

PREMIER PIPELINE SUPPLIES LIMITED

STANDARD CONDITIONS OF SALE

1) Interpretation

In these conditions the following terms have the following meaning:-

Seller – Premier Pipeline Supplies Limited

Buyer - The person, firm or company purchasing the products subject of the contract between the Seller and the Buyer

Products - The goods or materials which shall be the subject of the contract between the Seller and the Buyer

Price - The price specified in the Seller's quotation, acknowledgement, order or otherwise communicated to the Buyer and agreed

2) General

2.1. These conditions prevail over any conditions stipulated by the Buyer, whether express or by implication or incorporation. If the Buyer's documentation shall contain any conditions as to sale and purchase they shall be of no contractual effect between the Seller and the Buyer.

2.2. Save as is otherwise expressly agreed in writing by the Seller

or as is expressly provided in these conditions all guarantees, warranties, conditions, representations or stipulations whether express or implied and whether arising hereunder or under any prior agreement or statement, or by statute, common law or otherwise are hereby excluded and negated, provided that nothing in this clause or elsewhere in these conditions shall operate to exclude the provisions of section 12 of the Sale of Goods Act 1979 or to exclude or restrict liability for death or personal injury resulting from the Seller's negligence.

2.3. In the event that the Buyer produces to the Seller at any stage conditions upon which the Buyer will enter any agreement to acquire the Products the terms of these Standard Conditions of Sale shall prevail over the Buyer's conditions in the event of conflict.

3) Orders

3.1. Orders for products shall be in writing and are accepted by the Seller subject to these conditions unless otherwise varied in writing.

3.2. Once an order has been placed by the Buyer it may not be suspended, cancelled or amended without the Seller's prior written agreement. The Buyer shall be responsible for the cost of all purchases, stocks, work-in-progress, labour costs, unrecovered overheads, and other expenses suffered by the Seller as a result of such suspension, cancellation or amendment.

3.3. Products are supplied specifically for the purposes mentioned in the Order/Order Acknowledgement and for no other purposes.

4) The Price

4.1. All prices given, published or put forward are quotations unless otherwise expressly stated therein. Prices quoted are prices prevailing at the date of quotation and are subject to increase. The Seller may at any time before delivery increase the price of the undelivered products or balance of the products by notice in writing to the Buyer. Prices invoiced are prices prevailing at the date of despatch.

4.2. Unless otherwise stated on acceptance, the price of the products shall include the Seller's costs of standard packing, normal insurance and delivery of the products to any one address in the United Kingdom maintained specified in writing by the Buyer and agreed by the Seller prior to delivery.

5) Payment

5.1. Unless otherwise stated on the Seller's invoice or otherwise agreed in writing, payment for the products shall be made not later than thirty days after the end of the month of invoicing but so that the Seller may at any time on or after acceptance by notice in writing to the Buyer vary the terms of payment by demanding immediate payment or (at the Seller's option) adequate security for sums which will be due hereunder.

5.2. Time of payment shall be of the essence and failure by the Buyer to pay the price or any instalment thereof in due time shall entitle the Seller to treat such failure as a repudiation of the whole contract by the Buyer and to require the Buyer to make immediate payment of all monies due or become due and to recover from the Buyer damages for such breach of contract and/or (at the Seller's option) to charge interest at four per cent per annum above the base rate of Barclays Bank Plc from due date until payment.

6) Delivery

Unless otherwise agreed in writing between the Seller and the Buyer the following provisions shall apply:-

6.1. Delivery of the products shall have taken place when the products have been delivered to the address specified on the Seller's quotation, acknowledgement or other document or if the Buyer refuses to accept delivery, at the time when the products are due and ready for delivery in such latter instance the Seller shall be entitled to arrange storage for the products and to charge such storage and other costs to the Buyer and the Buyer shall also be responsible for the payment of interest on any unpaid sum in accordance with clause 5.2.

6.2. The delivery date or dates specified on the Seller's acceptance of order are estimates only. The Seller shall not be liable for failure to deliver by such date or dates or for any damage or loss arising directly or indirectly out of delay in delivery; nor shall the Buyer be entitled to refuse to accept

the Products because of late delivery.

6.3. Where delivery is to be made by instalments, each delivery

shall be deemed for such purpose to be the subject of a separate contract and any failure whatsoever by the Seller in respect of any one delivery shall not entitle the Buyer to repudiate the contract or any instalments remaining to be delivered thereunder.

6.4. The risk of any loss or damage to or deterioration of the products shall be borne by the Buyer from the time delivery has taken place in accordance with clause 6.1.

6.5. In respect of sea transit the Seller shall not be required to give the Buyer the notice relating to insurance of the products referred to in section 32(3) of the Sale of Goods Act 1979.

6.6. The Buyer is deemed to have accepted the Products after a period of 3 days after the date of delivery.

6.7. The Buyer shall make all necessary arrangements to take delivery of the Product on the date when the Products are tendered for delivery.

7) Property

Notwithstanding delivery and the passing of risk:-

7.1. The property in the products shall remain the Sellers until payment in full has been made to the Seller by the Buyer for the products and all other sums due to the Seller at the date of delivery of the products.

7.2. Where full payment has not been made to the Seller and the Buyer uses the products in his manufacturing process or incorporates the products with other products the property in the products shall be retained by the Seller insofar as such products are identifiable and insofar as they are incorporated with other products the Seller's title in the products shall transfer into the product of which the products form a part. The Seller also reserves the right to trace into the proceeds of sale of the products or of the products of which the products form a part to the extent that the Seller remains unpaid.

7.3. Until such payment is made the Buyer shall hold all products and materials the property in which is vested in the Seller on a fiduciary basis only and in any of the events specified above the Buyer shall store such products and materials so as to be marked and clearly identifiable as the property of the Seller.

7.4. The Buyer grants the Seller the right of entry (by force, if necessary) upon the Buyer's premises to recover the products if the Buyer is in breach.

8) Lien

The Seller shall in respect of all unpaid debts due from the Buyer under the same or any other contract have a general lien on all products and property of the Buyer in its possession (although the products or some of them may have been paid for) and shall after the expiration of fourteen days written notice to the Buyer be entitled to dispose of such products and property as it deems fit, and apply the proceeds towards such debts.

9) Loss/Damage/Storage

9.1. Unless otherwise agreed in writing between the Buyer and Seller the Seller may deliver against any order an excess and/or deficiency up to ten per cent of weight or volume ordered without any liability whatsoever to the Buyer save that the price shall be adjusted accordingly.

9.2. The Buyer shall inspect the products immediately upon delivery and shall within 3 days of such delivery (time being of the essence) give notice in writing to the Seller and the carrier of all claims on account of damage to or total or partial loss of Products in transit. Claims for non-delivery must be submitted in writing to the Seller within fourteen days after notification of despatch. Quality claims must be made in writing immediately after the Buyer learns of the defect and in any event not later than thirty days after the Buyer's receipt of the products. Any claim not made in writing and received by the Seller within the aforesaid time limits shall be deemed waived.

9.3. If the Buyer establishes to the satisfaction of the Seller that products have been damaged in transit or that the consignment is incomplete, the Seller will, at the Seller's option, repair or replace such products or credit the Buyer with the value thereof as appropriate, provided that the Buyer shall have given to the Seller written notification (otherwise than upon the carrier's delivery document) of such damage or shortage as provided in clause 9.2. The Seller shall be permitted a reasonable opportunity to inspect any damaged consignment and to investigate any shortage.

9.4. Save as provided in clause 9.3 above, the Seller shall not be liable to the Buyer for any loss or damage arising out of or in connection with products damaged or shortages.

9.5. If the Seller fails to make delivery or makes defective delivery of any one instalment such failure or defective delivery shall not vitiate the contract as regards other instalments.

9.6. The right of the Buyer to set off the value of any shortage, defective products or products not otherwise conforming to contract shall be restricted to the specific invoice for the products in question and shall not apply to previous or future accounts.

10) Liability/Limitation and Warranty

10.1. All conditions, guarantees, or warranties express or implied

by statute, common law or otherwise including (but without prejudice to the generality of the foregoing) conditions, guarantees or warranties as to quality, fitness for purpose or description of the products or their life or wear or use under any conditions whether known or made known to the Seller or not are hereby excluded.

10.2. The Seller's liability for any and all direct loss or damage resulting to the Buyer from defects in the products or any other cause shall be limited to the purchase price of the

quantity of the products in respect of or in relation to which such loss or damage is claimed. The Seller shall not be liable for any loss, damage or expense caused to the Buyer by reason of any labour costs or other expenditure incurred by the Buyer or for any indirect or consequential loss or damage howsoever arising. Subject as aforesaid the Seller shall be under no liability in contract or in tort for any loss or damage or personal injury arising directly or indirectly out of the supply or use of the products or containers other than death or personal injury resulting from the negligence of the Seller within the meaning of Section 1 of the Unfair Contract Terms Act 1977.

11) Force Majeure

11.1. Deliveries may be partially or totally suspended by either party during any period in which it is prevented from manufacturing, delivering or taking delivery of the products through any circumstances outside its control. If because of such circumstances, the Seller is unable to supply the total requirement of the products the Seller may allocate its available supply (after satisfaction of its own requirements) amongst all of its customers, including those not under contract, as the Seller thinks fit. Deliveries so suspended shall be cancelled without liability, but the contract between the parties shall otherwise remain unaffected.

11.2. For the purpose of these conditions, circumstances outside the Seller's control include acts of God, strikes, lock-outs, other industrial action, fire, accident, lightning, earthquakes, storms, floods, explosion, war, governmental restriction and any other circumstances, whether similar or dissimilar, beyond the reasonable control of the Seller.

12) Indemnity

The Buyer shall indemnify the Seller in respect of all damage or injury occurring to any person, firm, company or property and against all actions, suits, claims and demands, charges or expenses in connection therewith for which the Seller may become liable in respect of the products sold under the contract in the event that the damage or injury shall have been occasioned otherwise than by the negligence of the Seller.

13) Default

The Seller reserves the right (without prejudice to its other rights and remedies) either to terminate the contract between the parties or to suspend further deliveries under it or require payment in advance in the event that the Buyer fails to pay for any one delivery when the same becomes due or the Buyer's financial responsibility becomes unsatisfactory to the Seller or if the Buyer, being a company, goes into liquidation or has a receiver appointed or not being a company has a receiving order made against him or enters into any arrangement or composition with creditors.

14) V.A.T.

All prices quoted are exclusive of all import duties, V.A.T. and other imposts which will be for the Buyer's account and should be added to the price as appropriate.

15) Intellectual Property

No representation, warranty or indemnity is given by the Seller that the products do not infringe any letters patent, trade marks, registered designs or other industrial rights.

16) Product Liability

16.1. The Buyer shall ensure that the products are transported, stored, fitted and used in accordance with any specifications or instructions which the Seller may provide.

16.2. The Buyer shall ensure that customers of the products incorporating the products shall be warned of the nature of the products and shall be given any information in respect of any claims made against the Seller where the Buyer has failed to comply with clause 16.1 above.

17) Assignability

The contract of which these conditions form part is personal to the Buyer and the benefit thereof shall not be assigned without the Seller's written consent.

18) Proper Law

These conditions and the contract between the parties shall be construed and applied in accordance with the Law of England and the English Courts shall have sole jurisdiction in any dispute relating thereto.

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