

DES KEARNS MARINE SURVEYORS SDN BHD CONDITIONS OF BUSINESS

1. AGREEMENT

These Conditions of Business constitute the entire agreement between the Consultant and the Client to the exclusion of all other representations, statements, conditions, terms, warranties whether express, implied, statutory or otherwise except any implied by law or statute which cannot by law be excluded. While the parties hereto believe (in all of the circumstances known to them at the date of entering into this agreement) that the provisions hereof are reasonable as to all of their terms; if a court shall determine that any one or more of the provisions here unenforceable for any reason, such provisions shall be deemed to be severed from the body of these conditions such that the remaining provisions shall continue to stand and be enforceable between the parties hereto.

2. ASSIGNMENT

Neither party shall, without the consent in writing of the other, assign or purport to assign, or make over or dispose of in any way whatsoever any of its rights or obligations contained herein or resulting herefrom. The Consultant shall however be entitled to sub-contract the duties to be undertaken hereunder but on the understanding that the Consultant shall remain responsible for the carrying out of such duties and shall be liable for the actions of the parties employed by it in accordance with the terms hereof.

3. SCOPE OF WORK

The scope of work to be performed by the Consultant will be as described in the Consultant's order acknowledgement and any supporting documents.

4. VARIATIONS

These Conditions of Business shall prevail notwithstanding any variance or conflict with the conditions sought to be imposed by any other party. Variation or changes shall only be effective if made in writing specifically for such purpose, and signed by a duly authorised representative of both parties.

5. TAXES

Prices and rates quoted in proposals or Order Acknowledgements comprise the net amounts to be received after payment of any sales or value added taxes, withholdings, customs duties or any other taxes or duties whether similar or dissimilar to the foregoing (which taxes or duties shall be payable by the Client in addition to the Consultant's prices and rates).

6. TERMS OF PAYMENT

Payment upon presentation of Surveyor's Report

7. EXPENSES AND DISBURSEMENTS

All expenses and disbursements incurred in carrying out the work will be charged at cost.

8. TERMINATION

Either party may terminate this agreement at any time by giving 30 days notice in writing

to the other party. Either party may terminate this agreement immediately by giving written notice to the other party if the other party either: (a) commits a material breach not capable of remedy or, if capable of remedy, fails to remedy such breach within 14 days of notice to do so; or (b) becomes insolvent, goes into liquidation, compounds with its creditors or has a receiver, administrator or similar functionary appointed over the whole or any part of its assets or makes a winding-up order or suffers any similar process under the law of its domicile or place of its jurisdiction. In the event of termination the Consultant shall be paid all fees and costs incurred up to the date of termination, together with all costs of settlement of any outstanding obligation.

9. FORCE MAJEURE

Any delay or failure in the performance by a party hereto of any obligation hereunder necessarily arising from an event not reasonably foreseeable by and beyond the control of the said party shall be deemed not to be a breach of Agreement. If the delay or failure shall continue for a period of 30 days either party shall be entitled to terminate this agreement by giving seven days written notice to the other party. The Consultant shall continue to be entitled to all fees and costs incurred up to the date of termination.

10. INDEMNITY

(a) The Consultant Group hereby accepts liability for and indemnifies the Client Group against any and all claims, losses, damages, costs or liabilities of any sort in respect of or arising out of:

i) death, sickness or injury to any employee, officer or agent of any member of the Consultant Group;

OR

ii) damage to or loss of any property or equipment owned by any member of the Consultant Group,

regardless of cause including the sole or contributory negligence of any member of the Client Group or by any of their respective servants, officers or agents.

(b) The Client Group hereby accepts liability for and indemnifies the Consultant Group against any and all claims losses, damages, costs or liabilities of any sort in respect of or arising out of:

i) death, sickness or injury to any employee, officer or agent of any member of the Client Group;

OR

ii) damage to or loss of any property or equipment owned by, leased or belonging to any third parties or member of the Client Group and used by any member of the Consultant Group or Client Group,

regardless of cause including the sole or contributory negligence of any one or more of any member of the Consultant Group or any of their respective servants, agents or employees.

(c) By reason of the disproportionate nature of the potential losses when measured against the fees payable by the Client to the Consultant, it is hereby agreed that (subject to sub-clause (a) above or (g) below for which no limit applies) the maximum aggregate liability of the Consultant Group to the Client Group under or in connection with the project to be undertaken by the Consultant Group for the Client Group, whether such liability arises in contract, tort (including negligence) or otherwise and including (without limitation) any type of liability arising from any type of claim specified in sub-clause (d) below, shall be limited to:

i) the value of the fees payable to the Consultant under such project;

(d) The Client shall indemnify the Consultant Group against any and all claims, losses, damages, liabilities, costs or expenses arising from any claim by a third party against any member of the Consultant Group under or in connection with the project to be undertaken by the Consultant for the Client including (without limitation) any claim arising in relation to the negligence of any member of the Consultant Group or arising out of any of:

i) loss of or damage to any vessel, installation, pipeline, jetty, equipment or property not dealt with under (a) or (b) above;

or

ii) pollution on the sea, seashore or seabed and the costs of cleaning up and removing the same, together with any associated fines or penalties.

(e) Neither party shall be liable to the other in contract, tort (including negligence) or otherwise for loss of profit, loss of use, loss of business, loss of goodwill or loss of data or for consequential or indirect loss.

(f) Advice and information, in whatever form it may be given, is provided by the Consultant for the Client only and the Client shall indemnify and defend the Consultant against any liability, claims, loss, damage, costs or expenses arising as a result of any other person relying upon such advice or information. Advice and information which is not required by this Agreement is provided gratuitously and will not subject the Consultant to any liability, whether based on contract, warranty, tort (including negligence) or other grounds.

(g) Neither party excludes liability which cannot be excluded by law.

(h) Any claims against the Consultant by the Client shall be deemed to be irrevocably waived and absolutely time barred upon the expiry of one year from the submission date of the Consultant's report or invoice, whichever is the earlier, to the Client in relation to the project undertaken hereunder.

11. INSURANCE

The Client hereby undertakes to name the Consultant as co-assured in any policy of property damage or liability insurance relevant to the Consultant's scope of work, to procure that its insurers waive all rights of subrogation against the Consultant and any member of the Consultant Group which may assist the Consultant in undertaking the work and agree that such insurance shall be deemed primary and first to react ahead of any equivalent insurance covering the same risks maintained by the Consultant.

12. ADDITIONAL SPECIAL CONDITIONS FOR CONDITION SURVEYS AND/OR VALUATIONS

When a valuation is to be provided as part of the Consultant's services, the Consultant shall use its best endeavours to provide a valuation which represents, in its opinion, the current market valuation, as defined in the reporting document, of the item to be valued or such other valuation as may be identified in the valuation report but no warranty as to the accuracy of such valuation is given. In particular, but without limitation, the Consultant gives no opinion or warranty as to the satisfactory operation of any equipment and/or machinery on the item to be surveyed and/or valued, or to the verification of inventory.

13. WAIVERS

In the event that the Consultant shall at any time expressly or by implication waive any of its rights contained herein, such waiver shall not be deemed to prejudice in any way the enforcement of such right on a subsequent occasion.

14. RIGHTS OF THIRD PARTIES ACT

All rights to be indemnified, exceptions, limitations and other benefits given to Consultant Group and/or Client Group shall be enforceable by any member of Client Group and/or Consultant Group (as the case may be) in accordance with the Contracts (Rights of Third Parties) Act 1999 but no other person who is not a party to this Agreement shall have any right to enforce the terms of this Agreement whether under such act or otherwise.

15. GOVERNING LAW

This Agreement shall be governed by and construed and interpreted in accordance with English law. All claims and disputes hereunder shall exclusively be determined under the Rules of London Maritime Arbitrators Association ("LMAA") by a sole arbitrator in London (who shall be a member of the LMAA). The appointment of the arbitrator and the conduct of the arbitration shall be governed by the provisions of the Arbitration Act 1996 or any statutory modification in force from time to time.

16. DEFINITIONS

"Client" means the entity named in the accompanying order acknowledgement, bid or proposal document.

"Client Group" means the Client and any subsidiary, affiliate and holding company of the Client and any subsidiary of such holding company (as such terms are defined in the Companies Act 1985 (as amended)), and any co-venturer or partner of the Client for all of whom the Client is acting as agent and trustee.

"Consultant" means "Des Kearns Marine Surveyors Sdn Bhd".

"Consultant Group" means the Consultant and any subsidiary, affiliate and holding company of the Consultant and any subsidiary of such holding company (as such terms are defined in the Companies Act 1985 (as amended)), their respective subcontractors and the directors, officers, employees and agents of each of the foregoing, for all of whom the Consultant is acting as agent and trustee.