

TERMS AND CONDITIONS RENTAL EQUIPMENT AND PERSONELL

1. Application

Unless otherwise agreed in writing, these terms and conditions will apply to all rental supplies where Jergo has assumed delivery responsibility for rental equipment to Customer.

1.2 Definitions

Contractor – Jergo will be the owner and supplier of the rental Equipment and Personnel.

Customer – is the company, firm, person, corporation, or public authority taking Contractor's Equipment on rental.

Equipment – is Contractor's rental equipment which Contractor agrees to rent to Customer.

Personnel – Contractor's personnel performing the work with Equipment.

Services – Work performed with Contractor's Personnel and Equipment.

Contract means the rental agreement consisting of the Order, these terms and conditions and any special conditions detailed in the Order and explicitly accepted by Contractor.

Order means an individual purchase order or other written order issued by Customer for the hire of the Equipment.

1. Terms and Conditions

If not otherwise specified in the offer, this offer is subject to the Terms and Conditions set out herein and subject to availability of equipment and personnel at time of award of a mutually agreed contract incorporating provisions substantially like these Terms and Conditions. In absence of a separate mutually agreed contract, these Terms and Conditions shall apply.

2. Reimbursable

The work shall be compensated on a reimbursable basis, if not otherwise specified in the offer. Contractor agrees to perform the Services as a reasonable and prudent contractor providing good workmanship.

However, Customer acknowledges that in view of the impracticability of obtaining first-hand knowledge of the many variable conditions, the reliance on inferences and assumptions which are not infallible, and/or the inherent difficulty of performing the Services, no warranty is given concerning the performance of the Services, the effectiveness of the Services or any equipment used or materials provided, or the results of the Services, and Contractor's sole liability and Customer's sole remedy in any cause of action as a result of Contractor's work performance or lack of work performance, regardless of sole or concurrent negligence or breach of contract on the part of Contractor, shall be if Contractor's work performance or lack of work performance is due to gross negligence and/or willful misconduct of Contractor, and such sole remedy is limited to one re-performance of such part of the Services at no cost to Customer.

3. Prices, VAT and other taxes

Unless otherwise specified in Contractor's quotation, the prices will not include VAT or other taxes, e.g., related to import and export of goods, freight and forwarding charges or any other additional charges of any nature. Unless otherwise explicitly agreed, the daily rental rates apply for each day or part of day 7 days a week, including holidays.

4. Rates

All rates for personnel and equipment commence and shall apply in full at the time Contractor is ready to start mobilization activities or from the point in time Contractor's Personnel and Equipment are reserved/called off for the exclusive use to Customer and terminate upon return to point of origin, irrespective of any period of standby time or Force Majeure.

The Equipment hire rates shown include costs for all maintenance but exclude operational consumables, e.g. (fuel, lubricants, electricity, water etc.).

5. Customer's obligation

Customer is responsible for all associated costs related to transportation (transport, craneage, docking, labor, accommodation, fees etc.) of equipment and personnel from point of origin to the worksite offshore or onshore and return to the same point of origin. Contractor may arrange said transportation at cost plus 15% or at lump sum agreed upon.

Contractor has assumed that equipment can be easily installed upon the barge/vessel/rig or other location; all costs incurred in installation, including but not limited to welding, testing, steel works, etc. shall be provided directly by Customer or charged to Customer at cost plus 15%. Contractor shall have free and unhindered access to the worksite at any time and Customer shall have carried out all preparations necessary to operate the equipment safely and efficiently (required cleanliness to operate the equipment, free and easy access to utility systems like air, power, water, and all other preparations needed for safe and efficient operations shall have been completed by Customer prior to commencement of Services). Further, Customer shall provide telephone and fax lines and high-speed Internet access enabling high-speed transfer of any document related to the Services to be provided by Contractor. All barge/vessels/rig services required for the operation are to be provided by the Customer without any charge to Contractor.

Contractor's Equipment shall not be off hire for reasons beyond their control, e.g. barge/vessel/rig breakdowns, craneage delays, bad weather, Force Majeure, etc., or any other cause not resulting from failure of Contractor to perform the Services properly. In addition, if there is a breakdown of a specific part of Equipment not caused by reasons beyond Contractor's control, such breakdown shall only cause the charge applicable for said part of Equipment to cease and shall not result in any other part(s) of equipment forming part of the same spread being put off-hire. Breakdown of Equipment shall not result in any reduction in payment for mobilized Contractor Personnel, and all such Personnel shall be on-hire until demobilized.

Customer shall be responsible for obtaining all permits, licenses and the like related to the work to be performed by Contractor under the Contract.

6. Contractor's obligation

Contractor shall provide and maintain the following insurances:

- Insurances for Contractor's Personnel which shall cover losses connected with illness, personal injury, or accidental death.
- Insurance for loss or damage to Contractor's Equipment.

All other insurances required for the performance of the work to be provided by Customer, and Customer agrees that for the risks and liabilities assumed by Customer, all insurance policies of Customer required by these Terms and Conditions or in any way relating to the Services, whether or not required by these Terms and Conditions, will name Contractor, all of Contractor's parent, subsidiary and affiliated companies, its co-owners, partners, joint ventures, and subcontractors (of any tier), and the officers, directors, employees, agents, consultants, and representatives of all of the foregoing, whether jointly, singly, or in any combination (hereafter referred to as "Jergo Group") as additional insured, waive subrogation against Jergo Group, and be primary as respects any other insurance providing coverage to any member of Jergo Group, and will be endorsed to provide full coverage for Jergo Group without regard or limitation as to whether liability is incurred "as owner" of the vessel and to delete any reduction of limits as respects Jergo Group in the event of limitation of liability.

7. Equipment and Operation

For Equipment that is operated by other than Contractor Personnel or if the Equipment has been under the control or possession of Customer, redressing charges (including any charges for necessary refurbishment or overhaul) shall apply in the event of any damages to the Equipment. For Equipment that is intended to use on surface, redressing charges (including any charges for necessary refurbishment or overhaul) shall apply if the equipment is used subsea. In the event the equipment is lost or damaged beyond repair, as determined by Contractor, it will be paid for by the Customer at full replacement value, plus rental and utilization charges.

Equipment is offered as it currently exists on an "as-is" basis; any requested modification or adjustment to equipment shall be at Customer's cost.

For equipment sales Contractor retain the right of ownership of the equipment until it is fully paid.

The rates and prices quoted are exclusive of the cost of the provision of any bonds or guarantees.

Any expenses for room and board required for Contractor crew during mobilization/demobilization, operation or standby time shall be provided by Customer or recharged by Contractor at cost plus 15%.

8. Rotation, Prices and Payment Terms

Personnel relief rotation is normally based upon a maximum of 14-day schedule; however, Contractor would discuss and agree a schedule with Client for the operation.

Should the Services extend beyond the initial term and exceeds a total of twelve months; Contractor requires an annual escalation of all rates at the end of twelve months.

At the end of each month or by the completion of the work, Contractor shall submit to Customer an invoice for the value of the services from the previous month. Within 30 days of receipt Customer shall pay Contractor the due amount. In the event of overdue payment, interest will be charged from the due date until payment takes place in accordance with the Norwegian Act on Overdue Payment ('Forsinkelsesrenteloven').

9. Confidentiality

Customer agrees to keep all information obtained from Contractor concerning the Services (including without limitation operating methods and processes) confidential, and Customer shall not have the right of use, other than for the purpose of the possible contract with Contractor for this project, whether directly or indirectly, of the information, confidential knowledge, operating methods or processes provided by Contractor including during the bidding phase. Customer agrees to indemnify Contractor for all claims, losses, costs, damages, and expenses, including attorney's fees and other legal costs, incurred by Contractor in relation to the non-fulfilment of the above stated obligations of Client.

10. Liability

This offer is subject to, and in the absence of a separate mutual agreement Customer and Contractor agree to, a property, personnel and consequential loss mutual release, hold harmless and defense and indemnity agreement between Contractor and Customer and their respective other contractors regardless of sole or concurrent negligence or other fault of any indemnitee, and Customer agrees to indemnify Contractor against all liability and costs whatsoever to third parties (including Customer's other contractors) and including loading, unloading, ingress, and egress, regardless of sole or concurrent negligence or other fault of Contractor. Customer and Contractor agree to support their indemnity obligations with liability insurance with minimum amounts not less than the lesser amount provided by the two parties.

Notwithstanding the aforementioned, Customer shall, regardless of sole or concurrent negligence or other fault of Contractor: (i) Reimburse Contractor for loss of or damage to such property, materials and/or equipment of Contractor, which occurs while said property, materials and/or equipment are "in hole" and/or subsea and/or in Customer's possession or control, and (ii) release, defend, indemnify and hold Contractor harmless against, and assume responsibility for, all losses or claims or expenses relating to (a) any pollution or contamination, including the control and removal thereof, and including but not limited to any pollution that arises from uncontrolled flow of oil, gas or salt water from below the seafloor, (b) any loss or damage to a well or hole, (c) any injury to, destruction of, or loss or impairment of any property right in or to oil, gas, or other mineral substance or water, if at the time of the act or omission causing such injury, destruction, loss, or impairment, said substance had not been reduced to physical possession above the surface of the earth, (d) for any loss or damage to any formation, strata, or reservoir beneath the surface of the earth, and (e) any costs to control a well or re-drill a well.

11. Inventions

Any inventions, technology, work product, patentable ideas or copyrightable materials conceived in whole or part by Contractor during the term of the performance of Services shall be the property of Contractor.

12. Governing Law and Jurisdiction

The Contract shall be governed by and construed in accordance with Norwegian law. Any dispute between the parties that cannot be solved amicably shall be settled by court proceedings according to Norwegian law at the Hordaland Tingrett, which the parties accept as their legal venue.