

PETROCOM LIMITED

Terms and Conditions of Sale

1. Basis of Sale

1.1 These Terms and conditions of Sale shall apply to all contracts made between Petrocom Limited ("the Company") and any purchasers of the Company's goods or services ("the Purchaser") unless otherwise agreed in writing. The Company is not willing to contract otherwise than on these Conditions and any printed or standard conditions which appear or are referred to on any documents of the Purchaser are to have no legal effect whatsoever.

1.2 In terms and Conditions: The words "Order and "Contract" shall be synonymous and shall mean the Purchaser's official order for the supply of goods or services by the Company.

1.3 No alteration to any of these Terms and Conditions shall be binding on the Company unless agreed in writing by an authorised representative of the Company.

1.4 The Company contracts with the Purchaser subject to the right on every occasion to cancel Contracts without penalty in cases where either the Purchaser or the terms of the Contract are unacceptable to the Company's insurers.

2. Order and Specification

2.1 All Orders must be made in writing or, in the case of Orders made orally, confirmed in writing by the Purchaser within seven days.

2.2 No order shall become binding upon the Company until it has been expressly accepted by the Company in writing.

2.3 The Purchaser shall be responsible to the Company for ensuring the accuracy of the terms of any Order (including any applicable specification) submitted by the Purchaser and for giving the Company any necessary information relating to the goods or services within a sufficient time to enable the Company to perform the Contract in accordance with its terms.

2.4 The Company reserves the right to make any changes in the specification of the goods which are required to conform with any applicable safety or other statutory requirements or, where the goods are to be supplied to the Purchaser's Specification, which do not materially affect their quality or performance.

2.5 No Order which has been accepted by the Company may be cancelled by the Purchaser except with the agreement in writing of the company and on the terms that the Purchaser shall indemnify the Company in full against all loss (including loss of profit), costs (including the cost of all labour and materials used), damages, charges and expenses incurred by the Company as a result of cancellation.

2.6 The purchaser shall indemnify the Company against all damages, penalties, actions, costs (including the costs of defending any legal proceeding) and any other expense whatsoever to which the Company may become liable or allegedly liable through any work done in complying with the specification, drawings, requirements, or instructions of the Purchaser involving any infringement of alleged infringement of a patent, registered design, copyright or other industrial property of a third party or causing any actionable loss, damage or claims to any third party.

5.3

3. Price

3.1 Tenders and quotations made by the Company do not bind the Company. They may be varied or withdrawn at any time before the Company is bound in contract with the Purchaser.

3.2 While the Company will take every reasonable step to maintain quoted prices the Company nevertheless reserves the right to increase quoted prices in accordance with any increase in the cost of labour of materials or carriage to the Company which arise between the Company's quotation and the delivery date or when quantities of product used to fulfil the Contract exceed the original specification.

3.3 The Price does not include Value Added Tax or any other government tax or duty payable, all of which will be charged as an extra unless expressly stated to the contrary in writing.

4. Passing of Risk and Property.

4.1 Where products or other goods are being dispensed by the Company as part of the Contract risk of damage to the goods shall pass to the Purchaser at the time of the good being discharged from the delivery vehicle at the Purchaser's site. Where products or goods are being installed either pursuant to the services being provided by the Company or the Purchaser's requirement for installation risk in such goods or products shall pass to the Purchaser on completion of installation.

4.2 Upon passing of risk as provided in 4.1, the Company shall not be liable for the safety of the goods thereafter and accordingly the Purchaser shall indemnify the Company for any loss of or damage to the goods howsoever caused until full payment has been received from the Purchaser and shall insure the goods against any such risks as may be commercially prudent and will on request provide the Company with details of the insurance policy.

4.3 Notwithstanding delivery and the passing of risk in the goods or any other provision of these Terms and Conditions the property, legal or beneficial in the goods shall not pass to the Purchaser until the Company has received payment in full in respect of the goods and all other goods agreed to be sold by the Company to the Purchaser for which payment is then due.

4.4 Until such time as the property in the goods passes to the Purchaser (and provided the goods are still in existence and have not been resold) the Company shall be entitled at any time to require the Purchaser to deliver up the goods to the Company and, if the Purchaser fails to do so forthwith, enter upon any premises of the Purchaser or any third party where the goods are stored and repossess the goods.

4.5 On delivery the Purchaser shall become the bailee of the goods and shall hold them for the account of the Company until full payment

has been made by the Purchaser and shall deal with the goods only in accordance with such instructions as the Company may give from time to time.

4.6 Until full payment by the Purchaser the Purchaser shall ensure that the goods remain readily identifiable as the property of the Company and will on request notify the Company of the place of storage except that the Purchaser may sell and deliver the goods to third parties in the ordinary course of business.

4.7 The Company's rights under this Condition shall not be affected by any terms agreed in any contract or otherwise howsoever whereby the Purchaser is granted credit with regard to payment of the price for the goods or is permitted by the Company to defer payment beyond the time agreed for doing so in the Contract.

4.8 The Purchaser will on request assign to the Company all its rights against any person who purchases the goods.

4.9 The proceeds of sale of any disposal together with the proceeds of any insurance claim relating to the goods shall be held by the Purchaser as trustee for the Company until ownership of the goods would have been transferred to the Purchaser a trustee for the Company and if the Company so requires such proceeds will be placed by the Purchaser in a separate bank account which is clearly marked a trust account.

4.10 Should any provision of the Condition 4 be held to be invalid or unenforceable then such provision shall be given no effect and shall be deemed not to be included in these Conditions but without invalidating any of the remaining provisions of these Conditions. The Purchaser and the Company shall then use all reasonable endeavours to replace the invalid or unenforceable provision by a valid provision the effect of which is as close as possible to the intended effect of the invalid or unenforceable provision.

5. Delivery and Carriage

5.1 While the Company will take every reasonable step to comply with the Purchaser's delivery requirements, delivery dates are approximate only and the Company accepts no liability for any cost caused by delay in delivery or failure to deliver due to any cause. No delivery delay shall entitle the Purchaser either to terminate the Contract in whole or in part or to reject delivery of any services ordered by the Purchaser or to claim damages or compensation for any loss caused by the delay unless the Purchaser has served notice in writing that the delay is unreasonable and exceptional and the Purchaser has not received the goods within 4 days thereafter.

5.2 The company shall make available on request from the Purchaser such information as is necessary relating to the use of any materials and/or equipment supplied and/or used and its design, specification, performance, handling and disposal, and to any risk to health or safety to which the inherent properties thereof may give rise and to any conditions necessary to ensure it will be safe and without risk to health when it is being used, set, cleaned, maintained, handled, processed, stored, transported, dismantled or disposed of.

5.3 The Purchaser shall ensure that authorised personnel are on site to sign for delivery or installation upon completion of the services. Any additional work undertaken subsequent to arrival on site shall be deemed to have been ordered by the Purchaser upon signature by authorised personnel of the Company's delivery note.

5.4 The Purchaser shall further indemnify the Company against loss or injury during delivery other than as a result of the negligence of the Company.

5.5 The Company shall be entitled to deliver the goods by instalments and in such case each instalment and in such case each instalment shall constitute a separate Contract and any failure or defect in delivery of any one or more instalments shall not entitle the Purchaser to repudiate the Contract as a whole nor to cancel any subsequent instalment.

5.6 Where any goods specified in an Order are not available at the time of delivery such goods will be included in the subsequent or next convenient delivery unless written instructions to the contrary are received by the Company within 7 days after the receipt of the first delivery by the Purchaser.

5.7 In general the site shall be prepared to the services as agreed with the Company beforehand and the Company reserves the right to pass on the costs of any delays caused by incomplete site preparation or other breach of the Purchaser's contractual obligations which prevent the Company completing the Contract.

5.8 The Company accepts no liability for any damage caused by the passage of its vehicles unless it is agreed that they were driven without due care and attention.

5.9 Where licences/permits to undertake work are required it is the responsibility of the Purchaser to ensure that all such licences/permits are obtained.

6. Terms for Payment

6.1 Payment must be made by the Purchaser within the terms agreed at the time of placing the order notwithstanding that delivery may not have taken place and the title in the goods has not passed to the Purchaser. In the event that the Purchaser fails to make full payment for the goods within the agreed term or appears to the Company to be insolvent the Company reserves the right (without prejudice to its right to recover overdue amounts or to exercise any other rights):

- (a) to charge interest on any overdue amounts on the Purchaser's account at the equivalent rate of 4% per annum above the prevailing base rate of the Bank of England calculated on a daily basis;
- (b) to cancel or suspend further work or deliveries whether due under this or any other Contract;

(c) to recover the goods or other goods to the value of the outstanding amount due.

7. Defective Goods or Services

7.1 Where the Purchaser believes there is any defect or shortage in goods delivered or work undertaken, the Purchaser shall notify the Company in writing within 7 days of the date of delivery or the completion of the work.

7.2 If the Company is satisfied that goods or services delivered to the Purchaser by the Company are defective by reason of short delivery, faulty workmanship, or delivery of the wrong product the Company shall, at its discretion, made good the work, credit the Purchaser with the price of the defective goods or refund the price.

7.3 Even in cases where the Company is satisfied that goods or services delivered to the Purchaser are defective the Purchaser shall not be entitled either to refuse to take delivery of, or to refuse to pay for other goods or services delivered by the Company correctly supplied against the Purchaser's Order. Every contract between the Company and the Purchaser shall be treated separately and the Purchaser shall not be entitled to any set off.

8. Right to Sub-Contract

8.1 The Company reserves the right to sub-contract to remove water or wetstock from tanks prior to filling without further instruction from the Purchaser where the Company has not been previously notified. Where the Purchaser has undertaken to dispose of product or hazardous waste the responsibility for ensuring that this is done in accordance with the law rests with the Purchaser.

9. Extent of the Company Liability

9.1 All warranties, conditions, terms and representations (including any warranties and conditions as to qualify or fitness for any particular purpose) relating to goods or services supplied by the Company (whether expressed or implied by statute, common law and otherwise) are hereby excluded as far as permitted by law.

9.2 The Company shall not be liable for any loss or damage sustained or incurred by the Purchaser or any third party resulting from any fault in the goods supplied unless the fault is caused by the negligence of the Company, its employees, agents or sub-contractors.

9.3 In the event of a justifiable and valid claim by the Purchaser the Company shall only be liable for the maximum of the invoice value of the goods or services under claim.

9.4 The Company shall indemnify the Purchaser and keep the Purchaser fully and effectively indemnified against any loss of or damage to any property or injury to or death of any person caused by and negligent act or omission of the Company, its employees, agents or sub-contractors.

9.5 Where work undertaken by the Company involves goods supplied, site preparation or product removal provided wholly or partly by the Purchaser, the Company accepts no liability for defects of any kind in the goods or services provided by the Company which are caused by use of the Purchaser's goods or services unless the Company expressly states in writing beforehand that the goods or services provided by the Purchaser are adequate and that no defects will arise from the use of them.

9.6 Notwithstanding anything else contained in the Contract, the Company shall not be liable to the Purchaser for loss of profits or contracts or other indirect or consequential loss whether arising from negligence, breach of contract or howsoever.

10. Force Majeure

10.1 The Company accepts no liability for loss or damage arising from fire, flood, fog, war, riots, civil commotion, strikes, walk-outs or other industrial disputes and industrial action, transport delays, accidents of any kind, perils of the sea or river, acts of God, government or local authority restrictions, force majeure or other contingencies which prevent or delay manufacture or delivery of the goods or services to the Purchaser in accordance with the Contract.

11. Events of Default

11.1 The Company shall be entitled immediately on becoming aware of any event of default to rescind the contract without notice or suspend any further deliveries or work under the Contract and recover any goods the title to which has not yet passed to the Purchaser, without any liability to the Purchaser.

11.2 Each of the following shall constitute an event of default:

- (a) the Purchaser ceases to carry on business;
- (b) the Purchaser makes any voluntary arrangements with its creditors, becomes bankrupt or becomes subject to an administration order or goes into liquidation or has a receiver appointed over any of its property or assets;
- (c) the Company considers that any of the events in 10.2 (a) and (d) above may occur in relation to the Purchaser;
- (e) the Purchaser fails to pay the price by the due date.

11. Governing Law

The law of England applies to all matters of whatever nature arising from the Company's Contracts.