prices quoted in the body of the proposal as well as prices contained in this terms and conditions are in US Dollars and are net of taxes, GST, and / or VAT. Rental rates are quoted per unit per day or per month (Net of any withholding/ local Taxes, G.S.T. or customs Duties/Levies) and shall be charged to Client's account.
7. Personnel:

Personnel Day Rates shall be charged from the day personnel departs O.G.I.' nominated base and charges shall continue until personnel arrives back at O.G.I.' nominated base, subject to any special terms or concessions stated in the body of this proposal. Personnel Day Rates shall be charged for full day and/or part thereof. Unless otherwise stated in the body of the proposal, all costs relating to mobilization and demobilization of personnel from O.G.I.' nominated base to and from Client's nominated location, including but not limited to airport transfers, air fares, transit hotel accommodation charges, applicable visa costs, meals & accommodation whilst on location for Client, taxi fares, out of pocket expenses, or any other related expenses shall be the responsibility of the Client and if arranged and paid for by O.G.I, same costs shall be charged to Client's account at cost plus 15% and grossed



up to include any taxes or other government charges applicable.

Maximum number of hours worked by personnel in any 24 hour period is 12 hours.

8. Tubulars:

All Tubulars returned from rental shall be cleaned and coated with appropriate corrosion inhibitors, both OD and ID. Post rental charges shall be applicable in accordance to the post rental quote/offer shared and the cost will be applicable to per joint/per connection for post rental service, which shall be charged to Client's account.

Any tubulars returned from rental with evidence of cement in the ID will be internally cleaned by means of high pressure water blasting and all cost shall be charged to Client's account at cost plus 15% and grossed up to include any taxes or other government charges applicable. Should the extent of cement in ID of tubulars be judged to be such that complete removal of cement is not possible, all such affected joints shall be considered as damaged beyond repair, as such the provisions of section 9 of the terms and conditions of rental shall apply to these tubulars

9. Inspection / Repair:

All equipment proposed shall be supplied with a current inspection reports. Upon return from rental, all equipment shall be subjected to full inspection to T.H. Hill DS-1, relevant Categories. All expenses incurred by O.G.I in relation to inspection and any subsequent repairs to such equipment including but not limited to any necessary build up of hard banding on drill pipe, heavy weight drill pipe, Drill collar, Hydro clean Pipe blades, and costs relating to Forklift, Crane and Truck hire, and provision of Slings and Dogs for the transportation of equipment to and from third party companies shall be charged to Client's account at cost plus 15% and grossed up to include any taxes or other government charges applicable, subject to any special terms or concessions stated in the body of this proposal.

10. Lost in hole / Damaged Beyond Repair:

If any equipment is reported lost in hole, lost while on rental, not returned from rental, or returned from rental in a beyond economical repair condition, LIH/damaged beyond repair price for such equipment as stated in the proposal plus 15% for freight and shall be charged to Client's account. In the case of equipment lost in hole or lost while on rental, the rental charges shall only terminate on the day a written notification is received by O.G.I from Client advising of the lost item and accepting liability for payment of full LIH/damaged beyond repair prices. (Neither prepaid rentals, nor depreciated values can



be offset against sale costs)

11. H₂S / CO₂ Contamination/Chemical /Acid/Heavy salt water pumping:

Any items of equipment returned from rental, if after inspection, display any evidence of H₂S or CO₂ contamination, e.g. material discoloration, internal or external pitting, sulfide embrittlement, Sulfide Stress Cracking, corrosion etc., same will be considered Damaged Beyond Repair. As such, the provisions of Section 6 of this Terms and Conditions of Rental shall apply. Client to communicate and confirm with the equipment owner about the chemical/acid/heavy salt water propelling in to the tool. Any after results due to such usage, e.g internal or external pitting, sulfide embrittlement, Sulfide Stress Cracking, corrosion etc., will be considered as Damage Beyond Repair even if it is after 6-8 weeks post job off hiring . As such, the provisions of Section 6 of this Terms and Conditions of Rental shall apply.

12. Kelly/Safety Valves, Drop in Check Valves & inside BOP's:

All Valves returned from rental shall be inspected and pressure tested. All costs relating to inspection, pressure testing, replacement of major or minor repair kits and repairs shall be charged to Client's account at cost plus 15% and grossed up to include any taxes or other government charges applicable.

13. Stabilizers:

All Stabilizers returned from rental shall be inspected and if required shall be redressed. All costs relating to inspection and connection repairs shall be charged to Client's account at cost plus 15% and grossed up to include any taxes or other government charges applicable. Unless otherwise stated in the body of the proposal, a redress charge of US\$185.00 per OD inch shall be charged to Client's account for all Stabilizers returned used. For Non- Magnetic Stabilizers the redress charge per OD inch shall be US\$ 205.00.

14. BOP and related equipment:

Equipment will be supplied with full certification. Once the equipment is returned to O.G.I.' facility it will be serviced, tested and certified back to its original certification and condition at the time of rental. This service, testing and certification will be invoiced to the client at (Parts & Labor) Documented cost plus 15%. Any part or parts of the equipment found to have been damaged or used outside their normal operating conditions/recommendations then the cost of repairing or replacing these items will be invoiced to the client at cost plus 15%.

Normal operating conditions for these assets are set forth in the original equipment manufacturers catalog, literature or online.



Missing items such as ring gaskets, rams, packers, handles, studs, nuts, etc. will be replaced and charged to the client at cost plus 15%. All rubber good are sold to client at start of rental. Annular Element wear and tear will be invoiced to the client at a 10% of documented replacement value for each rental. If damaged, the element will be invoiced to the client at cost plus 15%.

15. Jars & Shock Subs:

Service Charge shall apply to Jars & Shock Subs returned from rental in used condition. The services charge shall cover post rental testing in the test bed, complete tear down of the tool, inspection of all components, replacement of seal kit, re-assembly, final testing in the test bed and documentation. All costs relating to re-chroming/hard facing, repair, or replacement of, any component worn, damaged, or rendered damaged beyond repair shall be charged to Client's account at cost plus 15% and grossed up to include any taxes or other government charges applicable.

16. Consumables:

Daily Rental Rates proposed do not cover the cost of consumable items supplied on consignment basis. Consumable items such as Hole opener Cutters, Roller Reamer Cutters and Blocks, Casing Scraper Blocks, Low Torque Sub Sleeves and Collars, etc. if not returned or returned used / damaged shall be sold to Client at landed cost, Dubai UAE plus 15%.

All Threaded equipment is supplied with thread protectors when it leaves our yard, Client shall be charged for any missing or damaged thread protectors at manufacturer's current cost plus 15% and grossed up to include any taxes or other government charges applicable.

17. Freight & Associated formalities:

All costs relating to transportation of equipment from O.G.I yard in Dubai to Client's nominated location and return to O.G.I yard in UAE, including but not limited to handling, provision of cranes, slings & dogs, transportation, duties and levies, clearance, taxes, insurance, or any other related expenses shall be charged to Client's account at cost plus 15% and grossed up to include any taxes or other government charges applicable.

18. Liabilities:

O.G.I shall not be liable to Client or be deemed to be in breach of these terms and conditions by reason of any delay in performing or any failure to perform, any of



O.G.I.' obligations in relation to the Equipment if the delay or failure was due to any cause beyond O.G.I.' reasonable control. Without prejudice to the generality of the foregoing, the following shall be regarded as causes beyond O.G.I.' reasonable control:

- (a) act of God, explosion, flood, tempest, fire or accident;
- (b) War or threat of war, sabotage, insurrection, civil disturbance or requisition;
- (c) Acts, restrictions, regulations, bye-laws, prohibitions or measure of any kind on the part of any governmental, parliamentary or local authority;
- (d) Import or export regulations or embargoes;
- (e) Strikes, lock-outs or other industrial actions or trade disputes (whether involving employees of O.G.I or of a third party);
- (f) Difficulties in obtaining raw materials, labour, fuel, parts or machinery; and
- (g) Power failure or breakdown in machinery.

19. Cancellation:

In the even that an order has been confirmed and equipment has been dispatching to Clients' nominated destination, should the Client decide to cancel the order for any reason whatsoever, O.G.I shall be entitled to claim punitive damages against the Client, the extent of which depends on the quantity and type of equipment and whether the equipment has been specifically purchased or sub-leased from third party/s for the purpose of fulfilling its contractual obligations. Such punitive damages shall include but not limited to the following:

- a) All costs associated with mobilization and demobilization of equipment from point of origin to Client's nominated destination and return, including but not limited to handling, customs clearance, taxes, duties and other levies.
- (b) In the case of rental equipment, full rental charges from date dispatched from O.G.I' Yard until the day returned to same subject to any minimum rental duration stipulated
- (c) In the case of sale, the re-stocking charge of 40%

This clause, however, does not indemnify Client against O.G.I' claim/s for punitive damages in the event that an order has been confirmed but the equipment has not yet been dispatched.

20. Premature Termination of Rental:



In the event of the premature return of rental equipment subjected to minimum continuous rental duration, rental charges shall continue until the minimum rental duration stipulated in the agreement is achieved.

21. Payment Term: Payments are due

- a) Rental Offer: Unless otherwise stated in the body of the proposal, payment in United States Dollars, strictly 30 days from date of Rental Invoice.
- b) Sale Offer: 100% against the receipt of the purchase order or otherwise agreed and negotiated. Any equipment requested will not be mobilized or ownership to be transferred unless receipt of 100% confirmed payment

22. Care & Ownership of equipment:

a) Rental

i) Whilst equipment is in Care Custody and Control of the Client, Client shall assume full responsibility for O.G.I.' equipment and indemnify O.G.I and hold her harmless against any loss of, or damage sustained by, such equipment.

ii) Ownership of equipment shall remain with O.G.I notwithstanding the payment of invoices.

iii) Ownership and title to all equipment will remain with OGI FZE unless a sale from one PARTY to the other, or to a third party, is agreed and executed through proper documentation with the sale consideration received to support such EQUIPMENT sale.

b) Sale

i) Ownership of equipment shall not pass notwithstanding delivery to the client. Ownership of equipment shall transfer to client only after the payment in full has been received by OGI

23. Availability:

Unless otherwise stated in the body of the proposal, all items proposed are currently available "ex stock" O.G.I, subject to prior sale/rental commitment.

24. Arbitration

In the event of any disputes or differences between the PARTIES that cannot be resolved as aforementioned, whether during the progress of activities contemplated by sale or



purchase, or after their completion, the dispute shall be referred to an arbitration tribunal as per arbitration in London and governed by the law of England and Wales.