

PURCHASE ORDER CONDITIONS FOR THE JPDA (effective 1 December 2008)

This Purchase Order comprises Parts A to G inclusive. Parts A to F will be read in conjunction with, and subject to, Part G (Country Specific Conditions).

PART A: STANDARD CONDITIONS

1 APPLICATION OF THIS PART

The conditions of this Part A apply to all Contracts for the supply of Goods, Services or Rental Items, in addition to any other terms and conditions of the Contract.

2 DEFINITIONS

“**Affiliate**” means, in relation to any party, a business entity:

- (a) in which a party owns directly or indirectly 50% or more of the equity;
- (b) which owns directly or indirectly 50% or more of the equity of the party;
- (c) of which 50% or more of the equity is owned by a common parent company; or
- (d) which a party has the responsibility to operate and control, or to provide management and operational services.

“**Background Intellectual Property**” means:

- (a) in respect of Company, Intellectual Property that is owned by or licensed to Company independently of the Contract; and
- (b) in respect of Contractor, Intellectual Property that is owned by or licensed to Contractor (whether licensed to Contractor by an Affiliate or otherwise) which exists prior to the date that the Contract came into existence or is otherwise developed or acquired by Contractor independently of the Contract, and which is used by Contractor in the performance of the Services or is otherwise made available to Company under or in connection with the Contract; and

which that party is free to disclose to the other party without being in breach on any obligations to a Third Party and, for the avoidance of doubt, excludes New Intellectual Property.

“**Claim**” means any cost, demand, legal proceedings, claims, actions, fines, penalties, obligation or liabilities of any nature, including legal costs on a full indemnity basis, arising under any statute or in equity or at common law or otherwise at law of whatsoever nature.

“**Company**” means the entity issuing the Purchase Order.

“**Company Group**” means Company, the Affiliates of each, and their respective agents, representatives, officers and employees.

“**Company-issue Materials**” means Materials (if any) which the Contract expressly provides are to be supplied to Contractor by or on behalf of the Company.

“**Company's Personnel**” means officers and employees of Company Group.

“**Company's Website**” means the webpage located at www.woodside.com.au/supplying+to+woodside/general+information+for+suppliers

“**Contract**” means the contract comprising the Purchase Order and these conditions.

“**Contractor**” means the person named as the supplier of the Goods, Services or Rental Items in the Contract and includes as appropriate the Contractor's Affiliates, heirs, executors, administrators, successors, and permitted assigns.

“**Contractor Group**” means Contractor, its subcontractors (of any tier), the affiliates of each, and their respective agents, representatives, officers and employees.

“**Contractor's Equipment**” means all appliances, equipment, plant, vehicles, vessels, tools and things that Contractor supplies or is required for the performance of the Services, whether owned, leased or hired.

“**Contractor's Personnel**” means officers and employees of Contractor Group.

“**Contractor's Site Facilities**” means all buildings, workshops, storage facilities, amenities, laydown areas and other improvements, fixtures or facilities constructed or installed by Contractor at or in the vicinity of the Site for the purpose of the Services.

“**Country-specific Conditions**” means those further terms and conditions, attached to or forming part of the Contract, as are applicable to the jurisdiction in which the Contract is to be performed.

“**damage**” includes damage, loss or destruction.

“**Default**” means a breach by a party of its obligations under the Contract.

“**Defect**” means any part or aspect of the Goods, Services or Rental Items which is not in compliance with the requirements of the Contract.

“**Defects Liability Period**” means the period determined in accordance with clause 43.

“**Goods**” means each and every article or thing described in the Contract as to be purchased by the Company, or any part thereof.

“**Group**” means Company Group, Contractor Group or an Other Contractor Group as the case requires.

“**Intellectual Property**” means any invention, patent or application for a patent, design (registered or unregistered), trademark (registered or unregistered), name, copyright, circuit layout, trade secret, know-how, proprietary information or other right in respect of any information, process, work, material or method.

“**Legal Requirements**” means present and future obligations arising under (a) applicable laws, statutes, regulations, by-laws, orders, ordinances, proclamations and decrees; (b) the terms and conditions of any applicable Government approvals; and (c) any binding requirement, direction or order of a Governmental agency.

“**Materials**” includes goods, parts, materials and equipment intended for incorporation in the Services.

“**New Intellectual Property**” is defined in clause 12(c).

“**Other Contractors**” means contractors of the Company, (other than Contractor), and also subcontractors (of any tier) of such Other Contractors who are providing work or services in the vicinity of the Services or in relation to any project or activity related to the Services.

“**Other Contractor Group**” means each Other Contractor and its respective subcontractors (of any tier), the Affiliates of each, and their respective agents, representatives, officers and employees.

“**Personal Injury**” includes personal injury, death or disease.

“**Pollution**” means any liquid or non-liquid pollutant or waste substance of whatsoever nature, including well production and crude oil.

“**Purchase Order**” means the document headed as such and describing the Goods, Services or Rental Items to be supplied, to which these Conditions are attached.

“**Rental Items**” means each and every article or thing described in the Contract as to be rented by the Company, or any part thereof.

“**Site**” means each place in the possession or control of Company, at which the Services are to be carried out. The Site may comprise an onshore location, offshore location or both.

“**Services**” means work and / or services described in the

Contract and includes the performance of all incidental or other services, and the provision of all materials and equipment, necessary to allow or assist the performance of the Services.

“Third Party” means a person not being a member of Company Group or Contractor Group. Third Parties excludes Other Contractors and their respective employees and subcontractors.

“Work Product” means any structure, installation, facility, modification, addition, improvement, Materials (including incorporated Company-issue Materials), development resulting from the performance of the Services, and includes any such item as a work-in-progress prior to completion thereof.

3 INDEPENDENT CONTRACTOR

The Contractor is an independent contractor and must exercise independent control, management and supervision in the performance of the Contract. The Contractor is not the Company’s agent in any way. The Contractor’s Personnel will not under any circumstances be considered employees of the Company for any purpose.

4 ASSIGNMENT

- (a) The Contractor may not assign the Contract or any part of it without the Company’s prior written consent.
- (b) The Company may assign the Contract or any part of it and must, within a reasonable time thereafter, give notice of such assignment to the Contractor.

5 SUBCONTRACTING

The Contractor must not, without the Company’s prior approval, subcontract any part of the Contract. The Company’s approval will not be unreasonably withheld.

6 RATES AND PRICES

In consideration for the Contractor’s performance of its obligations under the Contract, the Company will pay the Contractor the rates or prices specified in the Contract. The rates or prices specified in the Contract will be the sole consideration payable to the Contractor for the performance of the Contract.

7 INVOICING AND PAYMENT

- (a) The Contractor must forward an invoice in a form satisfactory to the Company to “Accounts Payable” at the Company’s address for payment of invoices on the Contract.
- (b) The Company may require that the Contractor furnish satisfactory documentary evidence of the validity of an invoice and any amounts claimed in an invoice.
- (c) Unless otherwise stated, the Contractor shall be entitled to render an invoice upon completion of the work or, where performance of the Contract may exceed 30 days in duration, at the end of each calendar month in which the Contract is performed.
- (d) The Company shall pay the Contractor by no later than the 21st day of the month immediately following the month in which the Contractor’s invoice is received.

8 ASSOCIATED COSTS

Except as otherwise provided in the Contract, the Contractor will be responsible for all costs, expenses and liabilities incurred by the Contractor in connection with the supply of the Goods, Services or Rental Items.

9 CHANGES

The Contractor must promptly comply with any notice from the Company at any time to add to or delete from anything to be provided under the Contract.

10 TAXES

- (a) Contractor will comply with all Legal Requirements relating to taxation.
- (b) If Company is required by Legal Requirements to make withholdings or deductions from payments otherwise due to Contractor, then Company may do so, and the amount so withheld will be deemed to have been paid to Contractor.

11 EXCLUSION OF CONSEQUENTIAL LOSS

Except for liquidated damages or other amounts that become payable under the express terms of the Contract, no Party will be liable to any other Party for any indirect or consequential loss or damage, including loss of profit, loss of use, loss of revenue or loss of opportunity.

12 INTELLECTUAL PROPERTY

- (a) All rights, interest in and title to Background Intellectual Property vest in the owner of the Background Intellectual Property.
- (b) To the extent that it is applicable, each of the parties grants to the other a royalty-free, non-exclusive, non-transferable right to use Background Intellectual Property for the Goods, Services, or Rental Items.
- (c) All Intellectual Property and related proprietary information created under or arising out of the Contract (New Intellectual Property) will vest in the Company as soon as the preparation, production or creation thereof commences.
- (d) To the extent that clause 12(c) does not vest ownership of any New Intellectual Property in the Company, the Contractor assigns all right, title and interest in such New Intellectual Property to the Company.
- (e) The Company grants to the Contractor a royalty free, non-exclusive, non-transferable licence to use the New Intellectual Property for the sole purpose of performing its obligations under this Contract. The licence will endure until the termination or expiration of this Contract.
- (f) The Contractor warrants to the Company that:
 - (i) Contractor is entitled to use the Background Intellectual Property and that Contractor has the ability to allow the Company to use it;
 - (ii) the design, engineering, construction and other activities associated with the Goods, Services or Rental Items will not infringe the Intellectual Property rights of any person and will not result in any royalties, fees or other amounts becoming payable for or relating to the use of Intellectual Property; and
 - (iii) Contractor will release and indemnify the Company in respect of any claim based on any breach or alleged breach of any Intellectual Property in connection with the Goods, Services or Rental Items.

13 RIGHT TO USE SOFTWARE

If applicable and subject to clause 12, Contractor must:

- (a) obtain the Company’s written consent to procure Third Party software that may be required for the provision of the Services; and
- (b) ensure that any software required for the Services, entitles the Company to:
 - (i) use the software;
 - (ii) extract any data or other information that Company may have entered into any database using such software;
 - (iii) permit any person to assist the Company to do any of

the things referred to in paragraph (ii) above; and

- (iv) ownership of any data or other proprietary information generated in the course of Company using the software to be vested in the Company.

14 CONFIDENTIALITY AND INFORMATION SECURITY

- (a) The Contractor must keep secure and must not without the Company's prior written consent divulge or communicate to any person any information in whatever form:
- (i) as to the contents, operation or performance of the Contract, any information which may come to its knowledge in the course of performing the Contract as to the operations, business dealings or financial affairs of the Company; and
- (ii) any technical information, know-how, data, inventions, trade secrets, formulae, graphs, drawings, designs, and other related information relating to the Company.
- (b) The obligations imposed by this clause survive the expiration or termination of the Contract.

15 LOCAL INDUSTRY PARTICIPATION POLICY

The Contractor must inform itself of the Company's Local Industry Participation Policy and accompanying guidelines as detailed on the Company's Website and must reflect the policy and such guidelines in its subcontracting and purchasing strategies.

16 LEGAL REQUIREMENTS

In performing any work under the Contract, the Contractor will observe and comply with all Legal Requirements.

17 CORPORATE CODE OF CONDUCT

The Contractor will at all times comply with the Company's Corporate Code of Conduct as detailed on the Company's Website.

18 BUSINESS ETHICS

- (a) The Contractor must not, and must ensure that its subcontractors and personnel do not, in connection with the Contract, either directly or indirectly offer or give or agree to give to any person in the service of the Company any gift or consideration of any kind as an inducement or reward for any act or omission of that person or another in relation to the obtaining or execution of this or any other contract with the Company.
- (b) The Contractor warrants that it has not made and will not make, with respect to or in connection with the matters provided for in the Contract, any payments, loans, gifts, or promises or offers of payments, loans or gifts, directly or indirectly to or for the use or benefit of any official or employee of any relevant government or to or for the use of any political party, official or candidate or to any other person if the Contractor knows or should have known or has reason to suspect that any part of such payment, loan, or gift or such promise or offer, would violate any applicable governmental laws, rules or regulations, including but not limited to the laws, rules or regulations of the Commonwealth of Australia or the United States of America.
- (c) The Contractor will ensure that the requirements of this clause 18 form part of or are otherwise imposed on any party from which products or services are procured, including the obligation to impose such terms on any subcontractor.
- (d) The Contractor shall provide, upon request by the Company, written certification that the

Contractor has complied with the provisions of this clause 18.

19 EXPORT CONTROLS

- (a) The Contractor agrees to conduct its operations hereunder in compliance with all applicable governmental laws, rules and regulations, including, but not limited to, export and other foreign trade controls under the laws of the United States of America restricting sales and transfers to other countries and parties of commodities, software or technical data.
- (b) The Contractor shall upon request provide written certification that the Contractor has complied with all such laws.

20 TERMINATION

- (a) The Company may terminate the Contract by giving 7 days' written notice to Contractor without incurring any liability to the Contractor for any compensation or payment of moneys except what is properly due for that part of the Contract properly performed to the date of service of the notice.
- (b) If the Contractor defaults in or breaches any of its obligations pursuant to the Contract, the Company may by notice and without prejudice to any of its other rights, do either or both of:
- (i) reject any Goods;
- (ii) terminate all or any part of the Contract,

and the Company will not be liable to pay the Contractor any damages, compensation or reimbursement for any Services performed or expense incurred by the Contractor after the date of termination or any cost, charge or expense or loss of profit or other economic loss of any kind arising from or consequent upon such termination.

21 GOVERNING LAW AND JURISDICTION

The Contract and all questions arising in connection with it are governed by and will be construed in accordance with the laws in force in the jurisdiction specified in Part G or if no law is specified, the laws in force in the State of Western Australia. The Parties agree that any conflict of laws rule that may otherwise refer the interpretation of this Contract to the laws of another jurisdiction, will not apply to this Contract.

22 REPRESENTATIVES

Company and Contractor will each appoint a representative for the purpose of liaising with the other party, and will notify the other party of its appointed representative. Contractor's representative will have the authority to legally bind Contractor in matters arising under the Contract.

23 ENTIRE AGREEMENT AND VARIATION

The Contract constitutes the entire agreement between the parties and supersedes all previous negotiations and communications. The Contract may only be varied by written agreement between Company and Contractor.

PART B: GOODS CONDITIONS

24 APPLICATION OF THIS PART

To the extent that the Contract is for the supply of Goods, whether in conjunction with the supply of Services or Rental Items or otherwise, the conditions of this Part B apply in addition to any other terms and conditions of the Contract.

25 BASIC ARRANGEMENT

The Contractor shall supply the Goods, and the Company shall pay the Contractor for the Goods supplied, in accordance with and to the standard required by the Contract.

26 THE GOODS

- (a) The Contractor is responsible for the delivery and all costs associated with the delivery of the Goods to the Company's premises or such other location that is specified in the Contract.
- (b) Any installation of the Goods by the Contractor will be subject to the provisions of Part C and, where applicable Parts E and F.
- (c) The Goods must be new, of the best quality and workmanship, free from faulty design and defects, suitable for the purpose intended and conform to the Contract requirements and any applicable International or Australian standards.
- (d) The Contractor must furnish all engineering and other data in accordance with and within the time stated in the Contract.

27 TIME

- (a) The time for delivery of the Goods, as specified in the Contract, is of the essence.
- (b) If it ever appears that the time for delivery of the Goods will not be met, the Contractor must immediately notify the Company of any anticipated delay, with complete information regarding the cause and the earliest possible delivery date. In such event, the Company may (without prejudice to any other rights) terminate all or any part of the Contract.

28 RISK, TITLE AND PROPERTY

- (a) Title to and property in the Goods immediately passes to the Company upon payment or delivery, whichever occurs first, and the Goods must be appropriately marked and identified as the property of the Company.
- (b) Risk in the Goods remains with the Contractor until delivery to the Company in accordance with the Contract.

29 INSPECTION AND TESTING

A representative of the Company is entitled to expedite, inspect and witness tests on the Goods at the Contractor's and any subcontractor's premises. The Contractor must allow Company access at any time to the Contractor's and any subcontractor's premises for this purpose. The Contractor must make this a condition of any subcontract.

30 WARRANTIES

- (a) If any Defect in the Goods attributable to design, workmanship or operating characteristics arises within:
 - (i) 12 months from the date when the Goods are first put into service; or
 - (ii) 24 months from the date of delivery,
 (whichever is sooner) the Contractor must, at its own expense, do all things necessary to remedy the Defect and must reimburse the Company for any costs incurred in connection with the Defect, including the cost of the Company remedying the Defect if the Contractor does not do so within a reasonable period following notice of the Defect from the Company.
- (b) If the Company determines that a Defect cannot adequately be remedied, then the Company may, at its option, elect either to accept the non conforming Goods with an adjustment in the purchase price or to direct that the defective Goods be removed at the Contractor's expense.
- (c) In the event of any remedial work, a new warranty will apply to such work for a period of 12 months from its completion or until expiry of the normal warranty period, whichever is later.

31 CONSIGNMENT

- (a) Where Goods are to be supplied on a consignment basis, as indicated by the Purchase Order, they shall be delivered in accordance with the agreed delivery terms, on or before the due date stipulated in this Contract. Goods shall be available to the Company on a consignment basis for a period of 180 days (or as directed by the Company) from the date of delivery with option for extension by mutual agreement.
- (b) Consignment stock held by the Company shall be on a first right of refusal basis. In the event that Goods are required by the Contractor, after the consignment expiration dates as noted in clause (a) above, the Company shall either purchase or as soon as practicable, return the goods to the Contractor's nearest stocking point.

32 INCOTERMS

Where the Contract includes a term included in Incoterms 2000, the rules and definitions governing that term in Incoterms 2000 will apply, except to the extent that they conflict with any provision of the Contract.

PART C: SERVICES CONDITIONS**33 APPLICATION OF THIS PART**

To the extent that the Contract is for the supply of Services, whether in conjunction with the supply of Goods or Rental Items or otherwise, the conditions of this Part C apply in addition to any other terms and conditions of the Contract.

34 BASIC ARRANGEMENT

The Contractor shall perform the Services, and the Company shall pay the Contractor for Services performed, in accordance with and to the standard required by the Contract.

35 THE SERVICES

The Contractor is responsible for the provision and maintenance of all materials and resources necessary to perform the Services.

The Services must be of first class quality and the Contractor must perform the Services:

- (a) with due care and skill and in accordance with any applicable standards and in accordance with good safety practices;
- (b) with the diligence and skill and to the standard and in the manner reasonably expected of a professional person or company providing services of the kind described in the Contract; and
- (c) where applicable in accordance with good oilfield and engineering practices.

36 TERM

- (a) The Contractor will commence the Services on the date or within the period specified in the Contract.
- (b) The Contractor will continue to perform the Services for the period specified in or determined in accordance with the Contract, unless the Services are terminated earlier in accordance with the Contract.

37 CONTRACTOR'S PERSONNEL

- (a) Contractor will engage and provide the services of all personnel required to perform the Services.
- (b) Contractor will ensure that all of Contractor's personnel hold current, the necessary licenses,

permits, endorsements and other certificates required by law to carry out the Services and are competent in every way to perform the Services.

38 CONTRACTOR'S EQUIPMENT

- (a) Contractor will supply all tools and equipment necessary to complete the Services.
- (b) Contractor will ensure that all of Contractor's Equipment is in good working order and suitable for use in connection with the Services.

39 EMPLOYEE AND INDUSTRIAL RELATIONS

The Contractor is responsible for its employees and industrial relations with its employees and any subcontractors' employees and must conduct its employee and industrial relations using the highest standard of skill, care and diligence. The Contractor must not hinder or adversely affect the employee and industrial relations of the Company or any other employer on the Company's premises.

40 ACCESS

- (a) The Company grants the Contractor access to the Company's premises subject to compliance by the Contractor, its subcontractors and their respective personnel with the Company's regulations, procedures and directions governing security, safety, the environment and cyclones. The Contractor must remove any of its personnel from the Company's premises immediately upon request by the Company.
- (b) The Contractor does not have exclusive possession of all or any part of the Company's premises but only such use and control as the Company considers is necessary to enable the Contractor to execute the Services.

41 INSPECTION AND TESTING

The Company and its agents have the right to carry out reasonable inspection and testing to ensure that the Services are in compliance with the Contract. The Contractor will render such reasonable assistance (including access to the Contractor's premises) as may be required to facilitate such inspections and testing.

42 RECORDS AND INFORMATION

- (a) Contractor will provide periodic progress reports on the performance and progress of Services under the Contract and matters arising in the course of such Services. The reports will be prepared and given with such frequency and in such format as Company may reasonably require from time to time.
- (b) Contractor will keep full and accurate records relating to the performance and progress of Services under the Contract and matters arising in the course of such Services. Company will be entitled to inspect and copy such records.

43 DEFECTS LIABILITY PERIOD

- (a) The Defects Liability Period will be for a period of 12 months commencing upon the completion of the Services.
- (b) During the Defects Liability Period, the Contractor shall remedy Defects within 14 days of receiving notice of each Defect from the Company or such other period as the Company may require, having regard to the nature and effect of the Defect.
- (c) The Contractor will be responsible for all costs associated with remedying Defects.

All remedial work will be subject to the provisions of the Contract. All remedial work will have its own separate Defects Liability Period of 12 months commencing from completion of

the remedial work.

44 INDEMNITIES

- (a) As between Company and Contractor, liability for Claims in respect of Personal Injury arising from the performance of the Services is allocated as follows:

	Nature of Claim	Responsibility for Claim
(i)	Claim for Personal Injury to any of Company's Personnel.	(i) Company will, to the maximum extent permitted by law, indemnify Contractor Group against the Claim. (ii) Subject to (i) above, the indemnity applies regardless of the cause of the Personal Injury and regardless of any negligence or breach of duty by any of the indemnified persons. However, the indemnity will not extend to any criminal prosecution, fine or penalty.
(ii)	Claim for Personal Injury to any of Contractor's Personnel	(i) Contractor will, to the maximum extent permitted by law, indemnify Company Group against the Claim. (ii) Subject to (i) above, the indemnity applies regardless of the cause of the Personal Injury and regardless of any negligence or breach of duty by any of the indemnified persons. However, the indemnity will not extend to any criminal prosecution, fine or penalty.
(iii)	Claim for Personal Injury to a Third Party arising out of the Services	As between Company Group and Contractor, Contractor will, to the maximum extent permitted by law, indemnify Company Group against the Claim, except to the extent that the negligence of Company Group has directly contributed to the Claim. To the extent that the negligence of Company Group has directly contributed to the Claim, Company will be responsible for the Claim.

- (b) As between Company and Contractor, liability for Claims in respect of damage to property arising from the performance of the Services is allocated as follows:

	Nature of Claim	Responsibility for Claim
(i)	Claim for damage to Contractor's Equipment, Contractor's Site Facilities or other property owned hired, leased or provided by Contractor Group	Contractor will indemnify the Company Group against the Claim. The indemnity applies regardless of whether any of the indemnified persons may have caused or contributed to the damage.
(ii)	Claim for damage to property	To the extent that Contractor's act, Default or negligence has caused or contributed to the

	owned by Company Group (other than the Work Product and Company-issue Materials)	damage, Contractor will indemnify Company Group against the Claim.
(iii)	Claim for damage to the property of a Third Party arising out of the Services	As between Company Group and Contractor, Contractor will indemnify Company Group against the Claim, except to the extent that the negligence of Company Group has directly contributed to the Claim. To the extent that the negligence of Company Group has directly contributed to the Claim, Company will be responsible for the Claim.

- (c) As between Company and Contractor, liability for Claims in respect of Pollution arising out of the performance of the Services is allocated as follows:

	Nature of Claim	Responsibility for Claim
(i)	Claim for Pollution that emanates from Contractor's Equipment or Contractor's Site Facilities.	Contractor will indemnify Company Group against the Claim.
(ii)	Claim for Pollution that emanates otherwise than from Contractor's Equipment or Contractor's Site Facilities.	To the extent the Claim results from the act, Default or negligence of Contractor, Contractor will indemnify Company Group against the Claim.

45 INSURANCE

- (a) Contractor will take out and maintain all insurances required by Legal Requirements and in addition the following insurances:
- (i) public liability insurance against third party liabilities arising from the performance of the Services. The insurance will have a limit of not less than \$5,000,000 per claim. Contractor will ensure the liability policy:
- (A) is endorsed to include Company and such other parties as Company may nominate as additional insured to the extent of liabilities assumed by the Contractor under the Contract;
- (B) provides a complete waiver by the insurer of all express or implied rights of subrogation against the Company and such other parties as the Company may nominate.
- (ii) workers compensation insurance as required by law and employer's liability insurance. Where permitted by law and commercially available, the policy must

be endorsed to include indemnity for the Company and such other parties as the Company may nominate as principals;

- (iii) motor vehicle third party liability insurance as required by law, and motor vehicle third party property damage with an indemnity of not less than \$1,000,000 for any one occurrence;
- (iv) insurance covering the Contractor's own property, equipment, materials owned, hired leased or used by the Contractor for the purpose of this Contract and
- (v) any additional insurance required by any applicable law.
- (b) In addition to the insurances to be obtained by the Contractor pursuant to clause 45(a) the Contractor may obtain such additional insurances at its own cost as it deems necessary to cover its liabilities that it has assumed under this Contract.
- (c) Contractor will at the request of Company provide for inspection copies of all insurance policies and certificates of currency in respect of the insurances required to be taken out by Contractor.

46 WARRANTIES

- (a) The Contractor warrants that the Services will be:
- (i) fit for their intended purpose;
- (ii) carried out in accordance with good industry practices;
- (iii) free of Defects; and
- (iv) carried out in strict compliance with the requirements of the Contract.
- (b) The delivery of a warranty from any Third Party vendor shall be in addition to the warranties given by the Contractor under the Contract, and shall not relieve the Contractor from responsibility for its warranties under the Contract.
- (c) The Contractor will obtain and assign any warranties received from Third Party vendors to the Company and will assist the Company in securing performance of Third Party warranties.
- (d) Where the Contractor obtains a warranty not specified in the Contract or where a warranty obtained by the Contractor extends beyond the Defects Liability Period, the Contractor must ensure that the Company has the benefit of that warranty.
- (e) If, during the term of the Contract or during the Defects Liability Period, the Company is of the view that the Services do not comply with the requirements of the Contract then the Company may require the Contractor to re-perform the Services at the Contractor's cost within such time as the Company reasonably may request.

47 POLLUTION

The Contractor must perform the Contract in a manner that will prevent Pollution.

48 SITE CONDITIONS AND CONTRACTOR'S INVESTIGATIONS

- (a) The Contractor will be deemed to have examined and taken into account all local and other conditions affecting the performance of the Services and all information which is relevant to the risks, contingencies and other circumstances which could affect its performance of the Services, whether provided by the Company or otherwise obtainable by the

making of reasonable enquiries.

- (b) The Company gives no warranty of accuracy, sufficiency or completeness in relation to information provided to the Contractor and disclaims all responsibility for such information. The Company will not be liable to the Contractor, in contract or tort or under any other law, for any inaccuracy in or inadequacy of information provided to the Contractor in relation to the Services.

49 HEALTH SAFETY AND ENVIRONMENT

The Contractor is responsible for the management of health, safety and environmental issues related to and during the performance of the Contract. The Contractor must fully comply with all of the Company's health, safety and environmental requirements, including, but not limited to the Company's Fitness for Work Policy.

50 HAZARDOUS MATERIALS

The Contractor must not bring hazardous material on to the Company's premises unless:

- (a) its use, presence or production is essential and there is no alternative product or process available which is less hazardous but otherwise equivalent;
- (b) all statutory and Company requirements are met for safe handling, health protection, packaging, labelling, transport, storage, emergency procedures, waste disposal and environmental protection; and
- (c) its introduction and use has been approved by the Company.

PART D: RENTAL CONDITIONS

51 APPLICATION OF THIS PART

To the extent that the Contract is for the supply of Rental Items, whether in conjunction with the supply of Goods or Services or otherwise, the conditions of this Part D apply in addition to any other terms and conditions of the Contract.

52 BASIC ARRANGEMENT

The Contractor shall lease the Rental Items to the Company, and the Company shall pay rent to the Contractor for the Rental Items, in accordance with the terms of the Contract.

53 THE RENTAL ITEMS

- (a) The Contractor is responsible for the delivery and all costs associated with the delivery of the Rental Items to the Company's premises.
- (b) The Contractor is responsible for the installation of the Rental Items.
- (c) The Rental Items must be of the best quality and workmanship, free from faulty design and defects, suitable for the purpose intended and conform to the Contract requirements and any applicable international or Australian standards.
- (d) The Contractor must furnish all operating manuals and instructions for the Rental Items in accordance with and within the time stated in the Contract.

54 RETENTION OF OWNERSHIP

The Contractor retains full title to the Rental Items, notwithstanding that the Rental Items may be:

- (a) leased to and in the possession of the Company; or
- (b) attached to any land or buildings.

55 DEFECTS

- (a) During the term of the rental, the Company will notify the Contractor of any Defect in the Rental Items as soon as practicable after becoming aware of such Defect.
- (b) The Contractor must, at its own expense, do all things necessary to remedy the Defect and must reimburse the Company for any costs incurred in connection with the Defect, including the cost of the Company remedying the Defect if the Contractor does not do so within a reasonable period following notice of the Defect from the Company.
- (c) If a Defect cannot be remedied, the Contractor must make replacement Rental Items available for lease to the Company in accordance with the terms of the Contract.

56 RENT

- (a) The Company will pay rent for the Rental Items to the Contractor monthly in arrears in accordance with the Contract.
- (b) The rent is a fixed sum and is not subject to any rise and fall.

57 DURATION OF RENTAL

The rental will continue for the period specified in the Contract. If the Company continues to retain possession of the Rental Items, with the Contractor's consent, beyond the period specified in the Contract, the Company shall be deemed to lease the Rental Items on a week to week basis on the same terms as the Contract, including any changes necessary to make the terms appropriate for a monthly tenancy.

58 NO ENCUMBRANCES

The Company must procure that:

- (a) no Rental Items are sold or otherwise disposed of;
- (b) possession of any Rental Items is not shared with or provided to, and no sub-rental, licence or sub-licence affecting any Rental Items is granted to, any person other than an Affiliate of the Company; and
- (c) no encumbrance is created over any Rental Items,

without the consent of the Contractor.

59 QUIET ENJOYMENT

If the Company pays the rent for the Rental Items and duly and punctually complies with all provisions of the Contract, the Company may peaceably possess and enjoy the Rental Items during the term of the rental without any interruption or disturbance from the Contractor or any person lawfully claiming through the Contractor.

60 MAINTENANCE AND REPAIR

Unless otherwise specified in the Contract:

- (a) The Contractor will be responsible for carrying out all routine and non-routine maintenance of the Rental Items that may be required during the term of the rental.
- (b) The Contractor will maintain the Rental Items in good and operable condition.

61 DAMAGE

The Company will endeavour to protect the Rental Items against loss or damage. However, the Company will not be responsible for accidental loss of or damage to the Rental Items, and the Contractor will indemnify the Company and the Company Group against any Claims for such loss or damage.

62 INSURANCE

Unless otherwise specified in the Contract, the Contractor is responsible for insuring the Rental Items for their full replacement value against accidental loss or damage.

63 TERMINATION

At the end of the term of the rental or upon the termination of the Contract for any reason:

- (a) the Rental Items will be returned to the Contractor subject to fair wear and tear given the conditions under which the Rental Items were employed;
- (b) all costs associated with the return and delivery of the Rental Items from the Company to the Contractor will be borne by the Contractor; and
- (c) the Contractor may recover from the Company all rent due and owing under the Contract at the date of termination.

PART E: OPERATIONS ADDITIONAL CONDITIONS

64 APPLICATION OF THIS PART

The conditions of this Part E apply to all Contracts for the supply of Goods, Services or Rental Items, in addition to any other terms and conditions of the Contract, except in the case of Excluded Operations and except where expressly stated to the contrary.

For the purposes of this Part E only, “**Excluded Operations**” means any work or services provided solely within office premises located in the central business district of an urban area containing an intense concentration of office and retail activities.

65 INDEMNITIES

(a) Subject to paragraph (b), Contractor indemnifies each Other Contractor, and its respective Group, against all Claims arising from the performance of the Services where the Claim relates to:

- (i) To the maximum extent permitted by law, Personal Injury to any member of the Contractor Group;
- (ii) damage to the property owned, hired, leased or provided by any member of the Contractor Group;
- (iii) any consequential loss, economic loss, loss of use, loss of production, loss of opportunity, loss of revenue, loss of profit or loss of anticipated profit suffered by any member of the Contractor Group; or
- (iv) the discharge or escape of any pollutant or waste material which emanates from the property or equipment of the Contractor Group whether owned, hired or leased or provided by any member of the Contractor Group.

(b) The indemnities in paragraph (a) (“**Indemnities**”) apply regardless of cause and notwithstanding any negligence or breach of duty (statutory or otherwise) of the indemnified parties. However, the Indemnities will not extend to any criminal prosecution, fine or penalty.

(c) The Indemnities will only be enforceable by an Other Contractor and its respective Group if and to the extent that, prior to the event giving rise to a Claim under the indemnity, the Other Contractor has provided an enforceable indemnity which operates in favour of the Contractor in substantially the same manner as the Indemnities operate in favour of the Other Contractor (“**Reciprocal Indemnities**”). An Other Contractor that has not provided Reciprocal Indemnities in favour of Contractor is not entitled to the benefit of the Indemnities provided by Contractor under clause 65(a).

(d) An Other Contractor that has provided Reciprocal Indemnities is referred to as a **Reciprocating Contractor**. Contractor acknowledges that:

- (i) The Indemnities are intended to apply for the benefit of each and every Reciprocating Contractor and its respective Group, notwithstanding that the indemnified persons are not parties to the Contract.
- (ii) The Reciprocal Indemnities provided by Reciprocating Contractors are due and proper consideration for the Indemnities given by Contractor in favour of Reciprocating Contractors and their respective Groups.
- (iii) The Indemnities can be relied on by the Reciprocating Contractors, and their respective Groups, and are enforceable against Contractor directly by Reciprocating Contractors and by their respective Groups.
- (iv) Company receives the benefit of the Indemnities as agent and trustee for itself, Reciprocating Contractors and their respective Groups. This clause does not in any way prevent or restrict Company from amending any terms of the Contract without reference to Reciprocating Contractors.
- (v) Company is at liberty to inform the Reciprocating Contractors of the existence and terms of the Indemnities and of this clause.
- (e) If any member of the Contractor Group makes a Claim against any person which contravenes the intent of this clause, then Contractor will indemnify Company Group against all costs, expenses and liabilities associated with the Claim.
- (f) Company gives no warranty as to the legal effect or enforceability of any Reciprocal Indemnities, and Company will not in any circumstances incur any cost or liability by reason of these indemnities. In seeking to enforce a Reciprocal Indemnity, Contractor will not seek to join the Company in any legal proceedings, and if Company is joined in any such legal proceedings, Contractor will indemnify Company against all costs and liabilities associated with the legal proceedings.
- (g) No indemnity in this clause is waived by any provision of the Contract with regard to insurance or by the issue of any insurance policy.
- (h) The provisions of this clause will survive the expiry or any termination (for cause or otherwise) of the Contract.

PART F: DRILLING & COMPLETIONS ADDITIONAL CONDITIONS

66 APPLICATION OF THIS PART

To the extent that the Contract is for the supply of Goods or Services in relation to drilling operations, whether in conjunction with the supply of Services, Rental Items or other Goods, the conditions of this Part F apply in addition to any other terms and conditions of the Contract, except where expressly stated to the contrary.

67 WELL COMMENCEMENT DATE

The anticipated spud date for the well specified in the Purchase Order is subject to change and the Contractor must liaise with the Company representative with respect thereto. Goods and Services must be provided as and when required by the Company.

68 DOWN HOLE EQUIPMENT

All down hole equipment provided by the Contractor shall be

manufactured, tested and inspected to the relevant ISO standard or such other standards determined by the Company.

69 INDEMNITIES

- (a) This clause 69 is to be read in conjunction with clause 44 and clause 65.
- (b) As between the Company and the Contractor, liability for claims in respect of property arising out of the performance of the Services is allocated as follows:

	Nature of claim	Responsibility for claim
(i)	Notwithstanding clause 44(b)(i), in respect of a claim for loss of or damage to Contractor's down-hole equipment when the down-hole equipment is in-hole below the rotary table.	<p>Company will reimburse the Contractor for the cost of repairing or replacing such Contractor's down-hole equipment, except to the extent that:</p> <ul style="list-style-type: none"> • the loss or damage is caused or contributed to by normal wear and tear, (including outside diameter wear), fatigue failure, normal corrosion as a direct result of carrying out the Services defects in or malfunction of the equipment, or any breach of the Contract on the part of the Contractor that contributes to loss of or damage to Contractor's Equipment; • the equipment does not comply with required specification; • Contractor's own procedures and standards have not been met; • loss or damage was caused by Contractor's in-hole equipment failing to operate within its operating specifications; or • defects in the equipment, or the default or negligence of the Contractor; or • Contractor is entitled to recoup the cost of such loss or damage from some other source including insurance. Contractor must use its best endeavours to recoup such cost from any other sources before seeking reimbursement from Company. <p>In the case of loss, the amount to be reimbursed will be limited to the replacement cost of the equipment, less depreciation of 2% per month to a maximum of 50% from the date the lost equipment was purchased by the Contractor. In the case of damage, the amount to be reimbursed will not exceed the cost of repairs or the depreciated value whichever is less. In each case however Company's liability shall only</p>

		cover the excess over US\$10,000 of the amount of loss or damage. Contractor must have a stock of replacement items available on hand to replace any down-hole equipment lost or damaged.
(ii)	Notwithstanding clause 44(b)(ii), in respect of a claim for loss of or damage to equipment or materials provided by Company to Contractor for the purposes of or in connection with the Services.	Contractor will reimburse Company for the cost of repairing or replacing such Company-supplied equipment or materials, except to the extent that the loss or damage is caused or contributed to by latent defects in the items, or normal wear and tear.
(iii)	Notwithstanding clause 44(b)(ii), in respect of a claim for loss of or damage to an underground reservoir or formation resulting from performance of the Services.	Company will be responsible for the Claim, and releases Contractor from any liability for the Claim.
(iv)	Notwithstanding clause 44(b)(ii), in respect of a claim for loss of or damage to a hole or casing in a hole.	Where the loss or damage results from any default or negligence by Contractor, Contractor will be required to re-perform the Services at the same, or another nearby location determined by Company, down to the depth at which the loss or damage occurred, at the Contractor's own cost. In all other cases, Company will be responsible for the Claim and releases Contractor from any liability for the Claim.

PART G: COUNTRY-SPECIFIC CONDITIONS (JPDA)

70 APPLICATION

If the Contract relates to operations conducted within or in relation to any or all of Australian Retention Leases NT/RL2 and NT/RL4 and JPDA PSC 03-19 and PSC 03-20 ("Greater Sunrise Area"), then these Country Specific Conditions shall apply.

71 GOVERNING LAW

The Contract and all questions arising in connection with it are governed by and will be construed in accordance with the laws in force in the State of Western Australia. The Parties agree that any conflict of laws rule that may otherwise refer the interpretation of this Contract to the laws of another jurisdiction will not apply to this Contract.

72 AGENT IN WESTERN AUSTRALIA

- (a) If the Contractor does not have a registered office in Australia, the Contractor will be required to appoint an agent in Western Australia for receipt of legal notices and service of legal process. The Contractor will notify the name and address of its agent to the Company.

Any process to be served on the Contractor, and any notice to be given to the Contractor, may be validly served or given by being left at the address so notified.

- (b) If the Contractor fails to meet its obligations under paragraph (a) within 30 days of the date on which the Company awarded the Contract to the Contractor, then the Company may itself appoint a person in Western Australia to act as agent for the Contractor as required under paragraph (a) and will notify the Contractor of the appointment. The Contractor will be responsible for all costs incurred by the Company in so doing.

73 CLAIMS OUTSIDE SCOPE OF CONTRACT

- (a) It is a fundamental term of the Contract that the Contractor has been awarded the Contract on the basis of the Contractor's assurances that it is financially sound, and will not encounter cash-flow problems during the term of the Contract for any reason, including as a result of any payment dispute that may arise between the Company and the Contractor.
- (b) The Contractor agrees that any payment dispute arising under the Contract can only be resolved by the procedures set out in the Contract. The Contractor agrees that it will not initiate any legal or administrative proceeding claiming payment of money from the Company except where it is entitled to do so under the Contract.
- (c) If the Contractor initiates any legal or administrative proceeding claiming payment of money from the Company in contravention of its obligations under paragraph (b) then, without limiting other rights or remedies of the Company, the Company will be entitled to plead this clause as a bar to any such proceeding.

74 DISPUTES

If any dispute arises under the Contract which cannot be resolved amicably, either Party may commence legal proceedings in the Courts of Western Australia in relation to that dispute.

75 LIABILITY

The Contractor agrees that Part 1F of the Civil Liability Act 2002 (WA) is excluded from operation with respect to any dispute, claim, action, or any matter whatsoever brought by the Company against the Contractor, arising out of or in connection with the Contract.

76 COMPLIANCE WITH JPDA LEGAL REQUIREMENTS

The Contractor must observe and comply with all Legal Requirements which govern the activities in or in relation to the Greater Sunrise Area, including but not limited to the Legal Requirements applicable to the JPDA ("JPDA Laws"). The JPDA Laws include, but are not limited to, the following:

- (a) The Timor Sea Treaty between the Government of Timor Leste and the Government of Australia dated 20 May 2002 ("TST");
- (b) The International Unitisation Agreement for the Greater Sunrise Project between the Government of Timor Leste and the Government of Australia, dated 6 March 2003;
- (c) The Treaty relating to Certain Maritime Arrangements in the Timor Sea between the Government of Timor Leste and the Government of Australia dated 12 January 2006;
- (d) The Interim Petroleum Mining Code for the JPDA adopted on 2 April 2003;
- (e) The Regulations for the Exploration and Exploitation of Petroleum in the JPDA ("Regulations");

- (f) The Interim Directions issued under Article 37 of the Interim Petroleum Mining Code (Specific Requirements as to Petroleum Exploration and Exploitation in the Joint Petroleum Development Area), dated 16 June 2003; and
- (g) The Interim Administrative Guidelines for the Joint Petroleum Development Area dated 16 June 2003.

77 GENERAL COMPLIANCE OBLIGATIONS

In addition to the requirements set out in clause 76, the Contractor must, to the extent applicable:

- (a) comply with applicable Australian, Timor Leste and JPDA tax (including the Taxation Code contained in Annexure G of the TST), customs, quarantine and migration laws;
- (b) ensure that persons, equipment and goods do not enter the JPDA without first entering Australia or Timor-Leste, and notify the Company of all persons, vessels, aircraft and structures entering or leaving the Greater Sunrise Area, and of movements within the Greater Sunrise Area;
- (c) ensure that its employees or subcontractors are authorised by the Company to enter the Greater Sunrise Area;
- (d) comply with the applicable international standards and Legal Requirements of the JPDA, and of Australia and Timor-Leste, in relation to all activities in or in relation to the Greater Sunrise Area;
- (e) promptly provide all information to the Company or any government, government department or Designated Authority concerning all activities in or in relation to the Greater Sunrise Area as required or as may be requested from time to time; and
- (f) comply with any directions of, and provide such assistance as may be requested by, the Company in relation to activities in or in relation to the Greater Sunrise Area.

78 PROPERTY AND WORKS

- (a) The Contractor must obtain all necessary authorisations from the Company and applicable governments and regulators (including without limitation the Designated Authority) prior to constructing, installing, decommissioning or operating any structure, facility, pipeline, installation, equipment or other property and works within the Greater Sunrise Area.
- (b) If the Contractor is engaged by the Company for day-to-day management of any facility, a duly authorised Contractor's representative must be present on the facility at all times.

79 CONTRACTOR TO INDEMNIFY DESIGNATED AUTHORITY

Notwithstanding:

- (a) any negligence of the Contractor, its employees, servants and agents;
- (b) defects in or unfitness of any equipment, building or structure;
- (c) the place where any loss, damages, destruction or injury occurs; or
- (d) the negligence of the Company and the Designated Authority or either of them,

the Contractor agrees to protect, defend, indemnify and hold harmless the Designated Authority from and against any and all claims, demands, liabilities and damages arising out of:

- (e) to the maximum extent permitted by law, illness or injury to, or death of, the employees, servants and agents of the Contractor and/or its sub contractors or any of their employees, servants or agents, and
- (f) loss of, or destruction of property, owned or hired, or equipment, materials and supplies of the Contractor, its sub-contractors, and its or their respective employees, servants or agents, where such loss or injury is occasioned by, incidental to, or arises out of or in conjunction with the Contract.

80 REQUIRED INSURANCES

- (a) In addition to the insurances specified in Parts A to F inclusive the Contractor must maintain all insurances that are required by the Legal Requirements, required to enable the Company to meet its obligations under the Legal Requirements or as otherwise requested by the Company and promptly provide the Company (or the Designated Authority where it so requests or where required by the Legal Requirements) with certified copies of the relevant insurance policies stating:
 - (1) the kinds and amounts of insurance;
 - (2) the insurance company(ies) carrying the coverage;
 - (3) the effective and expiration dates of the policies; and
 - (4) that the other requirements of this clause and clause 10 above have been met.
- (b) Without limiting the generality of (a) above, the Contractor must:
 - (1) take out and maintains for the duration of the Contract, employer's liability, worker's compensation and other insurances required by law, together with such other insurance as the Company may consider necessary;
 - (2) waive, and procure that its insurers waive, all express or implied rights of subrogation against the Designated Authority; and
 - (3) ensure that in its insurances the Designated Authority and the JVPs are named as an additional insured.
- (c) Any deductibles applicable to these insurances shall be for the account of the Contractor.

81 RECORDS AND INFORMATION

The Contractor must:

- (a) keep such financial, commercial, legal, operational and technical data and information and other records required by Legal Requirements, required to enable the Company to meet its obligations under the Legal Requirements or as otherwise required by the Company;
- (b) ensure that all originals and copies of data, information and records the subject of this clause are stored in accordance with the Legal Requirements and any applicable directions from the Company or, failing such directions, in accordance with Good Oilfield Practice; and

- (c) ensure that no such data, information or records are taken out of, transmitted from or stored outside Timor-Leste or Australia without the consent of the Company.

82 AUDIT

The Contractor must provide the Designated Authority, or an independent auditor appointed by the Designated Authority, access to any data, information or other records held by the Contractor in accordance with clause 81 for the purposes of the Designated Authority conducting an audit.

83 INSPECTIONS

- (a) The Contractor must provide an inspector appointed by the Designated Authority reasonable access to any workplace, facility or place of business in connection with petroleum operations conducted within the Greater Sunrise Area.
- (b) The Contractor must assist the inspector with all requests (including the provision of documents and responding to questions asked by the inspector) and include in the Contractor's reports to the Company details of any inspections that have occurred.

84 ACCESS

The Contractor must:

- (a) provide sufficient prior notice to the Company to enable the Company to obtain any required approval of the Designated Authority before allowing any drill vessel, aircraft or personnel to enter the Greater Sunrise Area;
- (b) keep records of all personnel entering and exiting the Greater Sunrise Area and promptly provide this information to the Company upon request; and
- (c) notify the Company (or the Designated Authority where required by the Legal Requirements or if it so requests) of the daily position of all vessels and aircraft conducting petroleum operations within the Greater Sunrise Area.

85 HEALTH AND SAFETY

The Contractor must:

- (a) take all reasonable steps to protect the health and safety of employees;
- (b) appoint a health and safety representative and allow the health and safety representative to undertake health and safety training courses for the Contractor's employees which are arranged by the Contractor or the Company;
- (c) not discriminate against an employee who raises a health and safety matter; and
- (d) have adequate systems in place (to the reasonable satisfaction of the Company) with respect to the regulation and use of hazardous substances.

86 REMOVAL OF PROPERTY

The Contractor must:

- (a) remove all property brought into the Greater Sunrise Area that is no longer required for the Company's ongoing operations; and
- (b) unless otherwise agreed with the Company, pay all costs associated with removal of such property.

87 EMPLOYMENT OPPORTUNITIES AND ORIGIN OF GOODS AND SERVICES

The Contractor must implement procedures to give preference to:

- (a) goods and services which are produced in Australia or Timor Leste, or provided by contractors operating out of Australia or Timor Leste, provided they are offered on competitive terms and conditions compared with those available from other countries; and
- (b) the employment of Timor Leste nationals and permanent residents, having due regard to safe and efficient activities and good oilfield practice.

88 CONFIDENTIALITY

In addition to the confidentiality obligations established under Parts A to F inclusive, the Contractor must:

- (a) not, without the Company's prior written consent, divulge, disclose or communicate any Confidential Information to any person (other than its direct employees who have a need to know such Confidential Information for the purpose of enabling the Contractor to fulfil its obligations under the Contract);
- (b) only use Confidential Information disclosed to it, and ensure its direct employees only use Confidential Information disclosed to them, for the purpose of fulfilling the Contractor's obligations under the Contract;
- (c) not use any Confidential Information in any patent application and not disclose the Confidential Information to the patent office of any country; and
- (d) do all things reasonably requested by the Company (including executing further agreements) in order to enable the Company to meet its obligations of confidentiality to third parties.

The obligations imposed by this clause survive the expiration or termination of the Contract.

89 SUBCONTRACTING

89.1 In relation to any subcontract that is permitted under Parts A to F inclusive, the Contractor must ensure that, in addition to any obligations under the General Conditions:

- (a) the subcontract contains terms equivalent to the terms set out in these Country Specific Conditions; and
- (b) preference is given to goods and services which are produced in Australia or Timor Leste, or provided by contractors operating out of Australia or Timor Leste, provided they are offered on competitive terms and conditions compared with those available from other countries; and
- (c) preference is given to the employment of Timor Leste nationals and permanent residents, having due regard to safe and efficient activities and good oilfield practice.

89.2 The Contractor must, in connection with any subcontract made by it as permitted by the Contract, provide to the Company:

- (d) as soon as practicable after award of the subcontract:
 - (1) an unpriced copy of the relevant subcontract;
 - (2) a report on the Contractor's reasons for award of that subcontract; and
- (e) as soon as practicable after the relevant information becomes available and if requested

by the Company:

- (1) an appraisal and completion report covering details of actual expenditures made, and of the manpower, goods and services utilised in performance of the subcontract;
- (2) details of goods and services actually procured both from suppliers based inside and outside Timor-Leste and Australia; and
- (3) copies of insurance policies required under the subcontract stating the information specified in clause 80(a) above.

90 TAXATION

90.1 General

- (a) The Contractor will comply will all Legal Requirements relating to Taxes including but not limited to those set out in clauses 77(a) and this clause 90.
- (b) Failure by the Contractor to comply with Legal Requirements relating to Taxes shall constitute a material breach of the Contract, and may result in the Contractor being subject to fines and penalties.
- (c) The Contractor will indemnify the Company in respect of all claims and liabilities arising as a result of or in connection with any failure by the Contractor to comply with this Clause 90.
- (d) Except as otherwise expressly provided in the Contract, the Contractor will be solely liable for, and will pay when due and payable, all Taxes which may be imposed upon the Contractor in relation to the performance of the Services. The Contract Price is deemed to include all Taxes payable by the Contractor.
- (e) The Contractor must prepare Invoices in a form satisfactory to the Company for the purpose of meeting the Company's taxation and invoice processing requirements.
- (f) The Contractor shall comply with such directions and provide such information and documents and complete and execute all documents as the Company reasonably requires for taxation related purposes.
- (g) The Company may, but shall not be obliged to, provide the Contractor with information or documents setting out its interpretation of any relevant Legal Requirements. The Company makes no warranty or representation regarding the accuracy or completeness of any such information and the Contractor must obtain and rely on its own taxation advice.
- (h) The Company shall withhold from payments to the Contractor any amounts it reasonably believes are required to be withheld under the Legal Requirements (including without limitation, all withholding tax, minimum taxes, gross receipts, deemed profit or deemed net profit taxes, and tax in respect of turnover) and remit such payment to the applicable Government Agency.
- (i) The Company will not be liable to the Contractor for, and the Contractor will have no claim against the Company in respect of, any sum of money which:
 - (1) would otherwise be payable to the Contractor under the Contract; and
 - (2) the Company has withheld from payment to the Contractor and has paid,

or will pay, to any applicable Government Agency.

90.2 Australian taxation

- (j) Under the Legal Requirements of Australia, GST is payable on certain supplies of goods and/or services.
- (k) In this clause:
- (1) GST means the same as in the GST Law.
 - (2) GST Law means the same as in the A New Tax System (Goods and Services Tax) Act 1999 (Cth).
 - (3) Words defined in the GST Law have the same meaning in this clause unless specifically defined in this clause.
- (l) All charges and amounts payable by one Party to another under the Contract are stated exclusive of GST.
- (m) For each taxable supply under or in connection with the Contract:
- (1) The supplier will be entitled to charge the recipient for any GST payable by the supplier in respect of the taxable supply.
 - (2) The recipient must pay to the supplier the amount of the GST at the same time as the relevant charge applicable to the supply becomes payable under the Contract.
 - (3) The supplier must provide a valid tax invoice (or a valid adjustment note) to the recipient in respect of the taxable supply, and will include in the tax invoice (or adjustment note) the particulars required by the GST Law. The recipient is not obliged to pay the GST unless and until the recipient has received a tax invoice (or an adjustment note) for that supply.
 - (4) If the actual GST liability of the supplier differs from the GST paid by the recipient, the supplier will promptly create an appropriate valid adjustment note, and the recipient will pay to the supplier any amount underpaid, and the supplier will refund to the recipient any amount overpaid.
 - (5) If any Party is entitled to payment of any costs or expenses by way of reimbursement or indemnity, the payment must exclude any part of that cost or expense which is attributable to GST for which that Party or the Representative Member of any GST Group of which that Party is a Member is entitled to an Input Tax Credit.
- (n) Each Invoice issued under the Contract will be in the form of a tax invoice. Each Invoice issued under the Contract must show the GST payable on supplies covered by that Invoice.

90.3 VAT

- (o) In this clause:

- (1) VAT means the same as in the VAT Law.
- (2) VAT Law means the same as in the Law on Value Added Tax (Law Number 11 of 1994) as it applies under the direction of the Timor-Leste Revenue Authority in respect of the Greater Sunrise Area.

- (p) All charges and amounts payable by one Party to another under the Contract are stated exclusive of VAT.
- (q) For each taxable service under or in connection with the Contract, the Contractor shall disclose the VAT amount applicable on its invoice which will be issued in a form specified by the Company.
- (r) The Company is not liable to pay VAT to the Contractor. Where the Company reasonably believes it is required by the Legal Requirements to collect VAT, the Company will collect and arrange remittance of VAT directly in accordance with the applicable Legal Requirements.

91 CONSULTATION WITH DESIGNATED AUTHORITY

The Contractor must first consult with the Company prior to contacting, or providing information to, the Designated Authority and must ensure that:

- (a) the views and directions of Company are fully taken into account; and
- (b) any information to be provided is first settled and approved by Company.

92 CONTRACTOR INVESTIGATIONS

These Country Specific Conditions do not constitute legal advice. The Contractor must undertake and rely on its own investigations in relation to the Legal Requirements and the JPDA Laws and seek independent legal advice in order to ascertain the extent of its obligations under these Country Specific Conditions.

93 DEFINITIONS AND INTERPRETATION

- (a) Capitalised terms in these Greater Sunrise Country Specific Conditions are either defined elsewhere in the Contract or have the meanings specified below:

“Confidential Information” means all information, in whatever form, which is provided to, or which may come to the knowledge or attention of, the Contractor, any Affiliates of the Contractor and their respective personnel in the course of the Contractor performing its obligations under the Contract and includes (without limitation):

- (a) all information received or obtained by the Contractor, any Affiliates of the Contractor and their respective personnel directly or indirectly from the Company or from a third party directly or indirectly in connection with the performance by the Contractor of its obligations under the Contract; and
- (b) any results, conclusions, findings, reports, notes, analyses, compilations or studies made by the Contractor, any Affiliates of the Contractor and their respective personnel based on any such Confidential Information.

“Contract Price” means the amounts payable by the Company to the Contractor under the Contract.

“Designated Authority” means the Designated Authority for the JPDA established under the TST and/or the regulatory authority established

under applicable Australian legislation or regulations, as the context requires.

“Good Oilfield Practice” has the meaning set out in the Regulations.

“Government Agency” means in respect of any matter, any applicable government department, authority, instrumentality or agency having jurisdiction in respect of that matter including but not limited to the Designated Authority.

“JPDA” means the Joint Petroleum Development Area established under the TST.

“Taxes” means all taxes, duties and imposts assessed by any government or Government Agency.

- (b) A reference to a Legal Requirement includes any consolidation, amendment, re-enactment or replacement thereof and any subordinate legislation (including regulations and by laws) under that Legal Requirement.