



HABU OILFIELD SUPPLY GENERAL TERMS AND CONDITIONS SALE & HIRE

1

Application:

These general terms and conditions of delivery apply to all supplies where Habu Oilfield Supply AS (HOS) has assumed delivery obligations for the hire and/or sale of equipment or materials to a customer (the CUSTOMER) These terms and conditions apply unless otherwise is agreed in writing. By ordering products or services, the CUSTOMER accepts the application of these terms and conditions of delivery and the offer made by HOS. The application of the CUSTOMER's own general terms and conditions are hereby expressly excluded, and these shall not apply even if HOS should be notified of their existence or having received them from the CUSTOMER.

2

Offer, acceptance, order confirmation and contract formation:

HOS may without incurring any liability withdraw an offer until HOS has received an acceptance of the offer from the CUSTOMER. The offer is in any case not binding for HOS for more than 30 days from the offer was made. HOS may withdraw from the agreement even after the CUSTOMER's acceptance if this is done due to lacking availability amongst its sub-contractors or suppliers. If HOS's order confirmation deviates from the CUSTOMER's order due to additions, removals or reservations, and the CUSTOMER does not accept such deviations, the CUSTOMER must notify HOS hereof in writing without undue delay, and no later than three business days after receiving the order confirmation. If not, HOS's order confirmation will apply, the delivery includes what has been specified in the order confirmation, the purchase or hires agreement and / or the documents referred to therein. The offered price does not include installation, unless otherwise follows expressly from HOS's offer. If installation is included in the offer, the offer is based on the condition that the equipment can be installed easily. Work permits, authorization's etc, will be the responsibility of the CUSTOMER.

3

Prices

Unless otherwise agreed, the prices that HOS quotes will not include VAT, or other taxes, such as e.g. taxes related to the import and export of goods, freight and forwarding charges. Such taxes, freight costs and fees will be added to the price and invoiced the CUSTOMER to the extent they apply or accrue. All payments shall be made in the currency quoted in the offer. HOS may adjust the price afterwards if there is more than a 3 % change in exchange rate from the tender day to the delivery day. The lease on equipment that is rented is calculated from the date the equipment leaves HOS's workshop until the day it is returned to the same place. Rent is calculated also during weekends and holidays and will accrue even if the CUSTOMER can not avail itself of the equipment, such as in case of crane delays, bad weather etc.



4

Delivery and return of equipment

Delivery shall take place in accordance with the INCOTERMS agreed upon between the parties when entering into agreement. If no INCOTERMS clause has been agreed upon, the delivery shall be made "Ex Works" HOS's address in Tananger. Equipment being hired shall at the end of the lease period be returned to the same place and must then be in the same condition as it was when delivered. If the equipment is not in the required state at such time, HOS may repair or fix it at the expense of the CUSTOMER, and a daily rental will run until the necessary repairs are carried out. HOS may as an alternative claim damages for the losses suffered due to the equipment not being in the agreed upon state upon its return.

5

Delivery time

If the contract states a time period during which delivery shall take place, HOS may choose the specific time of delivery within this time period.

6

Transfer of risk

Unless otherwise is agreed, the risk for the equipment will pass to the CUSTOMER on delivery, cf. article 4. In case of agreements for hire, the risk passes back to HOS once the equipment has been returned to HOS's receipt of goods department in accordance with the hire agreement.

7

Payment terms

Unless otherwise is agreed, payment shall take place net within 30 days. In the event of overdue payment, interest of 1% per month will be charged from the due date until payment is made.

8

Retention of title

In the case of sales on credit, HOS retains title in the sales object as security for the credit until this has been fully paid. The CUSTOMER is not entitled to sell, pledge or otherwise legally dispose of the object until the credit has been fully settled.



9

Amendments

If HOS after entering into the contract discovers a need for changes in the agreed supply, HOS shall immediately notify the CUSTOMER hereof. As a minimum, this notice shall contain information regarding the cause of the change and also any cost and delivery time or other consequences that the change will or may have for the CUSTOMER. The proposed changes will be binding on the CUSTOMER unless the CUSTOMER objects against these within three business days upon receipt of the notice.

If the CUSTOMER wishes amendments after entering into the contract, the CUSTOMER shall inquire to HOS about the possibilities for this. HOS shall in such case inform the CUSTOMER about the consequences for price and delivery time that this change will or may have for the CUSTOMER. The CUSTOMER shall then inform HOS of whether or not it still wishes to have the changes implemented. HOS shall not implement any changes until the price and/or other consequences have been clarified with the CUSTOMER, and the CUSTOMER has consented to these changes.

10

Delivery test

Equipment supplied under the contract will be tested and verified in accordance with HOS's from time to time applicable QA manuals.

11

Delay

If HOS finds that it cannot deliver in due time, or if a delay on HOS's part seems likely, HOS shall inform the CUSTOMER without undue delay, giving the reasons for the delay, and if possible, state when delivery is expected to take place. HOS may not be held liable for delays provided this obligation to inform is observed.

12

Insurance

Unless otherwise is agreed, the CUSTOMER undertakes at his own expense to take out full value insurance against all damage to the equipment supplied, for the period from transfer of risk until the purchase price has been fully paid or the risk for the equipment has passed back to HOS after the end of the rental period, cf 6 clause above.

13

Limitation of liability

HOS cannot under any circumstances be held liable for any indirect loss, such as loss of production or loss of income that the CUSTOMER or a third party might suffer, or for any kind of damage to persons, property or goods, regardless of the cause HOS is not in any case liable unless HOS or its employees have been negligence. The CUSTOMER shall defend HOS and hold HOS harmless against any claim made on HOS in connection with damage to persons, property and goods that the CUSTOMER, his employees or a third party might suffer. Any help given by HOS in such case, is regarded as advice and under no circumstances shall result in liability.



14

Force Majeure

HOS is released from all obligations under the agreement with the CUSTOMER, including these terms and conditions of delivery, if situations should arise over which HOS has no control and which HOS could not have foreseen on entering into the contract. The following circumstances shall be regarded as examples of grounds for exemption, as long as they prevent fulfillment of contract or make fulfillment of contract unreasonably difficult: labor dispute, fire, war, natural catastrophes, mobilization or military call-ups of a similar magnitude.

15

Specifications and drawings

The intellectual property rights to all technical documents such as operating manuals, advertising material, certificates, drawings, test results, etc. will remain the property of HOS. HOS shall provide an agreed number of complete sets of documentation so that the CUSTOMER shall be able to operate and possibly assemble, install and maintain the supplied object.

16

Defects, claims and rectification

HOS is not liable for faults, defects, discrepancies or damage due to normal wear and tear, use of non-approved parts, incorrect handling, inadequate maintenance or overload. HOS is further not responsible for changes or modifications to the equipment supplied, which have been made without the written consent of HOS. The CUSTOMER must familiarize itself with the operation, safety and maintenance regulations prepared for the supplied equipment and materials.

The CUSTOMER undertakes to check the equipment and materials as soon as it has been delivered. Any complaint concerning the delivery shall be made in writing no later than 8 days from the date that defect is or should have been discovered. HOS is only liable for defects for which complaints have been received within 12 months of an approved test run, and in any case within 18 months after delivery.

If there is a defect, and the CUSTOMER has made a complaint within the deadlines defined above, HOS shall remedy the defect without undue delay. HOS shall decide how to remedy the fault, including whether to use new parts or make a repair. In case of repairs at HOS's workshop, HOS will cover all freight costs, labor costs and parts. In case of help outside HOS's workshop, all extra charges associated with freight, travel and subsistence will be charged to the CUSTOMER. Replaced parts of the supply will be taken care of and be available for inspection by HOS for six (6) months. If the parts are not kept available as mentioned, any liability with respect to the part in question will be dropped. Sold merchandises cannot be returned unless agreed.

17

Legal venue

Any dispute between the parties that cannot be solved amicably shall be settled according to Norwegian law in Stavanger Municipal Court, which the parties accept as their legal venue.