

CANSCO TERMS AND CONDITIONS OF RENTAL

1 Interpretation

Customer means the entity represented by its authorised representative who accepts a quotation of Cansco Dubai, LLC or any of its affiliated entities (“**Cansco**”) for the rental (the “**Rental**”) of the equipment described in the quotation (the “**Equipment**”).

2 Basis of the Rental

- 2.1 Cansco agrees to rent to Customer, and Customer agrees to rent from Cansco, the Equipment, subject to the terms and conditions contained herein (“**Terms**”), regardless whether Customer attaches directly or indirectly any other terms and conditions prior to, during or following completion of the Rental. Any such Customer terms and conditions that conflict with these Terms shall be null and void and have no effect with respect to the Rental of the Equipment. No variation to these Terms shall be binding on either Cansco or Customer unless agreed in writing between the authorised representatives of Customer and Cansco.
- 2.2 Cansco's employees or agents are not authorised to make any representation, advice or recommendation concerning the Equipment or as to storage, application or use of the Equipment. In accepting the written quotation for the Equipment, Customer acknowledges that it does not rely upon, and waives any claim for breach of, any such representations or any other representations that are not in writing from an authorized Cansco manager.
- 2.3 Customer shall at all times use the Equipment with due care and attention and in full conformity with the manufacturer's specifications. Customer shall not permit the use of the Equipment (a) for purposes other than those for which it was designed, (b) for any illegal purpose, or (c) for any purposes which will invalidate the insurance coverage for the Equipment. Customer shall ensure that only qualified technicians/persons are permitted to use and operate the Equipment.

3 Possession and Sub-leasing

Customer shall not, without the prior written consent of Cansco, sub-rent or otherwise deliver, transfer or relinquish possession of the Equipment other than for the sole purpose of repairs or maintenance and then only as previously authorized by Cansco in writing.

4 Period of the Rental

The Rental of the Equipment shall commence on delivery in accordance with Article 9 of these Terms and shall terminate on the return of the Equipment to Cansco by Customer subject to these Terms (the “**Rental Period**”).

5 Orders and Specifications

The quantity, quality and description of and any specification for the Equipment shall be those set out in Cansco's quotation.

6 Pre-Delivery Cancellations

In the event Customer cancels an order after accepting Cansco's quotation and Cansco has already initiated the fundamentals of dressing and testing the Equipment in preparation of its delivery to Customer, a cancellation charge shall be payable by the Customer consisting of service facility charges plus fifteen (15%) per cent and dressing charges plus fifteen (15%) per cent, along with fees for transportation back to Cansco's facility, and/or the Rental Amount shall be payable for a minimum period of time to the extent detailed in Cansco's quotation.

7 Rental Amount for the Equipment

- 7.1 The rental amount of the Equipment shall be Cansco's quoted amount as of the date of Customer's acceptance of such quote (the “**Rental Amount**”). All Rental Amounts quoted are valid for thirty (30) days unless another period is mentioned on the quotation. Damaged, used or destroyed BOP rubber packings or elements, ring gaskets, elastomers and other consumables including those used for any test of the Equipment will be charged to Customer at the prices indicated on the quotation. Unless otherwise specified on the quotation all costs relating to transportation of the Equipment from Cansco's point of delivery to and from Customer's nominated location, 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 Customer's account at cost plus fifteen (15%) per cent..
- 7.2 Any tax, duty or levy, whether now in force or enacted or levied in the future (excepting solely any tax based on Cansco's net income levied in the UAE) based on or measured by the charges for the Equipment furnished hereunder, shall be in addition to the Rental Amount and shall be paid by Customer. Such applicable taxes or levies include but are not limited to any value added tax, excise tax, permit fees, import and export duties or similar fees, and license fees, all of which shall be at Customer's sole expense.
- 7.3 All Rental Amounts and any other amounts payable by Customer hereunder shall be paid without any set-off, withholding, counterclaim or deduction whatsoever and shall be free from any taxes or other deductions whatsoever, unless any such deduction shall be compelled by law. In such event, Customer shall pay to Cansco such further amounts as may be necessary, in order that the net amounts received by Cansco, after such deduction, withholding or tax, shall equal the amounts which would have been received in the absence of such deduction, withholding or tax.
- 7.4 In the event Cansco agrees to deliver the Equipment other than in accordance with Article 9.1, Customer shall also be liable for Cansco's charges for transportation, packaging and insurance of the Equipment during transit.

8 Terms of Payment

- 8.1 Cansco shall be entitled to invoice Customer monthly and immediately upon completion of the Rental period for the Rental Amount and any other charges applicable under

these Terms.

- 8.2 Customer shall pay within thirty (30) days of the date of issuance of Cansco's invoice (the "Due Date").
- 8.3 If Customer fails to pay by the **Due Date**, without prejudice to any other rights or remedies available to Cansco, Cansco shall be entitled to:
- (a) cancel the Rental of the Equipment to Customer; and/or
 - (b) appropriate any payment made by Customer in relation to the Equipment (or any equipment supplied under any other arrangement between Customer and Cansco) as Cansco may think fit; and/or
 - (c) charge Customer interest (from the date of such delinquency) on the amount unpaid, at a rate equal to the lesser of (i) two (2%) percent per annum above HSBC Bank Middle East base rate from time to time and (ii) the highest lawful rate permitted by applicable law, until payment is made in full (a part of a month being treated as a full month for the purpose of calculating interest); and/or
 - (d) at any time, require Customer to deliver the Equipment as Cansco may direct and, if Customer fails to do so within seven (7) days, enter Customer's premises and repossess the Equipment. Such entering of Customer's premises shall not be a trespass and Customer shall waive, and shall hold Cansco harmless against, any claims it may have against Cansco arising out of or in connection with such actions.
- 8.4 Customer shall pay all amounts due to Cansco under post rental as provided hereinbelow in section 14.5. Without prejudice to the foregoing, Customer shall ensure that all payments are received in confirmed, cleared funds within a period of net thirty (30) days at Cansco's account at HSBC Bank Middle East, Dubai or, if applicable, such other account as is mentioned on the quotation.

9 Delivery

- 9.1 Delivery of Equipment shall be EX Works Cansco's Dubai premises, in accordance with Incoterms (latest version at date the quotation is accepted by Customer), within seven (7) days after Cansco has notified Customer that the Equipment is ready for collection unless provided otherwise in writing and signed by an authorized representative of Cansco. Upon receipt of Cansco's notification, Customer shall obtain (and, as required by Cansco, shall provide Cansco with an insurance certificate evidencing) insurance coverage for the Equipment prior to its removal from Cansco's premises, and such insurance shall name Cansco as an additional insured under such insurance and waive all rights of subrogation.
- 9.2 If Customer fails to collect the Equipment within seven (7) days of receipt of Cansco's notification or fails to give Cansco adequate delivery instructions at the time stated for delivery (unless such failure is caused by reason of any cause beyond Customer's reasonable control or by reason of Cansco's fault) then, without prejudice to any other rights or remedies available to Cansco, Cansco may store the Equipment until actual delivery and charge Customer for the Rental Amount and the reasonable costs (including insurance) of storage.

10 Risk and Title

- 10.1 Risk of damage to or loss of the Equipment shall pass to Customer upon the following events:
- (a) in the case of Equipment to be collected from Cansco's premises, at the time when Cansco notifies Customer that the Equipment is available for collection; or
 - (b) in the case of Equipment to be delivered other than in accordance with Article 9.1, at the time of delivery or, if Customer wrongfully fails to take delivery of the Equipment, at the time when Cansco has tendered delivery of the Equipment.
- All cost of insurance for the Equipment during such time shall be charged to Customer's account.
- 10.2 Unless and until any Equipment is sold to the Customer in accordance with Cansco's Terms and Conditions of Sale then notwithstanding delivery and the passing of risk in the Equipment to Customer, nor any other provision of these terms and conditions, the Equipment shall at all times be the property of Cansco and Cansco retains all rights of ownership to all Equipment. Nothing in these Terms shall have effect or be deemed to have effect to pass title or beneficial ownership of the Equipment from Cansco.

11 Warranties and Liabilities

- 11.1 Customer rents the Equipment on an "as is where is" basis and Customer's acceptance of delivery from Cansco shall be conclusive evidence that the Equipment is complete, in good order and condition, of merchantable quality, and fit for its ordinary purpose.
- 11.2 Customer acknowledges and agrees that the Equipment has been designed, manufactured, assembled and constructed without reference to or involvement of Cansco and that Customer, after satisfying its own investigation and due diligence, has selected to rent the Equipment from Cansco.
- 11.3 Customer acknowledges and agrees that Cansco has not made or given nor shall be deemed to have made or given any representation, warranty or covenant, expressed or implied (whether statutory or otherwise), as to the value, quality, durability, condition, design, operation, description, merchantability, fitness for use or purpose or suitability of the Equipment or any part thereof, as to the absence of latent or other defects, whether or not discoverable, as to the absence of any infringement of any patent, trademark or copyright, or any other representation or warranty whatsoever, express or implied, with respect to the Equipment, all of which Cansco hereby expressly excludes and disclaims, and all warranties, conditions or other terms implied by applicable law are excluded to the fullest extent permitted by law.
- 11.4 Notwithstanding anything to the contrary herein or at law, Cansco and its officers, directors, employees and agents ("Cansco Group") shall not be liable to Customer for any consequential, incidental, indirect or punitive damages of any kind or character, including, but not limited to, loss of use, loss of profit, loss of revenue, loss

of productivity, loss of efficiency, acceleration, and loss of product or production howsoever arising under the Rental of the Equipment or as a result of, relating to or in connection with the use of the Equipment, whether or not such damages are the result in whole or in part from the sole, concurrent, or partial negligence of any person or party, including the Cansco Group, or for pre-existing conditions (patent or latent), breach of statutory duty, strict liability or any other theory of legal liability.

11.5 Cansco shall not be liable to Customer nor shall Cansco be deemed to be in breach of these Terms by reason of any delay in performing, or any failure to perform, any of Cansco's obligations in relation to the Equipment if the delay or failure was due to any cause beyond Cansco's reasonable control. Without prejudice to the generality of the foregoing, the following shall be regarded as causes beyond Cansco's 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, by-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 Cansco or of a third party);
- (f) difficulties in obtaining raw materials, labour, fuel, parts or machinery; and
- (g) power failure or breakdown in machinery.

12 Indemnity

12.1 Customer shall indemnify and hold harmless Cansco Group from and against any and all claims, costs, suits, damages, losses, injuries or liabilities ("Losses") that may be imposed on, incurred by or asserted against Cansco Group in any way relating to or arising out of the Rental or Customer's use of the Equipment or the performance of Cansco's duties hereunder, unless such Losses directly result from the gross negligence or wilful misconduct of Cansco or its employees.

12.2 Without prejudice to any other right or remedy available to Cansco, Cansco shall be entitled to cancel the Rental and repossess the Equipment without any liability to Customer and, if the Equipment has been delivered and the Rental Amount has not been paid, the Rental Amount shall become immediately due and payable notwithstanding any previous agreement or arrangement to the contrary, if:

- (a) Customer is in breach of these Terms; and/or
- (b) Customer makes any voluntary arrangement with its creditors or becomes subject to an administration order or (being an individual or firm) becomes bankrupt or (being a company) goes into liquidation (other than voluntarily solely for the purposes of amalgamation or reconstruction); and/or
- (c) an encumbrancer takes possession, or a receiver is appointed, of any of the property or assets of Customer; and/or
- (d) Customer ceases, or threatens to cease, to carry on business; and/or

- (e) Cansco reasonably apprehends that any of the events mentioned above is about to occur in relation to Customer and notifies Customer accordingly.

13 Loss and Damage

13.1 In the event the Equipment suffers any damage during the Rental Period, Customer shall promptly give notice thereof to Cansco and the cost of repair of such damage shall be charged to Customer's account.

Repairs or technical changes becoming necessary during the Rental Period will be carried out at the cost of the Customer. Customer may perform such repairs or technical changes only after the prior written agreement has been obtained from Cansco. The Customer is responsible for expert execution of all such repairs or changes.

13.2 The Customer is responsible for any damage to or loss of the Equipment during the Rental Period, including without limitation:

- (a) any Equipment that is lost downhole; and/ or
- (b) any Equipment that is damaged beyond repair; and/ or
- (c) any Equipment that is not returned to Cansco; and/or
- (d) any Equipment that is returned and is subsequently rejected by Cansco;

regardless whether such damage or loss is attributable to Customer's negligence, or the negligence of Customer's employees, servants or agents, or not. In case any Equipment is so lost, not returned, rejected or damaged beyond repair, Customer shall pay to Cansco an amount equal to the lost downhole / damaged beyond repair price indicated in the quotation or as subsequently advised by Cansco. Customer shall also be liable for the continued accrued Rental Amount until the day written confirmation is received and accepted by Cansco proving that the relevant Equipment is lost in hole or damaged beyond repair.

Cause for rejection by Cansco and/or for any Equipment being deemed damaged beyond repair ("Cause") includes, without limitation, conditions that are patent and obvious, physical damage, latent damage, damage caused by careless handling or packing and other conditions generally accepted as such in the oilfield including excessive wear, tear or damage, exposure to H2S, exposure to CO2, exposure to abrasive or corrosive wellbore fluids, exposure to corrosive drilling muds or any acids or alkalis, damage from excessive jarring, damage from fishing operations, damage from excessive temperature or pressure exposure or any caking with cement or other drilling or wellbore fluids.

13.3 Any Equipment or part thereof (including all consumables supplied pursuant to the Rental) to be sold to Customer shall be sold subject to Cansco's Terms and Conditions of Sale.

14 Delivery Terms

14.1 In these Terms, 'Incoterms' means the international rules for the interpretation of trade terms of the International

Chamber of Commerce as in force at the date the quotation is accepted by Customer. Unless the context requires otherwise, terms not defined herein but which are defined under the Incoterms shall have the same meaning ascribed to them in the Incoterms. However, to the extent there is a conflict between the provisions of Incoterms and these terms and conditions, the latter shall prevail.

- 14.2 Customer shall be responsible for complying with any legislation or regulations governing the importation of the Equipment into the country of destination and for the payment of any duties thereon.
- 14.3 Customer shall be responsible for testing and inspection of the Equipment at Cansco's premises before removing the Equipment therefrom. Customer shall be liable for any defect or condition in the Equipment which would be apparent on inspection and which is discovered after its removal from Cansco's premises.
- 14.4 During the Rental Period, Customer shall provide Cansco with such information concerning the location, condition, use and operation of the Equipment as Cansco may require at any time, and shall also provide Cansco access to the Equipment for the purpose of inspecting the Equipment and examining the condition thereof and the records maintained in connection therewith.
- 14.5 All Equipment returned to Cansco shall be in as good condition as when it was delivered to Customer (normal wear and tear excepted, which for the avoidance of doubt shall exclude those conditions indicated in Clause 13.2 hereof as being conditions of Cause). Upon its return, the Equipment shall be inspected by a reputable third party and, if necessary, shall be repaired by a reputable third party. All costs pertaining to such inspection including the cost of the inspection, repairs, pressure testing and transportation to and from the third party's location shall be charged to Customer's account at documented cost plus fifteen (15%) per cent. Customer acknowledges and agrees that such third party will be selected and appointed by Cansco.

15 Severability

If any provision of these Terms is held by any competent authority to be invalid, illegal or unenforceable in whole or in part, the validity, legality and enforceability of the other provisions of these Terms and the remainder of the provisions in question shall not be affected thereby.

16 Confidentiality

Cansco and Customer shall keep confidential these Terms and any and all confidential information that each party may acquire in relation to the business or affairs of the other. Neither Cansco nor Customer shall use the other's confidential information for any purpose other than to perform its obligations under these Terms. Cansco and Customer shall ensure that its officers and employees comply with the provisions of this Article 16.

The obligations on a party set out in this Article 16 shall not apply to any information which:

- (a) Is publicly available or becomes publicly available through no act or omission of that party; or
- (b) The party is required to disclose by order of a Court of competent jurisdiction or otherwise as required under applicable law.

17 Notices

Any notice required or permitted to be given by either Cansco or Customer to the other party under these Terms shall be in writing addressed to that other party at its registered office or principal place of business or such other address as may at the relevant time has been notified pursuant to this provision to the party giving the notice.

18 Waiver

No waiver by Cansco of any breach of these Terms shall be considered as a waiver of any subsequent breach of the same or of any other provision hereof.

19 Dispute Resolution

Any dispute arising under or in connection with these Terms shall be referred to arbitration by a single arbitrator appointed by the agreement of the parties or, in default, nominated on the application of either party by the President for the time being of the Dubai Chamber of Commerce & Industry, in accordance with the rules of Commercial Conciliation and Arbitration of the Dubai Chamber of Commerce & Industry.

20 Governing Law

These Terms shall be governed by the laws as applicable in the emirate of Dubai and those federal laws of the United Arab Emirates applicable in Dubai.