

CONTRACT

by and between

THE NORWEGIAN PETROLEUM DIRECTORATE

(hereinafter called the NPD)

and

[]

(hereinafter called the Supplier)

Concerning financing and performance of consultancy assistance in connection with

Processing of 2D seismic data acquired in the Barents Sea 2017

(hereinafter called the Project)

This contract has been drawn up in two copies, one to the NPD and one to the Supplier.

Stavanger [date]

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For the NPD

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For the Supplier

Inquiries

Inquiries: All inquiries concerning this agreement shall be directed to

NPD

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1. WORK TO BE COMPLETED BY CONTRACTOR

1.1

The Contractor shall process data obtained from field recordings in a processing centre approved by the NPD. The processing shall include the necessary techniques to obtain adequate resolution and presentation of the basic data. Appendix I and II of this agreement refers to specifications which will be applied to the work.

Supplier does not warrant the accuracy, correctness or completeness of any interpretation, recommendation or reservoir description or work based on or incorporating any interpretation. Any decisions taken by NPD related to drilling and production shall be their own responsibility and at their own risk.

1.2

This agreement and the specifications herein will apply for:

Total data processing volume:

Volume Phase-I:	Approx.	700 Km (three lines)
Volume Phase-II:	Approx.	3.500 Km
Volume Phase-III:	Approx.	3-500 Km (two lines)

The data was acquired by WesternGeco Marine AS

1.3

The NPD will allocate up to NOK 2 000 000 to the Project, exclusive of any VAT.

The amount constitutes the total framework for the Project. The NPD will not cover expenses that exceed the framework unless agreed in writing by the parties as an addendum to the contract.

2. DURATION AND TERMINATION OF THE WORK

2.1

Data processing shall commence as soon as tape recordings are delivered to the chosen processing centre and after NPD has given clearance.

2.2.

All phases shall be processed to a final product before next phase can be initialized.

NPD reserves the right to terminate the processing project before any of the optional phases based on assessment of processed data quality.

Should the NPD require any further work beyond the scope of work, rates will be provided upon request and agreed in writing before the additional work commences.

2.3

Extended work as mentioned in sub clause 2.2 shall be subject to separate written agreement with respect to its duration and time limit.

3. COSTS

3.1

All costs related to the performance of data processing shall be covered by the Contractor unless otherwise specified.

4 INSTRUCTION

4.1

The NPD may issue instructions to the Contractor regarding general outline of the processing sequence, test- processing to be performed, processing parameters to be applied, and other matters which may develop during the progress of the work.

4.2

Such instructions shall be given to the Contractor as early as possible, and not later than at such a time as will allow the Contractor a reasonable operational time-frame in which to complete them.

4.3

If the Contractor finds that the instructions which he receives from the NPD pursuant to sub clause 4.1 have been provided too late, or that they are unsuitable in technical or economic respects, he shall promptly notify the NPD accordingly. The parties will in such cases take the matter up for joint discussions in order to achieve a satisfactory solution.

5 REPORTS

5.1

The Contractor shall, within 3 weeks after delivery of the final processed data to the NPD, prepare and submit a final report as specified in Appendix II. This report shall be supplied in one paper copy and one electronic on CD.

6 ACCESS TO DATA

6.1

The NPD shall, if possible by the Contractor, have access to all data, information, reports and all other material which is compiled or produced by the Contractor pursuant to this agreement.

7 CONFIDENTIALITY

7.1

The Contractor shall keep strictly confidential all data and information received by him in connection with or resulting from the Contractor's undertaking pursuant to this agreement; whether said data and information have been produced by the Contractor or by the NPD, and whether they are related or not to the Contractor's data processing or interpretation. All enquiries directed to the Contractor concerning the work shall be referred to the NPD. The NPD is bound by a similar obligation regarding the techniques and processing algorithms of the Contractor. The confidentiality obligations shall not apply to the extent that information is required to be disclosed by law.

7.2

Only those of the Contractor's employees who are necessary for an adequate performance of the Contractor's undertaking pursuant to this agreement shall be informed of, or have access to data and information mentioned in sub clause 7.1 above. The Contractor shall ensure that no third party is given access to the data and/or related information without the written consent of the NPD.

7.3

The Contractor shall, upon completion of the work, and if requested by the Directorate, deliver to the NPD a list of all persons who have been given access to or knowledge of the data or information as mentioned in sub clause 7.1.

7.4

The NPD may require the Contractor to deliver, store or destroy all documents and material, including copies, which contain data or information concerning the planning and performance of the Contractor's undertaking pursuant to this agreement. The Contractor shall ensure that no such documents or material are copied or reproduced except at the specific written request of the NPD.

8 REPRESENTATIVES AND OBSERVERS OF THE NPD

8.1

The NPD may at any time appoint representatives and observers to attend the Contractor's work under this agreement. These appointments will be restricted to employees of the NPD.

8.2

Representatives of the NPD shall, on producing written authority, have access to the processing centre in order to determine processing techniques in co-operation with the Contractor's personnel.

8.3

The NPD may at any time request meetings where the Contractor will give a detailed presentation and orientation of the processing which has been done since the work under this agreement commenced. The Contractor shall be informed about such meetings at least one week in advance.

8.4

The costs of the NPD's representatives and observers, including remuneration, social benefits and travelling expenses are to be paid by the NPD.

9 PAYMENT AND FEES FOR SERVICES

9.1

The following configurations are applicable:

Acquisition parameters are specified in Appendix 1 attached hereto.

The price above is exclusive of all taxes and VAT and remain fixed until completion of all services and shall include a basic processing sequence as specified in Appendix I and Appendix II (final report). Test processing is included as part of the Basic processing price.
Costs for all testing are included in the basic sequence.

In cases not covered by the specifications above or those in the appendices, the contractors bid dated [] shall apply.

9.2

Invoices specifying in detail the work covered by invoice will be forwarded on monthly basis and upon job completion. The final 20 % of the total estimated contract value will be invoiced upon issuance of the final processing reports and tapes. Payment conditions are net 30 days.

10. BREACH OF AGREEMENT

10.1 What is considered a breach of the agreement

There is a breach of agreement on the part of the supplier if the service provided is not in accordance with the requirements and specifications that have been agreed. There is also a breach of agreement if the supplier does not meet his other obligations as stipulated in this agreement.

However, there is no breach of agreement if the situation is due to matters in the NPD or force majeure.

10.2 Sanctions in the case of breach of agreement

In the case of a breach of agreement which was not rectified by Supplier within reasonable time after NPD's notification, the NPD may withhold a proportionate part of the payment.

The NPD may also demand a refund for remuneration and costs which the supplier has received, with a deduction for any benefit to the NPD. Such price reductions are meant to compensate for the reduced value of the services delivered, and come in addition to a possible restitution.

If a breach of agreement is of significance to a Party and cannot be rectified without significant expense or inconvenience, the other party is, following a written notification and a reasonable amount of time to rectify matters, entitled to terminate the agreement with immediate effect.

The NPD may demand restitution for any direct loss which one might reasonably have been able to foresee as a possible consequence of the breach. Losses due to extra work or other costs or expenses which the NPD has incurred as a result of the breach, will be counted as direct losses.

No restitution will be demanded for indirect losses. Loss of income, loss of turnover or loss of expected savings are deemed indirect losses.

Restitution will be limited to an amount corresponding to the agreed remuneration excluding VAT or the maximum estimate agreed for the project.

If the supplier demonstrates gross negligence or intent, the above liability limits do not apply.

11 INFRINGEMENTS ETC

11.1

The Contractor shall indemnify the NPD against all claims by any third party claiming infringement of any patent or proprietary right in respect of any device, apparatus or method used by the Contractor. This shall not apply in the event that the infringement is the result of information, data, intellectual property, documentation, instructions from NPD and NPD shall indemnify supplier for any claims relating to such infringements.

The NPD shall, as to work performed under this agreement, extend to the Contractor whatever protection the NPD's agreements, licences and patent position shall permit.

Should the Contractor be prevented from performing this agreement or any part thereof by injunction or any other legal proceeding based on any such claim of infringement, Contractor shall be relieved of his obligation of the performance in so far as the discontinuance of the operations is the result of said injunctions or other legal proceedings, unless the NPD at its own expenses procure for the Contractor the right to use the device, apparatus or method in question.

12 LIABILITY FOR LOSS OR INJURY

12.1

The NPD is not liable for any injury and/or damage suffered by:

- a) personnel employed by the Contractor or his subcontractor or property, and
- b) any third party's personnel or property (including other government property than property of the NPD).

The Contractor shall indemnify the NPD for any claim under public or civil law, including costs and legal fees, which may be brought against the NPD on account of any such loss, unless wholly due to the negligence of the NPD's personnel.

12.2

The Contractor is liable for any loss suffered by the NPD's personnel or equipment arising out of, or resulting from the work described in this agreement, provided such loss is due to the negligence or default of the Contractor or his personnel or subcontractor.

13 DEFAULT

13.1

If this agreement is cancelled by either party due to default of one of the parties, the Contractor is obliged, even if the reason for the cancellation is the default of the NPD, to deliver to the NPD without delay all documents and materials containing data and information, other than Contractor's proprietary data, which until then have come into the possession of the Contractor in connection with or as a result of the Contractor's work under this agreement, and regardless whether or not they have been procured by the Contractor or by the NPD. The provisions of clauses 6 and 7 above will remain in effect notwithstanding that the contract may have been cancelled by either party.

14 COPYRIGHT AND PROPERTY RIGHTS

Property rights, copyright and other relevant material and immaterial rights to the result(s) of the assignment fall to the NPD, with the limitations ensuing from other agreements or invariable laws. The rights also include the right to make amendments and a further transfer (cf. Section 39b of the Copyright Act).

If something other than the above has been agreed in an Appendix, the NPD will still have a perpetual right, free of charge, to utilise whatever the supplier has delivered in any form, to the extent it is necessary for the use of the results of the work and:

- a. this utilisation does not conflict with the objective of the assignment
- b. the moral rights pursuant to the provisions of the Copyright Act are not violated
- c. the agreement's provisions on loyalty and confidentiality are followed, and
- d. the efforts of the other party are not exploited disloyally pursuant to other current laws, e.g. the Marketing Control Act

To the extent there is no conflict with the agreement's provisions on loyalty and confidentiality, each party may freely use know-how, IP, inventions, tools and methods which the party has acquired in

connection with the assignment. Unless something else has been stated for the assignment or otherwise agreed, the suppliers retain the rights to their own tools and methods. Such material must not be used in violation of the agreement's provisions on loyalty and confidentiality. Any dispute on remuneration will be settled through a court appraisalment.

15 ASSIGNMENT

15.1

The Contractor may not fully or partially assign his rights and obligations hereunder, including the use of subcontractor, except with the written consent of the NPD.

16 TAPES

16.1

NPD shall be responsible economically and otherwise for the shipment of the tapes to the Contractor's processing centre. The Contractor shall be responsible for the proper dispatchment of the tapes when these are returned to the NPD.,

16.2

Data tapes are not to be erased without the NPD's written consent.

16.3

The NPD shall at all times retain the original or a copy of the data provided to Contractor. Should any loss of or damage to the data occur, Contractor's liability shall in no circumstances exceed the reasonable copying and shipping charges incurred by the NPD in sending a further duplicate set.

17 LAW AND JURISDICTION

17.1

All questions and disputes that may arise in connection with or as result of this agreement shall be decided in accordance with Norwegian Law.

17.2

For any dispute arising from this agreement, the parties accept the Stavanger City court as their proper legal venue.

18 WAGE AND WORKING CONDITIONS

18.1 Wage and working conditions – prohibition against social dumping

The Supplier shall be obliged to have wage and working conditions for his own employees that are not worse than those that follow the prevailing nationwide collective wage agreement, or what is otherwise normal for the place and profession in question. This also applies to work that is to be performed abroad.

The Supplier is responsible vis-à-vis the NPD for ensuring that the above-mentioned requirements are also complied with by any sub-contractors who directly take part in the performance of the contract.

Upon the NPD's request the Supplier shall document wage and working conditions for his own employees and the employees of any sub-contractors who take part in the performance of the contract.

If, within 10 working days, the Supplier does not submit documentation of wage and working conditions or fails to comply with the clause's requirements for wage and working condition, the principal shall be entitled to withhold parts of the contract sum until documentation has been submitted to the effect that the matter has been rectified. If the event violation of the clause is deemed to be material breach, this entitled the NPD to cancel the contract. been

19. Appendices

- Appendix 1A- Scope of work
- Appendix 1B – Processing sequence and other requirements
- Appendix 2 - Final report

Appendix 1A – Scope of work

Appendix 1B – Processing sequence and other requirements

Appendix 2 – Final Report