



PetroChina International Iraq FZE Iraq Branch

شركة بتروشاينا انترناشيونال م.م.ح فرع العراق

Tenders Announcement

Tenders by: PetroChina International Iraq FZE Iraq Branch (PetroChina), Operator at Halfaya Oil Field (about 35km southeast of Amarah city) in Iraq, PetroChina is assigned the operator in the consortium, alongside partners TOTAL E&P Iraq PETRONAS Carigali Sdn. Bhd. and the State Partner South Oil Company to develop Halfaya Oil field under contract (DPSC) with Missan Oil Company.

The Announced Tenders are listed below:

Tender Title		Tender No.
1	Rebidding Purchase of Load Bank Package for CPF-02 Power Plant.	HFY-PUR/PD0499-0486
Bidding collection period	From 8:00 am on 24 th April 2014 to 03:00 pm on 19 th May 2014.	
Bid Collection fee	USD 100.00	
Contact Email	halfaya-quotation@petrochina-hfy.com	
2	Provision of EPC of Road and River Crossings of Pipelines and Cables for Phase 2 and FSF Sustainment Projects 2014-2015.	HFY-CON/F&C0526-0550
Bidding collection period	From 8:00 am on 24 th April 2014 to 12:00 pm on 19 th May 2014.	
Bid Collection fee	USD 100.00	
Contact Email	Halfaya_procurement@petrochina-hfy.com	
3	Provision of 3 Set of Each X-Ray Systems and Metal Detector (Portal).	HFY-CON/SEC0500-0524
Bidding collection period	From 8:00 am on 24 th April 2014 to 04:00 pm on 19 th May 2014.	
Bid Collection fee	USD 100.00	
Contact Email	Halfaya_procurement@petrochina-hfy.com	
4	Provision of Directional Drilling Equipment and Services.	HFY-CON/OP0515-0539
Bidding collection period	From 8:00 am on 24 th April 2014 to 04:00 pm on 26 th May 2014.	
Bid Collection fee	USD 100.00	
Contact Email	Halfaya_procurement@petrochina-hfy.com	

2. Qualifications and documents

required for ITB package request:

- 2.1) Filled ITB Package Request Form.
- 2.2) ITB request fees receipt.
- 2.3) Copy of Certificate of Incorporation.
- 2.4) Copy of Certificate of Contracting/Trade.
- 2.5) Original Power of Attorney to whom ITB package

إعلان عن مناقصات

الجهة المعلنة : شركة بتروشاينا انترناشيونال م.م.ح فرع العراق (شركة بتروشاينا) المنفذة لمشروع حقل نفط الحلفاية (الذي يبعد 35 كم للجنوب الشرقي من مدينة العمارة) في العراق، وقد اختيرت شركة بتروشاينا لتكون بمثابة المنفذ مع شركائها شركة توتال وشركة بتروناس وشريكهم الحكومي شركة نفط الجنوب لتنفيذ المشروع المذكور أعلاه تحت العقد الموقع مع شركة نفط ميسان .

المناقصات المراد الاعلان عنها مدرجة أدناه:

رقم المناقصة	عنوان المناقصة
1	إعادة اعلان شراء رزمة الأحمال الكهربائية لمحطة توليد الكهرباء في وحدة المعالجة المركزية الثانية.
من الساعة 8:00 صباحاً من يوم 24 نيسان 2014 و لغاية الساعة 03:00 مساءً من يوم 19 أيار 2014	فترة استلام العطاءات
100 دولار امريكي	رسوم المشاركة بالمناقصة
halfaya-quotation@petrochina-hfy.com	البريد الإلكتروني
2	تقديم خدمات أنشائية للطرق والمعارب النهرية من خطوط أنابيب وكابلات للمرحلة الثانية و ادامة لمشاريع منشأة الخدمات الحقلية 2014-2015.
من الساعة 8:00 صباحاً من يوم 24 نيسان 2014 و لغاية الساعة 12:00 مساءً من يوم 19 أيار 2014	فترة استلام العطاءات
100 دولار امريكي	رسوم المشاركة بالمناقصة
Halfaya_procurement@petrochina-hfy.com	البريد الإلكتروني
3	توفير ثلاثة مجموعات لكل من منظومة الاشعة السينية واجهزة كشف المعادن
من الساعة 8:00 صباحاً من يوم 24 نيسان 2014 و لغاية الساعة 04:00 مساءً من يوم 19 أيار 2014	فترة استلام العطاءات
100 دولار امريكي	رسوم المشاركة بالمناقصة
Halfaya_procurement@petrochina-hfy.com	البريد الإلكتروني
4	توفير معدات الحفر المباشر والخدمات المرتبطة بها
من الساعة 8:00 صباحاً من يوم 24 نيسان 2014 و لغاية الساعة 04:00 مساءً من يوم 26 أيار 2014	فترة استلام العطاءات
100 دولار امريكي	رسوم المشاركة بالمناقصة
Halfaya_procurement@petrochina-hfy.com	البريد الإلكتروني

2. المؤهلات و الوثائق المطلوبة للمشاركة بالمناقصة:

- (1-2) مليء إستمارة طلب الدعوة للمشاركة بتقديم العطاء.
- (2-2) وصل استلام رسوم الطلب من قبل البنك.
- (3-2) نسخة من شهادة تأسيس الشركة.
- (4-2) نسخة من شهادة التعاقد/ التجارة.
- (5-2) كتاب تحويل للشخص المخول باستلام كراسة العطاء و يجب أن

will be issued. This Power of Attorney must be signed by the legal representative of the interested company.

3. Contact information:

All interested companies, shall submit all the required documents to given email address or to PetroChina Amara Office .Contact: Dept. of Contracts, Procurement & Logistics PetroChina International Iraq FZE Iraq Branch.
Address: PetroChina Base Camp, Kahla'a Missan Governorate, Iraq.

يكون الكتاب موقع من قبل ممثل الشركة القانوني (المدير المفوض)

3. معلومات الاتصال:

على جميع الشركات المهمة بالتقديم ، تقديم كافة الوثائق المطلوبة الى الايميل الالكتروني اعلاه او الى مكتب بتروچاينا في العمارة.
الاتصال: قسم التعاقد ،المشتريات و الدعم اللوجستي ، شركة بتروشاينا انترناشيونال م.م.ح فرع العراق .
العنوان: مخيم شركة بتروشاينا،قضاء الكلاء،محافظة ميسان العراق.

PETROCHINA INTERNATIONAL IRAQ FZE IRAQ BRANCH



INVITATION TO BID DOCUMENT

FOR

TENDER NO. HFY-CON/SEC0500-0524

**PROVISION OF 3 SET OF EACH X-RAY SYSTEMS AND METAL
DETECTOR (PORTAL)**

GENERAL TABLE OF CONTENT

ITB DOCUMENT

- INSTRUCTIONS & INFORMATION TO BIDDER	FORM A
- LETTER OF CONFIRMATION TO SUBMIT BID OR NOT	FORM B
- PROPOSAL FORM	FORM C
- BIDDERS EXCEPTION TO CONTRACT AND EXHIBITS	FORM D
- TECHNICAL PROPOSAL FORM	FORM E
- COMMERCIAL PROPOSAL FORM	FORM F
- BID BOND FORM	FORM G
- PROFORMA AGREEMENT	
- EXHIBITS	

FORM A

INSTRUCTIONS AND INFORMATION TO BIDDER

FORM A

INSTRUCTIONS AND INFORMATION TO BIDDER

TENDER NO. HFY-CON/HSSE0470-0494

PROVISION OF 3 SET OF EACH X-RAY SYSTEMS AND METAL DETECTOR (PORTAL)

TABLE OF CONTENT

SECTION	SUBJECT
A-1.0	INTRODUCTION
A-2.0	INTENTION TO BID
A-3.0	PRICE QUOTATIONS
A-4.0	AGREEMENT EXCEPTIONS
A-5.0	TAXES AND CUSTOM DUTIES
A-6.0	PROPOSAL FORMAT
A-7.0	TECHNICAL & COMMERCIAL PROPOSALS
A-8.0	SUBMISSION OF PROPOSALS
A-9.0	ACCEPTANCE

A-1.0 INTRODUCTION

- A-1.1 PetroChina International Iraq FZE Iraq Branch (hereinafter referred to as "PetroChina"), is hereby soliciting competitive bid proposals for PROVISION OF 3 SET OF X-RAY SYSTEMS AND METAL DETECTOR (PORTAL). The scope of work now referred to as "Work" and details on requirements are specified in the Agreement Form and its Exhibits. Please study these carefully.
- A-1.2 In order for PetroChina to fully assess the relative merits of each bid, Bidder is requested to furnish PetroChina with any and all relevant and complete information as set forth in this Form A.
- A-1.3 Bidder is urged to comply strictly with each and every one of the provisions of this Bid Documents and must submit Bidder's proposal strictly in accordance with the terms of the Bid Documents which consist of the following: -
- INSTRUCTIONS & INFORMATION TO BIDDER FORM A
 - LETTER OF CONFIRMATION TO SUBMIT BID OR NOT FORM B
 - PROPOSAL FORM FORM C
 - BIDDERS EXCEPTION TO AGREEMENT FORM AND EXHIBIT FORM D
 - TECHNICAL PROPOSAL FORM FORM E
 - COMMERCIAL PROPOSAL FORM FORM F
 - BID BOND FORM FORM G
- A-1.4 PetroChina will accept any proposals made jointly by two or more Bidder who wish to combine their resources in order to maximize economies of scale for PetroChina. The joint effort could be made in the form of Joint Venture, partnership or any other classifications it may be. However, PetroChina will not accept and will **disqualify** any Bidder who submit more than one proposal.
- A-1.5 As a base case, Bidder's proposal shall be in full conformity with the requirements as set out in this Bid Document. Nothing shall be deemed to change or supplement this basis except revisions to the Bid Documents issued to all Bidders in writing by PetroChina as NOTICE(s) to Bidders. If Bidder wishes to present alternatives, Bidder may do so only after having duly complied with the requirements of this Bid Document as its primary bid.
- A-1.6 Any query concerning preparation of Bid Proposal is to be directed in writing to the address given in Section A-8.6. All relevant questions, along with PetroChina's reply, will be sent to all Bidders.
- A-1.7 Bid Proposal shall be binding for a period of 90 calendar days from the Bid Closing Date, which is May 19th, 2014.

- A-1.8 All Bid Proposal must be signed and certified by an officer duly authorized by Bidder.
- A-1.9 Any amendments appearing in the Bid Proposal must be signed or initialized by the Bidder's authorized officer.
- A-1.10 FAILURE TO STRICTLY COMPLY WITH THE INSTRUCTIONS SET FORTH IN THIS FORM A WILL RESULT IN THE BID PROPOSAL BEING DEEMED TO BE NON – COMFORMING.

A-2.0 INTENTION TO BID

- A-2.1 Bidder is requested to check the Bid Documents upon receipt and to advise PetroChina IF THERE IS ANY OMISSION OR PAGES MISSING.

A-2.2 Bidder is advised to confirm within three (3) days upon receipt of Bid Documents the followings:-

- Bidders intention or not to submit proposal by returning a duly completed Form B.
- Address and name of representative to whom PetroChina shall address all communications.

- A-2.3 Bidder is required to confirm Bidder's understanding of the Bid Documents and agreement to bid by executing the Proposal Form as per FORM C, to be submitted together with the Bid Proposal. The Proposal Form must be signed by an officer duly authorized by Bidder without any changes to the form.

- A-2.4 Should Bidder decline to submit a proposal, Bidder shall state in writing the reasons for declining to submit a proposal. Bidder is required to promptly return all Bid Documents to PetroChina and, in all such cases, this shall be done not later than the Bid Closing Date.

The Bid Documents returned shall be forwarded to the address given in Section A-8.4 and the following shall be clearly marked on the cover/envelope:

- 1) DECLINE TO BID - DOCUMENT RETURNED
- 2) TENDER (Number and Title)
- 3) Bidder's Name

A-3.0 QUOTATIONS

- A-3.1 Bid rates proposed by Bidder shall be quoted in United States Dollars only and shall be firm throughout the duration of the Agreement.
- A-3.2 Price quoted shall prevail throughout the duration of this Agreement and shall not be subject to revision by reason of cost escalation nor currency fluctuation.
- A-3.3 COMMERCIAL PROPOSAL FORM must be entirely completed by Bidder as required. Every page of COMMERCIAL PROPOSAL FORM must be stamped by Bidder's official company logo and properly initialed by Bidder's authorized officer.
- A-3.4 Payments under the terms of this Agreement shall be in accordance with the relevant Article of the Agreement.

A-4.0 Bid Bond

- (a) Each Bidder is required to submit, as part of its Bid, a bid bond in the form identified below, and in the amount one percent (1%) of the bid value in accordance with the information it provides in Form G below (the "Bid Bond").
- (b) The form of the required Bid Bond is included as Form G (Bid Bond). The Bid Bond shall be issued by a commercial bank or other financial institution acceptable to the COMPANY based on its long-term debt rating; provided, however, that COMPANY shall have the right to accept a commercial bank or other financial institution with no rating.
- (c) An unsuccessful Bidder will be returned with its Bid Bond within thirty (30) days following notification by the COMPANY that its Bid was unsuccessful. The COMPANY shall return the Bid Bond to the successful Bidder following delivery by the successful Bidder to the COMPANY of the Performance Security (Bank Guarantee), the Bank Guarantee shall be issued in the form of Appendix F attached to the AGREEMENT (the "Bank Guarantee"). In case bidder selected the Retention Money option, the COMPANY shall return the Bid Bond upon the execution of the AGREEMENT.
- (d) The Bid Bond may be called upon by the COMPANY, in its sole and absolute discretion, in the following cases:
 - (i) if a Bidder, having been declared to be the successful Bidder by the COMPANY, refuses to execute the AGREEMENT within three (3) days from the date of a written demand by the COMPANY to enter into the AGREEMENT;
 - (ii) if a Bidder withdraws or repudiates its Bid after the Bid Closing Date but before the expiry of the Bid Validity Period;
 - (iii) if a Bidder violates any of the COMPANY's guidelines on business conduct;
 - (iv) if a Bidder violates any applicable law with respect to the submission of its Bid;
 - (v) if a Bidder fails to submit the required content of the commercial and technical schedules required under Parts 3 and 4 of Section III of the ITB Documents; or
 - (vi) if a Bidder, having been declared to be the successful Bidder, and had selected the Bank Guarantee Option, fails to extend its Bid Bond until it is replaced with the Bank Guarantee.

A-4.1 AGREEMENT EXCEPTIONS

- a) If Bidder has any change that is considered of mutual benefit or if there is any exception to the terms and conditions of the Agreement or any other part of the Bid Document, Bidder must state the changes or exceptions proposed by using the format in FORM D and giving specific reasons thereof. Bidder must indicate clearly the effect, if any, these changes or exceptions may have on Bidder's quotation and work schedule if the changes or exceptions are rejected by PetroChina.

Bidder shall ensure that Bidder's base quotation excludes such change(s) or exception(s).
- b) Change(s) or exception(s) to the Agreement expressed after the closing date of the bid will not be entertained.

- c) PetroChina reserves the right to accept or reject any or all of the proposed change(s) or exception(s). PetroChina will review each change or exception on a case-by-case basis.
- d) Bidder shall quote the firm amount (unit rate) by which the Agreement value "Price" will be adjusted (either up or down) in the FORM D should Bidder's proposed changes or exception(s) be rejected by PetroChina.
- e) If Bidder cannot accept PetroChina's wording at any price, and is willing to take risk having its Bid Proposal rejected on this basis, then Bidder must make the following statement under the "CHANGE IN BID PRICE" column in FORM D:

"FIRM - Will not accept PetroChina's wording at any price".

A-5.0 TAXES AND CUSTOM DUTIES

- A-5.1 Bidder is responsible to seek clarification through their tax advisor on the applicability of those provisions prior to submitting the proposal.
- A-5.2 Bidder is advised to refer Article 14 – Taxes and Customs Duties in the Price Agreement Form for details on the applicable taxes and duties.

A-6.0 PROPOSAL FORMAT

- A-6.1 Bidder must submit its proposal in Four **(4)** separate sealed packages;

- 1) the "**TECHNICAL PROPOSAL**", and
- 2) the "**COMMERCIAL PROPOSAL**",
- 3) **Bid Bond**
- 4) **Legal Document**

Which must be in accordance with the formats stated in Sections A-7.1 & A-7.2 hereinafter.

- A-6.2 Bidder must ensure that the "TECHNICAL PROPOSAL" does not contain any pricing or cost quotations. Failure to comply with these instructions will render Bidder's proposal invalid and rejected from further consideration.

A-7.0 TECHNICAL & COMMERCIAL PROPOSAL

- (a) Each submission of a Bid must be made separately in a sealed package (the "**Bid Package**") that contains the following:
 - (i) One (1) original copy of the duly completed and executed Bid Letter in the form set out in Part 1 of Section III;
 - (ii) One (1) sealed envelope containing one (1) original set of the duly completed forms set out in, and the information and other materials as required in, Part 3 of Section III (the "**General and Technical Bid Submission**"). In addition, the electronic copy of the technical bid should be prepared and sealed inside the envelope;

- (iii) One (1) sealed envelope containing one (1) copy set of the General and Technical Bid Submission;
- (iv) One (1) sealed envelope containing the first one (1) original set of the duly completed forms set out in, and the information and other materials as required in, Part 4 of Section III (the **“First Commercial Bid Submission”**). The electronic copy of the commercial bid should be prepared and sealed inside as well; and
- (v) One (1) sealed envelope containing the second one (1) original set of the duly completed forms set out in, and the information and other materials as required in, Part 4 of Section III (the **“Second Commercial Bid Submission”**). The electronic copy of the commercial bid should be prepared and sealed inside as well; and
- (vi) One (1) sealed envelope containing one (1) copy set of the Commercial Bid Submission.
- (vii) One (1) sealed envelope clearly marked as “COMPANY REGISTRATION DOCUMENTATION AND AUTHORIZATION”, with the following documentation (i) a copy of the Certificate of Incorporation and existence in the relevant jurisdiction, (ii) a copy of the Articles and/or Memorandum of Association, and/ or Bylaws, as the case maybe under the relevant jurisdiction, (iii) appropriate authorization and/or Power of Attorney for bidder’s legal representative(s), and (iv) a copy of Business License required for performance of the Work of Bidder, or each member of Bidder in case Bidder is a Joint-Venture/Consortium. All the documents above mentioned above shall be duly legalized and/or notarized and/or authenticated according to the applicable rules in the respective jurisdiction, as per common usage in the international oil and gas industry.

A-8.0 SUBMISSION OF PROPOSAL

- A-8.1 Bidder shall submit their Technical Package in one bound consisting of one original and two copies, including one soft copy of the proposal; and Commercial Package in two (2) bounds consisting of one original and one copy sets of each. In the event of discrepancy between the original set and the copies, the original shall prevail..
- A-8.2 The original sets must be stamped with the words "ORIGINAL COMMERCIAL" or "ORIGINAL TECHNICAL" on every page of the respective package. Similarly, the photocopy sets must be stamped with the words "COPY COMMERCIAL" or "COPY TECHNICAL" on every page of the photocopy sets.
- A-8.3 The word “Original” and “Copy” shall be clearly marked on each envelope. Bids shall be clearly marked “Confidential” and shall be sealed in separate packages, clearly marked in bold letters as follows and submitted to the following address:

CONFIDENTIAL

BID LETTER; OR
ORIGINAL GENERAL AND TECHNICAL PROPOSAL; OR
FIRST ORIGINAL COMMERCIAL PROPOSAL; OR
SECOND ORIGINAL COMMERCIAL PROPOSAL; OR
COPY GENERAL AND TECHNICAL PROPOSAL; OR
COPY COMMERCIAL PROPOSAL; OR
ORIGINAL BID BOND.

Tender No.: HFY-CON/SEC0500-0524

Tender Title: PROVISION OF 3 SET OF EACH X-RAY SYSTEMS AND METAL DETECTOR (PORTAL)

To: PetroChina International Iraq FZE Iraq Branch
Department of Contract, Procurement and Logistics
P.O. Box: 500486, Fourth Floor, Building No. 10, Dubai
Internet City, Dubai, United Arab Emirates
Fax : +971 04 4404190
Email : halfaya_procurement@petrochina-hfy.com

ATTN: Tender Committee Secretary

Submitted By : *[Name of Bidder]*

[Contact Person, Address and Phone and Fax Numbers of Bidder]

- (a) Each envelope within the Bid Package must also be clearly marked and labelled as set out in paragraph (a) above, and shall also clearly identify the contents therein, i.e. whether it is the General and Technical Bid Submission or the Commercial Bid Submission, and whether it is the original set or the copy set. Each envelope must also be sealed. **Any Bid Package without the above mentioned label on the envelope will be considered invalid and will not be considered in the evaluation process.**
- (b) Each sealed envelope of the Bid Package must be marked with a company stamp on each seal and on each corner.

Note: Any Bid Package provided that is not in compliance with the above points in section A-8.3 will be considered invalid and will not be considered in the evaluation process.

A-8.4 Bidder shall properly wrap and seal the original set plus photocopy set of Technical Proposal Package in one envelope, and the original set plus photocopy set of Commercial Proposal Package in another envelope. Each sealed envelope shall also be labeled properly with the words "TECHNICAL PROPOSAL" or "COMMERCIAL PROPOSAL" as appropriate, including the Bidder's name and address, and this Tender number and title.

A-8.5 Bidder Submit One (1) soft copy of commercial proposal (PDF+Word/Excel).

A-8.6 Bidder shall ensure Technical Proposal does not contain any Commercial Proposal or Rates. Technical Proposal with Commercial information will be disqualified from further consideration.

A-8.7 Bidder shall submit their above-mentioned proposals to the following address:

1) Iraq Office:

CPL Department,
Office No. Room 105, PetroChina,
Halfaya Base Camp, Kahla'a ,Missan Governorate,
the Republic of Iraq

2) UAE Office:

PetroChina International Iraq FZE Iraq Branch
c/o PetroChina halfaya FZ-LLC
Attn: TC Secretary Contracts, Procurement and Logistics Department,
Address: P.O. Box: 500486, Office No. A 409, 4th Floor, Building No. 10, Dubai
Internet City, Dubai, UAE
Fax : +971 04 4404190
Email : Halfaya_procurement@petrochina-hfy.com

NOTE: CONTRACTOR MUST ENSURE EACH ENVELOPE SUBMITTED ARE CLEARLY MARKED WITH BIDDER'S NAME AND DETAILS OF THE CONTENT FOR EASY REFERENCE AND IDENTIFICATION.

A-8.8 Each sealed envelope of the Bid Package must be marked with a company stamp on each seal and on each corner.

Note: Any Bid Package provided that is not in compliance with the above points in section 5.2 will be considered invalid and will not be considered in the evaluation process.

A-8.9 Responsibility for timely delivery of the proposal to the correct address rests fully with Bidder. PetroChina does not accept late bids. Delivery to the wrong address shall not be an excuse for late delivery.

A-8.10 Bidder must ensure that the proposal is delivered to the address given in Clause 8.4 above not later than **the time and date specified in the ITB covering letter.** In case the specified bid closing day happens to be a holiday, the next working day shall be the closing day.

A-8.11 All communications/correspondence with regard to bid preparation/clarification and submission of all proposals shall be made in writing (English) to the address specified under Clause 8.4 above.

A-8.12 All correspondences with regard to bid clarifications shall be in writing and must indicate the tender number and title and sent to the address given in Clause 8.4.

A- 8.13 Bidder is strongly advised to deliver the proposal by hand in order to assure timely receipt by PetroChina. If Bidder elects to mail the proposal, Bidder is advised to use a fast and reliable delivery service (e.g., courier). Bidder should advise PetroChina by fax the date and details of the delivery services.

A-8.14 Failure of Bidder to comply with any of the instructions under this Submission of Proposals Section shall render Bidder's proposal(s) invalid.

A-9.0 ACCEPTANCE

A-9.1 PetroChina may, at its option, reject all bids received or may accept any bid which, in PetroChina's sole judgment, is the most advantageous to PetroChina. PetroChina reserves the right to accept or reject all or part of the proposal at PetroChina's discretion and will be under no obligation to explain the reasons thereof.

A-9.2 PetroChina shall not be deemed to have accepted all or any parts of a proposal unless and until written acceptance is issued.

A-9.3 The successful Bidder will be invited to enter into an agreement with PetroChina (reference is made to the Agreement Form of the Bid Document). Prior to such an invitation, PetroChina may send the successful Bidder a letter or telex of intent.

A-9.4 All correspondence to PetroChina and bid submission MUST be in English. Submission in other language(s) will be deemed as non-compliance to bid submission requirement and will be disqualify from further consideration.

A-9.5 PetroChina may at its own discretion spilt the Agreement to more than one bidder at its own discretion and will be under no obligation to explain the reasons thereof.

END OF FORM A

FORM B

LETTER OF CONFIRMATION TO SUBMIT BID

FORM B

LETTER OF CONFIRMATION TO SUBMIT BID

Date :

To : PetroChina International Iraq FZE Iraq Branch
C/o PetroChina Halfaya FZ-LLC
TC Secretary
CPL Department, PetroChina
Fax : +971 04 4404190
Email : Halfaya_procurement@petrochina-hfy.com,
Address : P.O. Box: 500486, Office No. A 409, 4th Floor, Building
No. 10, Dubai Internet City, Dubai, UAE

Dear Sirs,

Tender No. : HFY-CON/SEC0500-0524

Tender Title : PROVISION OF 3 SET OF EACH X-RAY SYSTEMS AND METAL DETECTOR (PORTAL) We, the undersigned, certify that we have received, read and understood the subject Invitation to Bid Document for the Agreement for the PROVISION OF 3 SET OF EACH X-RAY SYSTEMS AND METAL DETECTOR (PORTAL)

We acknowledge that we have thoroughly reviewed the Bid Document and confirmed that we are in receipt of a complete Bid Document with no missing page(s).

* A) We intend to submit a bona fide and compliant offer by the Bid Closing Date.

The person handling this Bid is:

Name.....Designation.....Cell-phone.....

Tel. No.....Fax No.....Email:.....

* B) Please be advised that we will not be participating in this Bid because:

.....
.....

*Delete either A) or B)

Thank you

Yours faithfully,

Signature :
Printed Name :
Position :
Company :
Date :

FORM C
PROPOSAL FORM

FORM C (I)

TECHNICAL PROPOSAL FORM

Date :

To PetroChina International Iraq FZE Iraq Branch
c/o PetroChina Halfaya FZ-LLC
Guo Yan, TC Secretary
Contracts, Procurement and Logistics Department
Fax : +971 04 4404190
Email : Halfaya_procurement@petrochina-hfy.com
Address : P.O. Box: 500486, Office No. A 409, 4th Floor, Building
No. 10, Dubai Internet City, Dubai, UAE

Dear Sirs

Tender No. : HFY-CON/SEC0500-0524
Tender Title : PROVISION OF 3 SET OF EACH X-RAY SYSTEMS AND METAL DETECTOR (PORTAL).

We, the undersigned, certify that we have received, read and understood the subject Invitation to Bid Document for the Agreement for the PROVISION OF 3 SET OF EACH X-RAY SYSTEMS AND METAL DETECTOR (PORTAL). We acknowledge that we have thoroughly reviewed the Bid Document and hereby submit our Bid Proposal for the Contract Rates stated and attached hereto, and that we shall be solely responsible for the Work that shall be in accordance with good business practice.

We offer to perform the Work as detailed in the Bid Document for the prices stated in our proposal attached hereto. This offer is valid for ninety (90) days from the date fixed for Bid Closing and shall be binding upon us if accepted by PetroChina at anytime before expiration of the aforesaid validity date.

If our proposal is accepted, we undertake that, pending the execution of a formal Agreement, this Bid Proposal, together with PetroChina's written acceptance shall constitute a binding Contract between us.

Yours faithfully,

Signature :	Address :
Printed Name :	
Position :	Attn :
Company :	Telex :
	Telephone :
Date :	Fax :

FORM C (II)

COMMERCIAL PROPOSAL FORM

Date :

To PetroChina International Iraq FZE Iraq Branch
c/o PetroChina Halfaya FZ-LLC
Guo Yan, TC Secretary
Contracts, Procurement and Logistics Department
Fax : +971 04 4404190
Email : Halfaya_procurement@petrochina-hfy.com
Address : P.O. Box: 500486, Office No. A 409, 4th Floor, Building

No. 10, Dubai Internet City, Dubai, UAE

Dear Sirs

Tender No. : HFY-CON/SEC0500-0524

Tender Title : PROVISION OF 3 SET OF EACH X-RAY SYSTEMS AND METAL DETECTOR (PORTAL).

We, the undersigned, certify that we have received, read and understood the subject Invitation to Bid Document for the Agreement for the PROVISION OF 3 SET OF EACH X-RAY SYSTEMS AND METAL DETECTOR (PORTAL). We acknowledge that we have thoroughly reviewed the Bid Document and hereby submit our Bid Proposal for the Contract Rates stated and attached hereto, and that we shall be solely responsible for the Work that shall be in accordance with good business practice.

We offer to perform the Work as detailed in the Bid Document for the prices stated in our proposal attached hereto. This offer is valid for ninety (90) days from the date fixed for Bid Closing and shall be binding upon us if accepted by PetroChina at any time before expiration of the aforesaid validity date.

For extension of bid validity period beyond the date specified above, the price adjustment, if any, shall be as follows:-

% Increase

For the first 30 days extension of bid validity _____
For the second 30 days extension of bid validity _____

If our proposal is accepted, we undertake that, pending the execution of a formal Contract, this Bid Proposal, together with PetroChina's written acceptance shall constitute a binding Contract between us.

Yours faithfully,

Signature :	Address :
Printed Name :	
Position :	Attn :
Company :	Telex :
	Telephone :
Date :	Fax :

FORM D

BIDDERS EXCEPTION TO CONTRACT FORM AND EXHIBITS

PART I OF FORM D: TO BE SUBMITTED IN TECHNICAL SUBMISSION ONLY

ARTICLE NO. or EXHIBIT NO.	EXACT NEW WORDING PROPOSED BY BIDDER	REASON(S) FOR EXCEPTION	EFFECT ON PERFORMANCE OF THE SERVICE	(THE VALUE OF THE COST IMPACT SHALL BE SUBMITTED IN COMMERCIAL SUBMISSION ONLY) PLEASE NOTE * SIGN IN THE CORRESPONDING ROW TO INDICATE THE COST IMPACT HAD BEEN SUBMITTED IN THE COMMERCIAL SUBMISSION.
				*
				*
				*
				*
				*

PART II OF FORM D: TO BE SUBMITTED IN COMMERCIAL SUBMISSION ONLY

ARTICLE NO. or EXHIBIT NO.	EXACT NEW WORDING PROPOSED BY BIDDER	REASON(S) FOR EXCEPTION	EFFECT ON PERFORMANCE OF THE SERVICE	PLEASE STATE THE ADDITIONAL OR REDUCTION IN THE BID RATE IF ACCEPTION IS REJECTED/ACCEPTED BY PETROCHINA

END OF FORM D

FORM E
TECHNICAL PROPOSAL FORM

PLEASE READ THE FOLLOWING INSTRUCTION CAREFULLY BEFORE ATTEMPTING THE QUESTIONS STATED IN THIS FORM E. FORM E CONTAIN TWO (2) PARTS.

1. BIDDERS **MUST** PROVIDE ALL THE INFORMATION REQUIRED ACCORDINGLY AND ADHERE TO FORMATS ESTABLISHED WHENEVER REQUIRED.
2. BIDDERS ARE STRICTLY PROHIBITED TO SUBMIT PARTIAL OR INCOMPLETE INFORMATION AND LEAVE ANY OF PETROCHINA'S REQUIREMENT UNANSWERED.
3. BIDDERS MUST WHERE REQUIRED SUBMIT/ENCLOSE ACCORDINGLY ALL THE SUPPORTING DOCUMENTS REQUESTED TO SUBSTANTIATE THE INFORMATION PROVIDED.
4. BIDDER IS ENCOURAGED TO SEEK WRITTEN CLARIFICATION PRIOR TO BID CLOSING TO CLARIFY AREAS OF CONCERN IN THIS FORM AS PETROCHINA WILL NOT ISSUE ANY FURTHER CLARIFICATION SHOULD ANY OF THE QUESTION ARE LEFT UNANSWERED.
5. BID SUBMISSION AND SUBSEQUENT CORRESPONDENCE MUST BE IN ENGLISH.
6. BIDDERS SUBMISSION SHALL BE CLEARLY TYPED. HAND WRITTEN SUBMISSION WILL BE REJECTED FROM FURTHER CONSIDERATION AND EVALUATION.

FAILURE TO COMPLY WITH THE ABOVE INSTRUCTION WILL BE DEEMED AS BIDDERS NON-COMPLIANCE TO THE TENDERING EXERCISE AND PETROCHINA AT IT'S OWN PEROGATIVE WILL REJECT THE BID SUBMISSION FROM FURTHER CONSIDERATION AND EVALUATION.

FORM E : TECHNICAL PROPOSAL FORM

PART ONE (1) OF FORM E: TECHNICAL PROPOSAL FORM

1.0 BIDDER'S PROFILE

NO	DESCRIPTION	BIDDER TO SPECIFY
1.1	Name of bidder (Company's name)	
1.2	Registered address	
1.3	Business Address	
1.4	Telephone no.	
1.5	Fax no.	
1.6	Contact person	
1.7	Mobile no.	
1.8	Email	

2.0 COMPANY'S ORGANIZATIONAL SET-UP.

NO	DESCRIPTION	BIDDER TO SUBMIT
3.1	Bidder to submit a comprehensive overall organizational chart of the Company.	<u>Attach separately</u>
3.2	Bidder to submit a comprehensive organization chart dedicated to execute the Work required under this tender.	<u>Attach separately</u>

3.0 BIDDERS EXPERIENCE IN PROVIDING THE TENDER RELATED SERVICES.

3.1 Bidder must list down past and present clients whom bidder had provided similar services. Bidder's submission must strictly follow and adhere to the format set below.

3.2 Information and details stated in item 1 of the table below is only an example on how to provide the information required. Bidder may submit the information required in a separate attachment if necessary.

NO	NAME OF CLIENTS	NATURE OF CLIENT'S OPERATIONS	LOCATION	NATURE OF WORK	EFFECTIVE		DURATION OF CONTRACT	CONTRACT VALUE
					STARTS	END		
1.	ABC	Bidder to state	Bidder to state	Bidder to state	Bidder to state	Bidder to state	Bidder to state	Bidder to state
2.	XYZ	Bidder to state	Bidder to state	Bidder to state	Bidder to state	Bidder to state	Bidder to state	Bidder to state

NOTE : BIDDER **MUST** PROVIDE CONFIRMATION LETTER FROM **EACH** CLIENT MENTIONED ABOVE TO SUBSTANTIATE THE INFORMATION/DETAILS PROVIDED.

THE CONFIRMATION LETTER SHOULD ALSO CLEARLY INDICATE, NAME, DESIGNATION, TELEPHONE AND FAX NUMBER OF THE CLIENT REFERENCE POINT FOR PETROCHINA TO SEEK FURTHER CLARIFICATION.

IF BIDDER HAD LISTED 10 DIFFERENT CLIENTS, PETROCHINA EXPECTS 10 SUPPORTING LETTERS.

LISTING OF CLIENTS WITHOUT SUPPORTING LETTER AND POINT OF REFERENCE IS NOT ACCEPTABLE AND WILL BE REJECTED FROM CONSIDERATION.

4.0 OTHER INFORMATION ABOUT THE COMPANY.

NO	PETROCHINA'S REQUIREMENT	BIDDER TO SUBMIT / SPECIFY
4.1	Is there any current contract between PetroChina and bidder? If yes, please specify details.	
4.2	Any other information about the company deemed necessary for this tender.	

6.0 COMPANY'S AUDITED FINANCIAL STATEMENT.

NO	PETROCHINA'S REQUIREMENT	BIDDER TO SUBMIT / SPECIFY	
6.1	Gross profit (or loss) for the following financial year.	2010/2011	
		2011/2012	
6.2	Audited financial statement for year 2010/2011 and 2011/2012.	To submit the required financial statement. <u>Attach separately</u>	

7.0 REQUIRED DOCUMENTS

COMPANY REGISTRATION DOCUMENTATION AND AUTHORIZATION:

BIDDER shall submit in a separate and clearly marked envelop as "COMPANY REGISTRATION DOCUMENTATION AND AUTHORIZATION", within the Technical Package, the following documentation (i) a copy of the Certificate of Incorporation and existence in the relevant jurisdiction, (ii) a copy of the Articles and/or Memorandum of Association, and/ or Bylaws, as the case maybe under the relevant jurisdiction, (iii) appropriate authorization and/or Power of Attorney for bidder's legal representative(s), and (iv) a copy of Business License required for performance of the Work of Bidder, or each member of Bidder in case Bidder is a Joint-Venture/Consortium. For Work to be performed in Iraq or Dubai, the appropriate Iraqi Business License or the Registration of the Branch in Iraq or in Dubai is required. If a Parent Company Guarantee is required, then the same documentation provided by bidder shall be required for the parent or controlling company; as well as, the corporate structure showing the relationship between bidder and the parent company, authorized by an appropriate officer of the parent company. All the documents above mentioned under (i), (ii), (iii) and (iv) shall be duly legalized and/or notarized and/or authenticated according to the applicable rules in the respective jurisdiction, as per common usage in the international oil and gas industry

PART TWO (2) OF FORM E: TECHNICAL PROPOSAL FORM

BIDDER'S TECHNICAL PROPOSAL SHOULD ALSO INCLUDE THE FOLLOWING:

Bidder to submit the following details/ response/ confirmations/documents

NO	Description	BIDDER RESPONSE	REMARK
1	Confirmation of the understanding of the scope of the work		
2	Detailed training plan (Topics, subtopics, day wise schedule, training hours, location, field trips etc)		
3	Detailed CVs of trainers		
4	Proven Experience in provision of Foundation trainings in the region or worldwide		
5	Availability of training facilities		
6	Detailed Project Execution Plan		

END OF FORM E

FORM F

COMMERCIAL PROPOSAL FORM

ALL QUOTATION SUBMITTED HEREIN SHALL BE DEEMED TO BE INCLUSIVE FOR THE SATISFACTORY PERFORMANCE OF THE WORK AS DETAILED IN THE INVITATION TO BID DOCUMENT.

ALL QUOTATION SUBMITTED HEREIN SHALL BE IN THE FORM OF EXHIBIT C SCHEDULE OF COMPENSATION TO FORM OF AGREEMENT. THEN RATES AND COSTS STATED IN SHALL SERVE AS EXHIBIT C, SCHEDULE OF COMPENSATION FOR THE PERFORMANCE OF THE AGREEMENT.

THREE COPIES OF COMMERCIAL PROPOSAL ARE REQUIRED (TWO ORIGINALS AND ONE COPY).

END OF FORM F

FORM G

BID BOND

Date: [Insert date of issue and Reference Number]

To: PetroChina International Iraq FZE Iraq Branch

A company duly domiciled in the Republic of Iraq and having its main office at PetroChina Halfaya Base Camp, Kahla'a, Missan province, Republic of Iraq (the "Company").

We, [Insert name and branch address of the issuing bank] (the "Guarantor"), hereby issue in favour of Company this Bid Bond number [Bank to insert reference number], in the aggregate maximum amount of [Insert amount in figures and words, and currency] (hereinafter referred to as the "Bid Bond") on behalf of [Insert Bidder complete company name and address] (the "Bidder"), in connection with its bid for Tender No. [insert bidding reference number].

Guarantor unconditionally and irrevocably undertake to pay to Company, without deduction or set-off of any kind, the Bid Bond upon receipt of a Demand for Payment stating that Bidder (i) has withdrawn its offer during the tender period or before the expiry of this Bid Bond, (ii) has increased its quotation without technical deviations approved by Company during the original bid validity period, (iii) has increased its quotation with amount more than the amount specified in form of commercial proposal in case Company extends the bid validity period, or (iv) while was declared the successful bidder, Bidder did not sign the contract corresponding to its offer or failed to provide the Performance Guarantee requested in the tender process, without Company consent. Company is not required to substantiate its Demand for Payment or submitting any additional document(s). Payment under this Bid Bond shall be made by wire transfer of immediately available funds to the account specified in the Demand for Payment on the second banking day after the day on which the Demand for Payment is received or on the third banking day after the day on which the Demand for Payment is received, if the day of reception is not a banking working day or the Demand for Payment is received after banking working hours at the Payment Office.

Demand for Payment shall be submitted at [Insert exact location and address of the issuing bank branch] (the "Payment Office"), to the attention of: [Issuing bank to insert reference] and shall mention this Bid Bond number.

All drawings under this Bid Bond must be made on or before [Insert exact expiry date] (the "Expiry Date"). Upon the Expiry Date, this Bid Bond shall become null and void, whether returned to the Guarantor for cancellation or not and any claim or statement received after the Expiry Date shall be ineffective and not accepted; provided, however, that any claim or demand received by us prior to the Expiry Date in accordance with its terms shall not be affected.

This Guarantee shall be construed in accordance with and governed by the Laws of England and Wales (without reference to its rules as to conflicts of laws), excluding the Contracts (Rights of Third Parties Rights) Act 1999. Any dispute arising out of the terms and conditions, interpretation, validity or enforceability of this Guarantee shall be finally and exclusively settled by

arbitration according to the Hong Kong International Arbitration Centre Administered Arbitration Rules, as in effect on the date of the issue of this Bid Bond; the arbitration shall take place in Hong Kong, Special Administrative Region of the People's Republic of China, in the English language.

Signature(s),

END OF FORM G



PetroChina International Iraq FZE Iraq Branch

AGREEMENT

BETWEEN

PETROCHINA INTERNATIONAL IRAQ FZE IRAQ BRANCH

AND

(_____)

Ref. No.:

Dated as of

(_____)



TABLE OF CONTENTS

	PAGE NO.
1 DEFINITIONS AND INTERPRETATION	4
2 AGREEMENT	8
3 CONTRACTOR'S OBLIGATIONS	8
4 INDEPENDENT CONTRACTOR	11
5 INVOICING AND PAYMENT	11
6 SUSPENSIONS IN THE DELIVERY OF GOODS.....	12
7 CONTRACTOR'S WARRANTIES AND COVENANTS.....	13
8 INSURANCE	14
9 TAXES AND CUSTOMS DUTIES	16
10 APPLICABLE LAWS	20
11 INTELLECTUAL PROPERTY RIGHTS AND PATENT INFRINGEMENT	21
12 CONFIDENTIALITY	21
13 SAFETY AND SECURITY.....	23
14 LABOUR MATTERS.....	24
15 ASSIGNMENT	24
16 NOTICE	24
17 LIABILITIES AND INDEMNITIES	25
18 LACK OF CONFORMITY	26



PetroChina International Iraq FZE Iraq Branch

19	MISCELLANEOUS.....	26
20	GOVERNING LAW AND DISPUTE RESOLUTION.....	28
21	FORCE MAJEURE	31

APPENDICES

APPENDIX A – DESCRIPTION OF GOODS

- I. DESCRIPTION OF THE GOODS
- II. SCHEDULE OF COMPENSATION

APPENDIX B – INSURANCE

APPENDIX C – FORM OF BANK GUARANTEE

APPENDIX D – FORM OF PARENT COMPANY GUARANTEE



PetroChina International Iraq FZE Iraq Branch

PURCHASE, INSTALLATION AND MAINTENANCE AGREEMENT

This Agreement for Purchase, Installation and Maintenance of X-Ray System and Metal Detector (Portal) (hereinafter referred to as this “Agreement”) is made and entered into this _____ (____) day of _____, _____ (hereinafter referred to as the “Effective Date”), by and between PetroChina International Iraq FZE Iraq Branch, a company duly domiciled under the laws of the Republic of Iraq, having its main office at PetroChina Halfaya Oilfield Base Camp, Kahla’a, Missan Province, Republic of Iraq (hereinafter referred to as the “Company”), and _____, a company organized and existing under the laws of _____ with its registered address at _____ (hereinafter referred to as the “Supplier”). Company and Contractor hereinafter may also be referred to individually as a “Party” or collectively as the “Parties”.

WHEREAS, Company as Operator of the Development and Production Service Contract, dated 27 January 2010, undertakes to carry out the exploration, appraisal, development, production, and generally any other Petroleum Operations in Halfaya Contract Area (hereinafter referred to as the “Area”);

WHEREAS, after following all internal procedures concerning the procurement, installation and maintenance of X-Ray System and Metal Detector (Portal), Company has decided to procure and install such X-Ray System and Metal Detector, and provide maintenance services, as more specifically described in Appendix A, (all these activities shall be hereinafter referred to as a whole as the “Goods”) for use in connection with its operations in the Area; and

WHEREAS, having awarded the Agreement based on its proposal, Contractor represents that it has the financial, technical and professional capability, expertise and knowledge to manufacture and/or procure, install and maintain such Goods, and that it is willing to do so in accordance with the terms and conditions established and contained in this Agreement and its Annexes.

NOW, THEREFORE, IN CONSIDERATION of the mutual promises, terms and conditions contained in this Agreement, the Parties expressly declare that they have acted and will continue to act during the performance of this Agreement according to principles of good faith and international commercial fair dealing, thus mutually agree as set forth below:

1 DEFINITIONS AND INTERPRETATION

1.1 For the purpose of this Agreement:

- a. **“Affiliate” or “Subsidiary”** means, with respect to any Party, any subsidiary or holding company of any company or any other subsidiary of such holding company. A



PetroChina International Iraq FZE Iraq Branch

company is a subsidiary of another company, its holding company, if that other company: (a) holds a majority of the voting rights in it, (b) is a member of it and has the right to appoint or remove a majority of its board of directors, or (c) is a member of it and controls alone, pursuant to an agreement with other members, a majority of the voting rights in it; or if it is a subsidiary of a company that is itself a subsidiary of that other company. In this definition company includes any corporate body. “**Control**” in this context means the ownership directly or indirectly of more than fifty percent (50%) of the shares or voting rights in a company, partnership or any other legal entity.

- b. “**Applicable Law**” means all laws (national, state, municipal, local or others), besides the Governing Law, and any requirement, by-law, ordinance, rule, regulation, enactment, order or decree of any governmental authority or agency (national, state, municipal, local or other) having jurisdiction over the Goods or the locations where the Goods will be manufactured, procured or delivered, including (but not limited to) the laws and regulations related to health, safety and the environment.
- c. “**Business Day**” means any day other than (i) a Friday or a Saturday or (ii) a day on which commercial banks in the Republic of Iraq and/or the United Arab Emirates are authorized or required to be closed.
- d. “**Change Order**” has the meaning set forth in Section 3.1.
- e. “**Claims**” means all claims, demands, causes of action, damages, judgments, fines, penalties, awards, losses, liabilities, costs and expenses (including attorneys’ fees and costs of litigation) of any kind or character arising out of, or related to, the performance of or subject matter of this Agreement and any Change Order (including property loss, destruction or damage; personal or bodily injury, sickness, disease or death).
- f. “**Company Group**” means (i) Company, (ii) Company’s Affiliates, (iii) Company’s and its Affiliates’ respective working interest owners, co-lessees, co-owners, partners, joint operators, joint venturers and co-venturers, if any, and their respective parents, subsidiaries and affiliated or related companies, (iv) the members, partners, officers, directors, personnel, employees, agents and consultants of any of the foregoing, and (v) Company and its Affiliates’ Subcontractors at any tier, and their respective parents, subsidiaries and affiliated, related or subordinated companies.
- g. “**Defect**” shall include any non-compliance of any Goods (or any portion thereof) with any of the warranties set forth in Section 7.1 or any specifications contained in this Agreement, and “Defective” shall be construed accordingly.
- h. “**Good Manufacturing Practice**” means practices, methods and procedures and that degree of skill, diligence, prudence and foresight that would reasonably be expected to be observed by a skilled and experienced vendor of international repute engaged in



manufacturing and/or procuring and supplying goods the same or similar to the Goods under the same or similar circumstances as those contemplated in this Agreement.

- i. **“Gross Negligence and Willful Misconduct”** means such an entire lack of care as to indicate a conscious indifference and reckless disregards and misconduct for the use of reasonable care for the safety of people and property, which is likely to cause grave injury or harm to persons and/or property, and includes willful misconduct. It should be distinguish from mere “Negligence” that means any act, omission or failure to act as a reasonable and prudent person would under similar circumstances, including those due to pre-existing conditions and/or defects of any property, equipment or materials.
 - j. **“Performance Guarantee”** means a duly executed performance guarantee in form and content as set forth in this Agreement.
 - k. **“Person”** means any individual, firm, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization, governmental authority or any other entity.
 - l. **“Contractor, Group”** means (i) Contractor, (ii) Contractor’s Affiliates, (iii) Contractor’s and its Affiliates’ respective parents, subsidiaries and affiliated or related companies, (iv) Contractor and its Affiliates’ Subcontractors, at any tier, and their respective parents, subsidiaries and affiliated or related companies, and (v) the members, partners, officers, directors, Personnel, employees, agents and consultants of any of the foregoing.
 - m. **“U.S. dollars”** or **“\$”** means the lawful currency of the United States of America.
- 1.2 It is the Parties’ intention that the provisions of this Agreement shall be cumulative and any additional detail or requirement provided in one part of this Agreement or by separate agreement, order or document but with reference to this Agreement, shall be applicable to and required for all references to that particular act or operation.
- 1.3 In this Agreement, words importing the singular shall include the plural and vice versa, words importing one gender shall include other genders and words importing individuals shall include firms and corporations and vice versa, as the context may require.
- 1.4 In this Agreement, the term “shall” denotes a mandatory requirement of this Agreement and additionally, in the case of its use with respect to Contractor,, the term means that any and all costs associated with the activity in question are to be borne by Contractor,.
- 1.5 In this Agreement, the term “or” is not exclusive, and the word “including” (in its various forms) shall mean including (in its various forms) without limiting the generality of the description preceding such term.



1.6 Unless otherwise provided:

- a. “this Agreement”, “hereto”, “herein”, “hereof”, “hereby”, “hereunder” and similar expressions refer to this Agreement in its entirety and not to any particular section, clause, subsection, paragraph or other portion thereof; and
- b. reference to a section, clause, subsection or a paragraph refers to a section, clause, subsection or paragraph of the Agreement.

1.7 All references to months or years in this Agreement shall be computed in accordance with the Gregorian calendar. Unless expressly specified, any reference to “day(s)” shall be deemed made to Calendar or continuous days.

1.8 Any reference to Applicable Laws or any statutory provision shall include such laws, provision and any regulations made in pursuance thereof as from time to time modified or re-enacted whether before or after the date of this Agreement and (so far as liability thereunder may exist or can arise) shall include also any past statutory provisions or regulations (as from time to time modified or re-enacted) which such provisions or regulations have directly or indirectly replaced.

1.9 The Appendices forming part of this Agreement are to be taken as mutually explanatory and complementary to one another.

1.10 Should any actual conflict or conflicts exist between or among the provisions of any of the Appendices and the provisions of Sections integrating the main body of this Agreement, the later shall take precedence and prevail.

1.11 In the case of discrepancies between the Appendices, Contractor shall notify Company of such discrepancy and Company and Contractor shall use reasonable efforts to agree in good faith on which Appendices shall prevail over the others.

1.12 All standards, codes, instructions, specifications, drawings and other documents which are referred to in the Appendices shall be deemed incorporated herein by reference and made a part hereof. If any discrepancies exist between any of the aforementioned documents or parts of any of them, Contractor shall immediately notify Company and Company and Contractor shall agree on which document shall prevail in regard thereto.

Should Contractor fail to notify Company as required or fail to discover such discrepancies as should reasonably have been discovered by Contractor, all costs directly resulting from such failure shall be borne by Contractor.



- 1.13 All instructions, acknowledgements, notices, agreements, authorizations and approvals shall be in writing. All such documentation together with all correspondence and other documents shall be in the English language. Nevertheless, if for any reason it is considered necessary by Company to give an instruction to Contractor orally in the first instance, Contractor shall comply with such instruction. Any oral instruction shall be confirmed in writing as soon as possible under the circumstances; provided that, if the Contractor confirms in writing any such oral instruction, which is not contradicted in writing by Company without undue delay, it shall be deemed to be an instruction in writing by Company.

2 AGREEMENT AND TERM OF DURATION

- 2.1 Contractor hereby agrees to supply, install and maintain to Company the Goods described in Appendix A in accordance with the terms and conditions and subject to the limitations set forth in this Agreement.
- 2.2 Goods shall be supply within Three (3) months of the issuance of the letter of award. Installation shall be made within on date of delivery of acceptance of the Goods; and, Contractor commits to provide the adequate and appropriate maintenance services for a period of two (2) years from the date of final installation and testing, as per final acceptance certificate issued by Company. Maintenance period may be extended by Company for an additional period, by giving Contractor a one (1) month prior notice before the termination of the original Tem. In case of any extension, the same terms and conditions established in this Agreement shall be applicable, to which Contractor expressly agreed.

3 CONTRACTOR'S OBLIGATIONS

- 3.1 Company has the right to order changes to the Goods specified in this Agreement through the issuance to Contractor of a written notice setting forth such change (each a "Change Order"). Such changes may include additions, alterations or replacements (provided such additions, alterations or replacements are within the capability and resources of Contractor) or omissions from the Goods. Any adjustment to pricing contained in this Agreement resulting from any such changes shall be made pursuant to a fair valuation to be mutually agreed in writing by Company and Contractor. All such adjustments shall be set forth in the Change Order.
- 3.2 Contractor shall ensure that the Goods that it provides to Company shall, in each case, conform to the respective specifications and requirements set forth in this Agreement and manufactured in accordance with Good Manufacturing Practice. Contractor's obligations hereunder shall include the obligation to remedy, at the request of Company, any Defective



PetroChina International Iraq FZE Iraq Branch

Goods until corrected without additional compensation from Company, unless the Defect is expressly waived in writing by Company.

- 3.3 Contractor shall transport and deliver the Goods to the delivery point identified in the Appendices (the “Delivery Point”). Contractor shall transport and deliver the Goods to under “Door-to-Door” delivery rules to the warehouse of Petro China’s Halfaya Oilfield Base Camp, Kahla’a, Missan Province, Republic of Iraq. Risk shall pass to Company only when delivery and acceptance has been made under this Agreement.
- 3.4 Contractor shall carry out tests by independent international recognized inspection company, prior to the transportation of any Goods specified herein; Company authorized representative shall be entitled to witness all such tests. Company authorized representative shall also be entitled to inspect, examine and test the Goods or the workmanship thereof from time to time. Whether or not Company authorized representative witness any test, Contractor shall provide promptly to Company the results of any test conducted on any Goods specified herein.
- 3.5 Contractor shall provide to Company, within fourteen (14) calendar days, notice of its readiness to pack each shipment of Goods and shall further provide to Company a complete inventory of the Goods to be packed. All of the Goods to be delivered by Contractor shall be packed in a manner suitable to protect them against repeated handlings and numerous loading and unloading. Protective measures consistent with the characteristics and requirements of the various items of Goods shall be taken to prevent the Goods from damage by moisture, rain, shock and corrosion. Contractor shall give Company and/or its authorized representative full opportunity to inspect the Goods to determine the completeness of the Goods to be packed against the packing list.
- 3.6 If, as a result of any inspection, examination or testing carried out pursuant to this Section, Company and/or its authorized representative decide that any of the Goods specified herein are Defective, Company may reject such Defective Goods. Contractor shall then promptly, and at its own cost and expense, re-execute, repair or replace, as it may be appropriate and feasible, such Goods so that the Goods to be transported and delivered to Company are in compliance herewith.
- 3.7 Contractor guarantees to Company that it shall perform its obligations as specified herein in accordance with the Schedule provided for in this Agreement or any of its Attachments. If performance as a whole or partially as specified in this Agreement or any of its Attachments is not completed within the schedule specified therein or as agreed between the Parties, Contractor shall pay Company by way of Liquidated Damages and not as a penalty, the amount specify below of the Agreement Value for each day (or part thereof) of delay elapsing beyond such specified schedule. The Liquidated Damages shall accrue on a daily basis until Contractor shall have performed its obligations in accordance with the



PetroChina International Iraq FZE Iraq Branch

requirements of this Agreement, up to a maximum of ten percent (10%) of the Agreement Value. The Parties agree that such Liquidated Damages represent a genuine and reasonable pre-estimate of the losses likely to be suffered by Company in the event of any delay in the performance of its obligations by Contractor as specified in this Agreement or any of its Attachments. The Liquidated Damages have been agreed upon by the Parties, at the Effective Date of this Agreement, based on fair and equitable negotiations, because of the difficulty of ascertaining the exact amount of the losses and damages that Company would suffer in such circumstances, and shall be applicable regardless of the actual loss that Company sustains or incurs. Liquidated Damages shall be payable immediately as per Company's notification that such Liquidated Damages are due.

Liquidated Damages to be applied on a daily basis shall be calculated based on the following equation:

$$\frac{(\text{CP})}{(\text{TCP})} \times 10\% = \text{Liquidated Damages per day of delay.}$$

(calculated in days)

Where: (CP) is Contract Price
(TCP) is Total Contract Period (Duration or Term)

- 3.8 Contractor shall provide all the necessary and required certificates, inspection reports issued by international recognized independent inspection companies to evidence the quality of the Goods. Contractor shall be obliged to provide Bill of Lading, Packing List, Commercial Invoice, Certificate of Original, Insurance Policies at its sole costs.
- 3.9 The exercise or non-exercise by Company and/or its authorized representative of all rights and opportunities pursuant to or provided by this Section shall not relieve or discharge Contractor of its liability for any of its duties, obligations and responsibilities under this Agreement.
- 3.10 Contractor shall not assign or transfer the whole or any part of the Purchase Order or any of Contractor rights or obligations under this Agreement. Contractor shall be solely responsible for the performance of this Agreement in every respect.
- 3.11 Contractor and Company shall be bound by those commercial customs and usages they have agreed in this Agreement and by those commercial practices and usages customary in international sale of goods under "Door-to-Door" delivery; however, such terms and conditions, and usages established in this Agreement shall prevail in case of contradiction or inconsistencies between them..



- 3.13 Contractor shall furnish all documents and technical information, which Company may deem necessary for the performance of this Agreement.
- 3.14 Contractor shall install the Goods as Company's requirements and shall test them pursuant international standards and Good Manufacturing Practices. Also, Contractor shall provide the appropriate maintenance services.

4 INDEPENDENT CONTRACTOR

Contractor is an independent contractor and none of Contractor or its Group shall be deemed for any purpose under this Agreement to be an employee, agent, partner, servant or representative of any member of Company and its Group. The supply of the Goods to Company shall be the sole responsibility and under the sole control, command and direction of Contractor. Any provision in this Agreement whereby Company would otherwise have the right to direct Contractors to the manner of supplying the Goods shall be interpreted as meaning that Contractor shall follow the wishes of Company as to the results to be achieved and not in the means whereby the Goods are to be supplied.

5 INVOICING AND PAYMENT

- 5.1 With respect to the Goods to be supplied, Company shall pay to Contractor the prices set out for such Goods in the appropriate Appendix as final compensation for all of Contractor's obligations thereunder, including all things necessary for Supplier's complete performance thereof (including the remedying of any Defects). Also, Contractor shall invoice for maintenance services provided to Company related to the Goods.
- 5.2 All payments by Company to Contractor with respect to this Agreement shall be made in U.S. dollars. All payments to Contractor under this Agreement shall be made by wire transfer to the following bank account of Supplier:

Name of Bank:
Name of Account:
Account Number:
SWIFT/SORTING CODE:

Provided that Contractor may specify different bank account details to Company in writing and such changes in bank account details shall be subject to Company's approval and be effective within five (5) Business Days thereafter. Further, Company has the right to instruct the Contractor to change their bank details, in case major changes or incidents



PetroChina International Iraq FZE Iraq Branch

related to the respective bank status, including, but not limited to, compliance with any applicable laws and regulations concerning economic sanctions, boycott or embargoes.

- 5.3 In the event Company disputes any invoice in whole or in part, Company shall notify Contractor of the dispute within fifteen (15) days of receipt of invoices and Company shall pay the undisputed portion of such invoice in accordance with this Section; Company and Contractor shall, in good faith, endeavor to settle and adjust any disputed amount. Payment in respect of disputed items in invoices shall be made within seven (7) days of the settlement of dispute provided the initial credit period of forty five (45) days already elapsed.
- 5.4 Company has the right to withhold payment due to Contractor under any invoice on account of:
- a. unsatisfactory order on condition of the Goods;
 - b. Contractor's failure to remedy any Defects with respect to the Goods covered by such invoice where Company has given Contractor notice of any such Defects; or
 - c. the failure of Contractor to provide adequate evidence of its compliance with the insurance requirements contained in this Agreement.

Any payments withheld by Company pursuant to the terms of this Agreement shall be without prejudice to any other rights or remedies available to Company.

- 5.5 If Contractor causes Company loss by (i) reason of any breach of this Agreement, or (ii) tortious act, or (iii) any breach of statutory duty, giving rise to a Claim by Company against Contractor for damages or indemnity or contribution, Contractor shall (i) pay or (ii) at Company's sole option, Company has the right to deduct from any payment or monies otherwise due to Contractor, such sum as Company shall bona fide estimate as the amount of such loss, indemnity, contribution or payment and such estimate shall be binding and conclusive on Contractor until final determination or agreement between the Parties. This right will be applicable without prejudice to any other rights or remedies Company may possess, in addition to Company's legal and equitable rights of set off, and without prejudice to and pending the final determination or agreement between the Parties as to the amount of such loss, indemnity, contribution or payment,
- 5.6 If Contractor is unable to fulfill its obligations under this Agreement, any costs incurred by Company to remedy the delinquency shall be borne by Contractor, and Company has the right, at its sole option, to deduct such costs from any payment due to Supplier.
- 5.7 Any payment made under this Agreement shall not constitute an admission by Company as to acceptance of such Goods and in no event shall any such payment affect Supplier's representations, warranties and undertakings.



6 SUSPENSIONS IN THE DELIVERY OF GOODS

- 6.1 Company may, at any time, suspend the delivery of all or any part of the Goods under this Agreement for any reason by giving written notice to according. Contractor shall discontinue the provision of all such Goods on and from the date specified in such notice. Said suspension shall end when Company, by giving written notice to Supplier, either (i) requires Contractor to resume provision of the suspended Goods, (ii) issues a Change Order, or (iii) terminates this Agreement for the delivery of Goods, by giving thirty (30) calendar days written notice to Supplier.
- 6.2 In the event that the provision of all or part of the Goods is suspended for any reason for a period that exceeds two (2) weeks, either Party, upon three (3) Business Days' written notice to the other Party, may terminate this Agreement for the delivery of the Goods.

7 CONTRACTOR 'S WARRANTIES AND COVENANTS

- 7.1 Contractor represents, warrants and covenants that the Goods that it will provide Company pursuant this Agreement shall:
- a. be free from defects in title, design, materials or workmanship;
 - b. be designed and fit for the intended purposes set forth in this Agreement, as applicable; and, comply with international standards used in the petroleum industry required for the work to be performed.
 - c. conform to all specifications and all applicable codes and standards or, in the absence of any such specifications, codes or standards, shall conform to Supplier's published specifications;
 - d. comply with all Applicable Laws; and
 - e. be new and of good quality.
- 7.2 The Warranty period for the Goods shall be (12) months from the date of actual delivery of the Goods at the final destination. The Contractor shall carry out all work, such as modifications and repairs, necessary to comply with the terms of this Agreement, or replace all or any part of the Goods, which turn out not to comply with these terms during the Warranty Period. Contractor shall meet and cover, at its own expenses, all costs arising in connection with his obligation under the warranty, including those of transport.

Should the Goods need proper assembly or any special type of construction to be erected or placed, the warranty period will start when all previous activities, construction and



assemblies are finished, and the Goods are ready to be used. During such previous activities all risk for damages and losses are to be covered solely by Contractor.

- 7.3 If Contractor fails to effectively remedy any Defect within a reasonable time after Company's notice given under this Section, Company may fix a date on or by which Seller must remedy the Defect. If Contractor fails to remedy the Defect by such fixed date, then Company may, at its sole discretion, carry out or engage others to carry out the work required to remedy the Defect in a reasonable manner and at Supplier's risk, cost and expense. Contractor shall promptly reimburse Company for the cost and expense properly incurred by Company in so remedying the Defect.
- 7.4 Contractor and its Affiliates engaged in supplying the Goods shall maintain complete and accurate records of all Goods provided under this Agreement and shall report this information to Company in a form and at times specified in this Agreement or as may otherwise be required by Company, which for the avoidance of doubt, shall be part of the Confidential Information. Furthermore, Contractor and such Affiliates shall keep Company fully informed of the progress of the procurement and delivery of Goods to be provided and shall submit to Company, for review and comment, all relevant documents related thereto. These documents shall be submitted to Company sufficiently in advance to allow Company to review and comment upon them without delaying the procurement and delivery of the Goods by Contractor. No document to be used in connection with the Goods shall be deemed final until approved by Company. Contractor will make all necessary and appropriate acts to enable Buyer receiving the documents concerning the transfer of property.
- 7.5 Contractor will hand-over all documents appertaining to the goods and will transfer the property of them when delivering the goods at port; however, such transfer is not intended to be a waiver from Buyer of its rights under the Contract, since Contractor continue to be obligated to perform its obligation until the goods are delivered at Delivery Point. Documents to be handed out by Contractor shall be on time and in conformity with applicable regulations.

8 INSURANCE

- 8.1 Contractor, at its sole expense, shall take out with solvent and reputable insurance carriers that are acceptable to the Company insurance coverage of the types and in the minimum amounts stated in the appropriate Appendix, and ensure that they are in full force and effect throughout the term of this Agreement and shall include a statement that such coverage shall be primary and non contributory to other insurances. Any and all deductibles shall be assumed by and shall be for the account of Contractor. Notwithstanding the INCOTERMS, risk of loss, damage or destruction of the goods shall be borne by the Contractor until physically delivery into the custody of Buyer at final Delivery Point.



Prior to providing any Goods, Contractor or its Affiliates engaged in providing the Goods shall furnish Company certificates, on a form acceptable to Company, signed by authorized representatives of the insurance companies evidencing the coverage, extensions and limits required to be carried by Contractor or such Affiliates under the provisions of this Agreement. Upon request, Company shall have the right to examine or inspect the originals or certified copies of such insurance policies in the offices of Contractor or such Affiliates during normal business hours.

- 8.2 Contractor shall cause Company Group to be included as additional insured and to be covered by all insurances set forth in the Appendix ____ except for Workmen Compensation and/or Employer's Liability insurances with respect to the operations conducted under this Agreement and shall cause the insurers thereof to waive all expressed or implied rights of subrogation against Company and Company Group. Contractor shall further cause the Comprehensive General Third Party Liability Insurance to contain a "severability-of-interests" (cross-liability) clause providing that in the event of one insured Party incurring liability to any of the other insured Parties, the insurance shall apply for the benefit of the Party against whom a claim is or may be made in the same manner as if separate policies had been issued to insure each Party.
- 8.3 All premiums, deductibles, exceptions and exclusions applicable to the foregoing insurances shall be for the account of and be paid by Contractor. Any breach of conditions and/or warranties contained in such policies of insurances shall also be for the account of Contractor.
- 8.4 Upon request by Company, Contractor shall furnish Company with certified copies of policies of insurance as set forth in the Appendix accompanied by certified copies of official receipts evidencing full payment of premiums thereof. No insurance shall be canceled or materially discharged during the term of this Agreement without Company's prior written consent. Policies and/or extension certificates or documents shall be furnished to Company as and when requested by Company.
- 8.5 Contractor shall be responsible for, and liable to, and shall release, indemnify, defend and hold Company Group harmless from and against any and all Claims or liability for loss or damage arising out of any failure to obtain or maintain such insurances specified by this Agreement or out of any act or omission which invalidates such insurances.
- 8.6 Should Contractor at any time neglect or refuse to provide or renew any insurance required herein, or should any insurance be canceled, Company shall have the right to procure such insurance and, in such event, any sum so paid by Company shall immediately become due and payable to Company by Contractor. Company shall be entitled to deduct such sums from any monies due or which may become due to Contractor under this Agreement in addition to any other remedies Company may have.



PetroChina International Iraq FZE Iraq Branch

- 8.7 In the event that Contractor is given approval by Company under this Agreement to subcontract part of its obligations to a third party, Contractor shall cause such Subcontractor to maintain in full force and effect the insurance coverage set out in the Appendix B to the extent specified in writing by Company. In the event the Subcontractor is an Iraqi company without reasonable access to insurance satisfactory to Company, Contractor shall notify Company of such circumstance, prior to entering into an agreement with such company.
- 8.8 If either Party becomes aware of any incident related to the supply and likely to give rise to a claim under the above insurances, they shall notify the other immediately upon awareness and both Parties shall co-operate fully in investigating the incident. Contractor shall notify Company immediately upon receipt of any notice of Claims, incidents or demands or of any situation which may give rise to such Claims or demands being made with respect to this Agreement under the said policies. Written notice of any accident shall be given not later than two (2) Business Days after the occurrence of the accident. However, for serious accidents (including death or serious injuries) Contractor shall advise Company immediately and provide written confirmation within two (2) Business Days.
- 8.9 The insurance coverage amounts required to be obtained by Contractor pursuant to this Agreement shall be the minimum and not the maximum limits of liability. Contractor may provide other insurance coverage or higher limits of coverage. Company will bear no financial liability attributable to deficient insurance coverage by S Contractor. Failure to secure the required insurance coverage; or to comply fully with any of the insurance provisions of this Agreement; or to secure such endorsements on the policies as may be necessary to carry out the terms and provisions of this Agreements shall in no way act to relieve Contractor from its obligations under the Agreement nor shall it in any way limit the obligations of Contractor to release, defend, indemnify and hold harmless Company as set out in the Agreement.
- 8.10 Without Company's prior written consent, Contractor shall not be allowed to self-insure for one or more of the risks as to which coverage is required pursuant to this Agreement..
- 8.11 Contractor shall not begin to provide and deliver the Goods until all the insurances and; if applicable, Company's written consent for self-insurance, required by this Section and set forth in the Appendix B are in force.
- 8.12 Nothing in this Section shall serve in any way to limit or waive Contractor's responsibility under this Agreement.

9 TAXES AND CUSTOMS DUTIES

- 9.1 Contractor shall be solely responsible for and shall bear and pay, at its own expenses, all taxes and charges connected with the Services and the performance of this Agreement,



assessed or imposed on Contractor (including but not limited to taxes connected with personnel) and shall fulfill all administrative, registration and compliance requirements. Contractor shall procure that each Subcontractor shall bear and pay all taxes connected with the performance of this Agreement assessed or imposed upon such Subcontractor (including but not limited to taxes connected with personnel) and that such Subcontractor shall fulfill all administrative and registration requirements, maintain proper accounting records, and properly file all necessary documents.

- 9.2 Contractor hereby indemnifies and undertakes to keep Company indemnified from and against all claims, losses, demands, proceedings and causes of action whatsoever connected with any assessment or imposition made in respect of all or any taxes upon Contractor or any Subcontractor related to the performance of this Agreement together with any costs of compliance. If Company is subject to any demand to pay other taxes arising out under this Agreement, Contractor either assume, pay and discharge in a timely manner all such other or additional taxes. Company may offset any amounts due from Contractor under this indemnity from any payments Company is due to make to Contractor under this Agreement.
- 9.3 Contractor shall, upon request, supply, and shall procure that Subcontractors supply to Company, such information (including documentary information) connected with the performance of this Agreement as may be required by Company for any of the following purposes:
- (a) to enable Company to comply with the lawful demand or requirement for such information by any tax authority;
 - (b) to enable Company to conduct, defend, negotiate, or settle any claims, losses, demands, proceedings and causes of action whatsoever relating to taxes, whether or not the same shall have become the subject of arbitration or judicial proceedings; or
 - (c) to enable Company to make any application (including, but not limited to, any claims, losses, demands, proceedings and causes of action whatsoever for any allowances or relief) or representation connected with, or to contest any assessment on, or liability of Company to, any taxes.
- 9.4 The obligations of Contractor set forth above shall subsist for a period of thirty six (36) months or such longer period as any applicable law may require, from the date of approval of Contractor's final invoice/statement of account under this Agreement. Contractor shall retain and shall ensure that Subcontractors retain, all information and documents connected with its activities under or pursuant to this Agreement as shall enable Contractor to comply with its above obligations.
- 9.5 Where, under the provisions of any laws, regulations or directives for the time being in force, Company is required to deduct any amount, whether as tax or howsoever called, Company shall without further notification to Contractor deduct the specified amount



from any amount payable to Contractor. Where Company makes any such deduction or withholding, Company shall, within a reasonable time upon receipt of the official receipt(s), or other satisfactory verification in respect of such deduction or withholding from the relevant authority, submit the same to Contractor. Upon expiry of the relevant year of withholding, Contractor shall advise Company of any official receipt(s) which remain outstanding for the aforesaid period whereupon Company shall within thirty (30) days of written request by Contractor, provide to Contractor either satisfactory verification documentation evidencing payment of such deduction or shall provide the official receipt(s) if received by Company.

- 9.6 In the event Contractor claims to be exempted from any statutory deductions, it shall inform Company and provide any necessary documentation to support its case, including a valid certificate of exemption from the relevant authority, if applicable. Company shall proceed to deduct taxes as required by law, until the provision of such exemption certificate by Contractor. In the event where tax is retained by the Company, Contractor shall be liable to provide Tax Clearance Certificate within prescribed time period and in the absence of such Clearance Certificate Company shall be obligated to remit the retained amount to the Taxes General Commission of Iraq.
- 9.7 Contractor is deemed to have taken into account, in its rates, sums, and prices applicable to the performance of this Agreement all taxes that may be applicable to payments made hereunder.
- 9.11 Contractor shall immediately inform Company of any change in the tax status of Contractor, including but not limited to Contractor's tax residence, domicile, permanent establishment, tax nexus, tax registration or otherwise. Company shall be entitled to vary the administration of this Agreement as required by the Applicable Laws as a consequence thereof. Company shall be under no obligation to compensate Contractor for additional taxes arising as a consequence thereof.

10 APPLICABLE LAWS

- 10.1 Each Party shall be subject to and abide by all Applicable Laws which are or may become applicable to the supply of the Goods or that Party's operations covered by or arising out of the performance of this Agreement.
- 10.2 Contractor warrants and agrees with Company that Contractor Group shall take all necessary steps to cause its personnel, or the personnel of its Affiliates engaged in the performance of this Agreement, to abide by international standards of business conduct and ethics, and Chinese and Iraqi laws, as they may be applicable. Contractor agrees that neither it nor any member of the Contractor Group will offer, pay, promise or authorize to



pay any money, gift or anything of value (i) directly or indirectly to a Public Official (as defined below), or (ii) directly or indirectly to any Person while knowing or suspecting that the payment or gift will be passed on to a Public Official or (iii) directly or indirectly to or for the benefit of Company Group or any Company representative, all with the intent of causing the recipient to misuse his or its position to obtain or retain business or to secure any improper advantage. In addition, Contractor shall take all necessary steps to prevent any member of the Contractor Group, from accepting any payment or gift of money, or anything of value, paid by a third party for the purpose of improperly influencing any act or decision of such member. As used in this paragraph, the term “Public Official” shall mean (i) any employee or officer of a government of a country, including any national, provincial, regional or local department or agency thereof, or any person exercising a public function; (ii) any enterprise owned or controlled by a government, (iii) any official of a political party, (iv) any official or employee of a public international organization; (v) person acting in an official capacity for, or on behalf of, any of the entities above mentioned, (vi) any candidate for political office, and (vii) any person that holds a legislative, administrative or judicial position whether appointed or elected.

- 10.3 If Contractor discovers any discrepancies, inconsistencies or conflicts between this Agreement and any Applicable Laws, Contractor shall immediately notify Company and the Parties shall agree on the amendments that need to be made to this Agreement. Should Contractor fail to notify Company as required by this Section or fail to discover such discrepancies, inconsistencies or conflicts as should reasonably have been discovered by Supplier, all costs directly resulting from such failure shall be borne by Supplier.

11 INTELLECTUAL PROPERTY RIGHTS AND PATENT INFRINGEMENT

- 11.1 Contractor shall release, indemnify, defend and hold the Company Group harmless from and against any and all damages and expenses arising out of a claim of actual or alleged infringement of patent or other intellectual property rights asserted by any Person in connection with (a) the manufacture, provision or use of the Goods or (b) the use under this Agreement, of the equipment, materials, methods of operations, products and information of Contractor and/or its Affiliate engaged in supplying the Goods, or (c) the use by Contractor Group of equipment, materials, methods of operations, products and information. In the event that Company Group are enjoined or otherwise prohibited or restrained from using such equipment, materials, methods of operations, products and information, Contractor shall promptly, at its own cost and expense, either procure for Company the right to continue using the equipment, materials, methods of operations, products and information, replace the same with non-infringing equipment, materials, methods of operations, products and information, or modify the same so that they become non-infringing.



- 11.2 Company shall release, indemnify, defend and hold the Contractor Group harmless from and against any and all damages and expenses arising out of a claim of actual or alleged infringement of patent or other intellectual property rights asserted in connection with the use, under this Agreement of (i) the equipment, materials, methods of operations, products and information of the Company and any Affiliate and (ii) the use by Company Group of materials, methods of operations, products and information.

Each Party shall notify the other Party of any claim regarding any such infringement within ten (10) days after it becomes aware of such claim.

12 CONFIDENTIALITY

- 12.1 “Confidential Information” shall mean all information of Company of a proprietary or confidential nature that is furnished by or on behalf of Company to Supplier, whether written or oral and in whatever form or medium it is provided, and shall specifically include: (i) this Agreement; and (ii) all data, documents, drawings, plans, specifications, diagrams, patterns, designs, processes, techniques, procedures, computer programs, systems, know-how, trade secrets and other technical data and information furnished by or on behalf of Company to Contractor in connection with the Goods. Confidential Information shall also include all information generated by Contractor Group that is based on or reproduces such information of Company.

Information shall not be deemed Confidential Information, and the provisions of this Section 12 shall not apply to: (i) information which is or becomes generally available to the public other than as a result of a disclosure in violation of this Agreement; (ii) information which was already known to Contractor Group prior to being furnished pursuant to this Agreement, other than by way of disclosure from a third party under an obligation of confidence to Company; (iii) information which becomes available to Contractor Group on a non-confidential basis from a source other than Company or its Group if such source was not subject to any prohibition against transmitting the information to Contractor Group; and (iv) information independently developed by Contractor Group without use or knowledge of Confidential Information.

- 12.2 Contractor shall not disclose any Confidential Information to any other Person other than to: (i) Supplier’s representative, Company or Company’s representative; (ii) a financial advisor or legal counsel, in each case that has a legitimate business need to be informed and has signed an agreement to protect the Confidential Information from further disclosure to the same extent as Contractor is obligated under this Section 12; or (iii) subject to Section 12.3, a governmental authority or to a Person to which Contractor Group



PetroChina International Iraq FZE Iraq Branch

is required by Applicable Laws or the applicable rules of any established stock exchange to disclose the Confidential Information.

- 12.3 If Contractor Group reasonably believes it is required by Applicable Laws or the applicable rules of any established stock exchange (whether requested by oral question, interrogatory, request for information or documents, subpoena, civil investigative demand, similar law or legal process or otherwise) to disclose any Confidential Information, Contractor (through its representative or otherwise) shall promptly notify Company of such requirement as soon as it becomes aware of it so that Company may seek an injunction, appropriate protective order or waiver of compliance with the provisions of such Applicable Law or rule.
- 12.4 All written Confidential Information will be promptly returned upon written request of Company or, at the election of Company, destroyed, and no copies shall be retained by Contractor Group and its Representative.
- 12.5 No public announcement or press release concerning the Goods shall be made by Contractor without the prior written consent of Company; provided that this provision shall not prohibit any public announcement or press release required to be made pursuant to Applicable Laws; provided, further, that Contractor shall consult with Company concerning the timing and content of any such announcement before such announcement is made and shall give a copy thereof to Company at least three (3) days prior to the making of such announcement.
- 12.6 Without Company's prior written consent, Contractor shall not use Company Group's names in any advertising, promotional material or publicity release relating in any way directly or indirectly, to the Goods or the supply thereof. Contractor shall not publish or cause to be published any statement, or encourage or approve any advertising or practice that is or may reasonably be expected to be detrimental to the name, goodwill, reputation or trademarks of Company Group.
- 12.7 Contractor agrees that money damages would not be a sufficient remedy for any breach of the above provisions of this Section 12 and Company shall be entitled to seek specific performance and injunctive relief as remedies for any such breach. Such remedies shall not be deemed to be the exclusive remedies for any such breach but shall be in addition to other remedies available at law or in equity.

13 SAFETY AND SECURITY

- 13.1 Each Party agrees that the operations and activities performed hereunder by it shall be conducted in accordance with all Applicable Laws and governmental safety regulations, standards, procedures and precautions, and that, in connection therewith, it shall utilize all necessary or required protective procedures and equipment.



- 13.2 Contractor shall provide or cause to be provided safe and secure working conditions for itself and Supplier's Group engaged in supplying the Goods at each location for which Goods are to be procured and delivered pursuant to Appendix A, and Company shall have no responsibility or liability to Contractor Group with respect to such matters. Contractor shall indemnify Company Group from and against any and all Claims with respect to any injury, death or loss of property suffered or incurred during or in connection with the performance of Supplier's obligations under this Agreement.

14 LABOUR MATTERS

Contractor shall be solely responsible for and shall promptly pay or cause to be paid all wages, salaries, costs, expenses, contributions and charges of any nature whatsoever that accrue to the personnel of Contractor and its Affiliates engaged in supplying and delivering the Goods which arise out of or incidental to this Agreement, including overtime, vacation, severance, social security, unemployment contributions, insurance, profit sharing, welfare funds, life insurance, pensions and annuities, rest and holiday pay, as well as compensation due to accidents, sickness, disability and death, of any such personnel. All costs and expenses arising as a result of or incidental to Supplier's compliance with this Section 14, or the default of same, shall be for Supplier's account.

15 ASSIGNMENT

Contractor shall assign or novate all or any part of its rights or obligations under this Agreement without Company's prior written consent; which consent shall not be unreasonable deny or withheld. However, Company may assign or novate all or any part of its rights or obligations under this Agreement to any of its subsidiaries or Affiliates by giving Contractor eight (8) days prior written prior notice.

16 NOTICE

All notices and other communications required hereunder shall be in writing, in English and properly addressed and delivered to the other Party to the address shown below. Oral communications and emails do not constitute Notice for purposes of this Agreement. A Notice given under any provision of this Agreement shall be deemed delivered only when actually received by the Party to whom the Notice is directed or addressed, provided that if the reception is not in a Business Day or after business working hours, the reception is deemed to have been made on the next Business Day.

If to Company, to:

Attn:

Fax:



with copies to:

If to Supplier, to:

with copies to:

17 LIABILITIES AND INDEMNITIES

- 17.1 Either Party (Indemnitor) shall release, indemnify, defend and hold the other Party and its Group (Indemnitee) harmless from and against any and all Claims in favor of any third party for injury, illness or death, or damage to property, which injury, illness, death or damage results from, arises out of or is incident to the performance of this Agreement, regardless of the cause, to the extent that such injury, illness, death or damage results from, arises out of or is incident to the negligence, Gross Negligence or Willful Misconduct, strict liability, violation of any Applicable Law or other legal fault of the Indemnitor. Third Party for the purpose of this Section, means any Person other than the Parties and any of their Groups.
- 17.2 Neither Party shall be liable to the other for any consequential and indirect losses. In this Section consequential and indirect losses means any indirect, special, punitive, exemplary or consequential losses or damages, loss of earnings, loss of production, loss of value or decrease in earnings from any goods or property, loss of revenue, loss of profits, loss of business or loss of business opportunities, damages for loss of reserves, loss of use, loss of financial advantage, business interruptions or downtime.
- 17.3 Contractor shall be liable for all damages arising out from its actions or that of its agents, of which both of them could be rendered responsible under the applicable laws. Where this Agreement is not avoided or terminated, damages for breach of contract shall consist of a sum equal to the loss caused to Company, including loss of profit and loss of business opportunity. Should the contract is avoided or terminated damages shall be equal to the current price of the Goods on the date on which the Agreement was terminated.



PetroChina International Iraq FZE Iraq Branch

If Company has bought goods in replacement, Company shall recover the price paid for replacement of the Goods plus the difference between the price originally established in this Agreement and the current price in the market. Current Price means a price based upon an official market quotation, or in the absence of such a quotation, upon those factors which, according to the usage of the market, serve to determine the price.

- 17.4 Company shall release, indemnify, defend and hold Contractor and its Group harmless from and against any and all Claims in favor of any Person, for injury to or illness or death of any employee of Company or its Group, and for damage to property (other than damage to property specifically referred to in this Section) of Company or its Group, which injury, illness, death or damage results from, arises out of or is incident to the Supply provided under this Agreement, regardless of the cause; except if such injury, illness, death or damage is caused by the Gross Negligence and Willful Misconduct or violation of any Applicable Law or other legal fault of any member of the Contractor Group.
- 17.5 Contractor shall release, indemnify, defend and hold Company and its Group harmless from and against any and all Claims in favor of any Person, for injury to or illness or death of any employee of Contractor or its Group, and for damage to property (other than damage to property specifically referred to in this Section) of Contractor or its Group, which injury, illness, death or damage results from, arises out of or is incident to the Supply provided under this Agreement, regardless of the cause; except if such injury, illness, death or damage is caused by the Gross Negligence and Willful Misconduct or violation of any Applicable Law or other legal fault of any member of the Company Group.
- 17.6 Contractor acknowledges that there are certain risks, including personal security risks, in travelling to Iraq and working within the Area. For the avoidance of doubt, Contractor acknowledges and agrees that the indemnity from third parties Claims shall be deemed to include harm and loss associated with such risk and that Company and Company Group bear no responsibility for any such risks to Contractor or any member of the Contractor Group during the course of Contractor's or such member's travel to Iraq and to and from any location in the Area during its performance of the Supply

18. LACK OF CONFORMITY

Contractor shall not have fulfilled his obligation to deliver the Goods if it has handed over: (a) part or a smaller quantity of the Goods than established in this Agreement, (b) Goods that are not those to which this Agreement relates or Goods of a different kind, (c) Goods which lacks the qualities required for some particular purpose expressly or implied in this Agreement, (d) Goods which not possess the qualities necessary for their ordinary or commercial use.

Should the Contractor has given due notice to Company about the failure of the Goods to conform with this Agreement, the Company may (a) require strict performance, (b) terminate this Agreement, or (c) reduce the price, in a proportion as the value of the Goods



PetroChina International Iraq FZE Iraq Branch

at the time of the execution of this Agreement has been diminished because of their lack of conformity with this Agreement.

19 MISCELLANEOUS

19.1 Severability

If any term or other provision of this Agreement, as applicable, is determined by a court of competent jurisdiction or an arbitration tribunal to be invalid, illegal or incapable of being enforced by any Applicable Law or public policy, all other conditions and provisions of this Agreement, as applicable, shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated in this Agreement are not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement, so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated herein or therein are consummated as originally contemplated to the fullest extent possible.

19.2 Waivers

Any failure of a Party to comply with any obligation, covenant, agreement or condition contained herein may be waived only if set forth in an instrument in writing signed by the Party or Parties to be bound thereby, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any other failure.

19.3 Amendment

This Agreement shall not be modified or supplemented unless the proposed modification or supplementation states an express intent to modify or supplement this Agreement and such modification or supplementation is signed by both (i) a duly authorized representative of Company and (ii) a duly authorized representative of Supplier.

19.4 Headings

The paragraph headings shall not be considered in interpreting the text of this Agreement.

19.5 Entire Agreement

This Agreement contains all of the terms and conditions as agreed upon by the Parties and supersedes all prior agreements, negotiations and representations with respect to the subject matter hereof, either written or oral.



19.6 Exclusion or Limitation of Liability

Any exclusion or limitation of liability under this Agreement shall exclude or limit such liability not only in contract but also in tort or otherwise at law.

19.7 Survival

Those provisions which by their nature are intended to survive, including confidentiality and those concerning Liabilities and Indemnities, shall survive the termination of this Agreement or as otherwise specified.

19.8 Parties in Interest

This Agreement shall be binding upon and inure solely to the benefit of each Party and their successors, assigns and transferees, and, notwithstanding the Contracts (Rights of Third Parties) Act 1999, nothing in this Agreement, express or implied, is intended to confer upon any other Person (other than the indemnified parties as provided in this Agreement) any rights or remedies of any nature whatsoever under or by reason of this Agreement.

19.9 Counterparts

This Agreement, in each case, may be executed and delivered (including by facsimile transmission) in one or more counterparts, all of which shall be considered one and the same Agreement and shall become effective when one or more counterparts with respect to such Agreement, as applicable, have been signed by each of the Parties and delivered to the other Party, it being understood that all Parties need not sign the same counterpart.

19.10 Language

All documents, correspondence and communications between Company and Contractor in connection with this Agreement shall be written in the English language which is hereby designated the governing language of this Agreement. Contractor and Company may use any language within their own organizations.

19.11 Time is of the Essence

Contractor agrees that time is of the essence for this Agreement and that it shall procure and supply the Goods, or elements thereof, within the stipulated time periods or within other time periods that Company has approved in writing.



20 GOVERNING LAW AND DISPUTE RESOLUTION

- 20.1 This Agreement shall be construed in accordance with and governed by the laws of England and Wales (without reference to its rules as to conflicts of law).
- 20.2 The Contracts (Rights of Third Parties) Act 1999 shall not apply to this Agreement and no person who is not party to this Agreement may enforce any provision of it.
- 20.3 The Parties agree to negotiate in good faith to resolve any Legal Dispute that may arise first by negotiations between representatives of each Party who have authority to settle the controversy. When a Party believes there is a Legal Dispute relating to this Agreement, the Party will give the other Party written notice of the Legal Dispute. The authorized representatives of the Parties shall meet at a mutually acceptable time and place within thirty (30) days after the date of the notice to exchange relevant information and to attempt to resolve the Legal Dispute. The authorized representatives of the Parties shall be entitled to representation by legal counsel at the negotiations. All negotiations shall be confidential and shall be treated as compromise and settlement negotiations. Notwithstanding the above provisions, if either Party deems that time is of the essence in resolving the Legal Dispute, it may initiate arbitration and seek an expedited formation of the tribunal, seek interim measures, if appropriate, and then comply with the requirements for negotiations as long as they are fully completed before the commencement of the final hearing on the merits in the arbitration proceeding. A “Legal Dispute” means any dispute, controversy or claim, of any and every kind or type, whether based on contract, tort, statute, regulations or otherwise, arising out of, connected with, or relating in any way to this Agreement or the obligations of the Parties, including any dispute as to the existence, validity, construction, interpretation, negotiation, performance, non-performance, breach, termination or enforceability of this Agreement.
- 20.4 If the Legal Dispute has not been resolved within sixty (60) days after the date of the notice of the Legal Dispute, or if the Party receiving such notice fails or refuses to meet within such time period, either Party may initiate arbitration proceedings. The arbitration shall be conducted in accordance with the Hong Kong International Arbitration Centre Administered Arbitration Rules, as in effect on the Effective Date of this Agreement (the “HKIAC Rules”). The arbitration shall be conducted and finally settled by three arbitrators. All Legal Disputes shall be settled through final and binding arbitration, it being the intention of the Parties that this is a broad form arbitration agreement designed to encompass all possible Legal Disputes between the Parties relating to the transactions that are the subject of this Agreement.
- 20.5 The arbitration process referred to in the preceding paragraph shall take place in Hong Kong, shall be administered by the Hong Kong International Arbitration Centre and shall



PetroChina International Iraq FZE Iraq Branch

be conducted in the English language, with appropriate arrangements made for the translation of any oral testimony.

- 20.6 The Party in whose favor the Legal Dispute is resolved may request the enforcement of the arbitration award before any court of competent jurisdiction if the other Party does not comply with what is resolved.
- 20.7 Each Party agrees that service of process in any action, suit or proceeding referred to in this Section 18 shall be deemed in every respect effective service of process upon it if sent to it at the address specified in Section 18 for notice purposes pursuant to the provisions of this Agreement. The arbitrators shall apply principles of legal privileges, such as those involving the confidentiality of communications between a lawyer and a client. The arbitrators shall render any monetary award in U.S. dollars, with pre-award and post-award interest calculated at an agreed interest rate thereon and are authorized to award costs and attorney's fees or allocate them between the Parties.
- 20.8 Each Party expressly acknowledges and agrees that this Agreement is being executed and delivered as part of a commercial transaction. Each Party hereby:
- a. waives (for itself, its assets and its revenues, including those of its subdivisions, agencies, instrumentalities or state enterprises, if any) any defense based on immunity from suit or execution to the extent that it may at any time exist whether on grounds of sovereignty, state act or otherwise (including immunity to arbitration, immunity to judicial proceedings to enforce or to aid any such arbitration, and immunity to enforcement and execution of the award or any judgment entered thereon), which such Party or its assets or revenues may now have or may in the future have under the laws of any jurisdiction, and each Party agrees not to assert any such immunity or defenses in any proceedings with respect to this Agreement or in the enforcement of any award, judgment or execution resulting therefrom or from any transactions contemplated hereby or hereunder; and
 - b. consents generally to the giving of any relief or the issue of any process, writ of execution or order by any court or arbitral tribunal in connection with or arising from any such action, arbitration proceeding or other proceeding including the enforcement or execution of any award or judgment which may be made in the proceeding against any property whatsoever, whether used for commercial or non-commercial purposes.
- 20.9 Each of the Parties, together with their Affiliates, as relevant, shall appoint one arbitrator, within thirty (30) days of receipt of notice of the commencement of the arbitration, and the two arbitrators so appointed shall select the presiding arbitrator within thirty (30) days of their nomination. If either Party does not appoint an arbitrator as specified in the immediately preceding sentence or if the party-appointed arbitrators fail to agree on the



presiding arbitrator within thirty (30) days of their nomination, then the Hong Kong International Arbitration Centre Council shall appoint such arbitrator.

- 20.10 A majority of the arbitrators may grant interim measures including injunctions, attachments and conservation orders in appropriate circumstances, which measures the Parties agree may be immediately enforced by the arbitrators or by court order. Hearings on requests for interim measures may be held in person, by telephone or by video conference, and requests for relief, responses, briefs or memorials may be sent to, and orders or awards received from, the arbitrators by facsimile or other similar means which include a confirmation of delivery. Notwithstanding the requirements for negotiation between the Parties, prior to the constitution of the arbitration tribunal and thereafter as necessary to enforce the arbitrators' rulings or in the absence of the jurisdiction of the arbitrators to rule on interim measures in a given jurisdiction, either Party may apply to a court for interim measures, and the Parties agree that seeking and obtaining such measures shall not waive the right to arbitration.

21. **FORCE MAJEURE**

- 21.1 Neither Party shall be responsible or liable for or deemed in breach of this Agreement because of any delay in or failure of performance of its respective obligations hereunder (excluding the lack of financial resources and the inability to pay under this Agreement) if and to the extent such delay or failure is attributable to any event or circumstance (i) beyond the reasonable control of the non-performing Party, (ii) that was not reasonably expected to occur at the Effective Date, or (iii) that could not reasonably has been avoided (an "Event of Force Majeure" or "Force Majeure").
- 21.2 An Event of Force Majeure includes, but is not limited to: (a) war (whether declared or not), armed conflict or the serious threat of same (including but not limited to hostile attack, blockade; military embargo), hostilities, invasion, act of a foreign enemy, extensive military mobilisation; (b) civil war, riot insurrection and revolution, military or usurped power, insurrection, civil commotion or disorder, mob violence, act of civil disobedience; (c) act of terrorism, sabotage or piracy, (d) act of authority whether lawful or unlawful, compliance with any law or governmental order, rule, regulation or direction, curfew restriction, expropriation, compulsory acquisition, seizure of works, requisition, nationalisation; (e) act of God, plague, epidemic, natural disaster such as, but not limited to, violent storm, cyclone, typhoon, hurricane, tornado, blizzard, earthquake, volcanic activity, landslide, tidal wave, tsunami, flood, damage or destruction by lightning, drought; (f) explosion, fire, destruction of machines, equipment, factories and any kind of installation, facilities, prolonged breakdown of transport, telecommunication or electric current; and, (g) general labor disturbance such as, but not limited to, boycott, strike and lock-out, go-slow, occupation of factories and premises (however, the mere shortage of labor or equipment shall not constitute an Event of Force Majeure, unless caused by events or circumstances that are themselves an Event of Force Majeure); provided that (i) the Party affected by the



Event of Force Majeure notifies the other Party in writing within seven (7) Business Days after such Party became aware or should become aware of the occurrence of the Event of Force Majeure, and describes the particulars of the occurrence, (ii) the suspension of performance is of no greater scope and of no longer duration than is required or imposed by the Event of Force Majeure, (iii) the Party affected by the Event of Force Majeure uses its best efforts to remedy its inability to perform, (iv) when the Party affected by the Event of Force Majeure is able to resume performance of its obligations under this Agreement, that Party shall give the other Party written notice to that effect, and (v) the Event of Force Majeure was not caused by or connected with any negligent or intentional acts, errors, or omissions, or any breach or default of any Applicable Law, rule, regulation, order or ordinance, or any breach or default of this Agreement, by the Party engaged in performing the Services. After receiving the notice, the PetroChina shall proceed to analyze and determine all related matters concerning the Event of Force Majeure, to agree or reject the notification.

- 21.3 The party affected by an Event of Force Majeure shall notify the other Party in writing within seven (7) days after such party became aware or should become aware of the occurrence of the Event of Force Majeure, which notice shall describes the particulars of the occurrence. Each party shall at all times use all reasonable endeavors to minimize any delay in the performance of this Agreement as a result of an Event of Force Majeure. When the party affected by the Event of Force majeure is able to resume performance of its obligations under this Agreement, that Party shall give the other Party written notice to that effect.
- 21.4 If the Contractor is prevented from performing any of its obligations under this Agreement by an Event of Force majeure, which notice has been given to Company, and it causes delay of thirty (30) days, then the Term and duration of this Agreement shall be extended accordingly.
- 21.5 At no time during the term and duration of this Agreement shall either the security conditions prevailing in the Area, and/or the political and security conditions generally prevailing in the Republic of Iraq on the Effective Date constitute an Event of Force Majeure, unless these conditions prevent the performance of this Agreement.
- 21.6 Should an Event of Force Majeure prevents the performance of this Agreement for a continuous period of sixty (60) days, or for multiple (even not continuous or consecutives) periods which total more than hundred and twenty (120) calendar days, in a three hundred and sixty (360) days period, due to the same Event of Force Majeure, then this Agreement may be terminated by Company, giving a written notice, and termination of this Agreement shall take place seven (7) Business days after the notice is received.
- 21.7 Upon such termination, Company shall determine the value of the Services effectively performed, completed and accepted, and issue a payment including:



PetroChina International Iraq FZE Iraq Branch

- (a) the amounts payable for any Service carried out for which a price or rate is stated in this Agreement,
- (b) The cost of plant and materials ordered for to perform this Agreement, which have been delivered to Supplier, or of which is liable to accept delivery. Plant and materials shall become the property of (and be at the risk of) Company when paid, and Contractor shall place the same at Company disposal; and,
- (c) any other cost or liability hat was reasonably incurred by Contractor in the expectation of completing the Supply.

[Signature Page Follows]



PetroChina International Iraq FZE Iraq Branch

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement with effect as of the Effective Date, and the signatories below warrant, individually, that they have the full right, power and authority to enter into this Agreement on behalf of the respective Parties hereto.

PetroChina International Iraq FZE Iraq Branch

By: _____
Name: Zhu Junfeng
Title: Authorized Representative

Witness: _____
Name: _____
Title: _____

as Company

By: _____
Name: _____
Title: _____

Witness: _____
Name: _____
Title: _____

as Contractor

APPENDIX A

DESCRIPTION OF GOODS AND SERVICES

The scope of work of provision of 3 X-Ray machine and 3 metal detector (Portal)

- The scope of this tender will include door to door supply, installation, maintenance and spare parts services for 3 x L3 PX 231 X-Ray Systems and Metal Detector (Portal) x 3 units (L-3. MS 3500)
- The systems are to include input line filter, 1.7m Entrance / 1.7m Exit conveyor, and the instruction sitting and configuration package, delivery and customs clearance to be included.

The proposals should comply with the HSSE requirements as listed below:

1. Compliance with ISO 9001, CE, EUR 1 • Radiation Safety: U.S (21CFR1020.40)
2. Compliance with U.S. FAA Standards, “Use of X-ray Systems” (Federal Standards 14 CFR 108.17 and 14 CFR 129.26)
3. The production licenses and an assurance document of quality control must be provided by supplier.
4. The units should be run and tested after installation.
5. A solution for difficult problems found during the units installation operation must be provided by supplier.
6. After the unit installation, a 24 months’ quality assurance must be provided by supplier.
7. Maintenance, service plan, and maintenance accessories should be put in place by the supplier.
8. All the provided material must be new and high quality.

END OF APPENDIX A

II. SCHEDULE OF COMPENSATION

SCHEDULE OF COMPENSATION

1. GENERAL

Contractor shall provide the Services as more fully described in Exhibit B of the Agreement at the rates and prices laid down in this Exhibit C.

The prices and rates shall be deemed to include all elements of direct and indirect costs, overhead costs, contingencies, profit and all other things necessary and required for the proper execution of the Services and to cover all Contractor's obligations under the Agreement.

All prices and rates are stated in USD and shall remain fixed and firm during the whole duration of the Agreement.

2. Service Charges Compensation

2.1 The service charges set out in this APPENDIX A shall apply as per table in the Attachment 11.

2.2 The service charges shall be inclusive of personnel, equipment, and shall be deemed to have included all necessary requirement for the successful carrying out of Work, whether or not specifically mentioned.

2.3 The Contractor is to be paid within 45 days from receiving invoice after completion of training services and after the date of issuance of

Items	Specifications	QTY	Unit price	Subtotal price
1	X-Ray system deliver to Petrochina Halfaya warehouse, Halfaya Field Facility, Iraq	3		
2	Metal Detector (Portaal) Deliver to PetroChina Halfaya warehouse, Halfaya Field Facility, Iraq	3		
3	Installation of X-Ray machine	3		
3	2 years maintenance service and spare parts for four (4) set of X Ray system and three (3) set of Metal Detector.	12 visits		
Total Price in USD				

END OF APPENDIX A-II

APPENDIX B

INSURANCE

Contractor shall carry and maintain in full force for the duration of the Agreement, at a minimum, the following insurance policies with companies satisfactory to Company:

- a. Workers' compensation and/or Occupational Disease Insurance in accordance with the Applicable Law requirements of the jurisdiction in which the Goods are to be manufactured and/or procured and the jurisdiction in which the Services are to be performed, the jurisdiction in which Supplier's personnel reside and the jurisdiction in which Contractor is domiciled, covering all liabilities owed for compensation and other benefits under the relevant Workers' Compensation laws of each such jurisdiction.
- b. Employer's Liability Insurance and/or Personal Accident Insurance or similar statutory social insurance, as required by Applicable Laws and which may be applicable and/or accidental death or dismemberment insurance, covering all Supplier's personnel engaged in the manufacture and/or procurement and supply of the Goods and provision of the Services. The Employer's Liability Policy shall provide an indemnity based on the applicable law.
- c. In the event, Contractor requires Vehicles to perform any activities under this Contract, Automotive Liability Insurance covering owned, non-owned and hired vehicles used by Contractor with limits of not less than One Hundred and Fifty Thousand United States Dollars (USD150,000.00) for loss or damage to property any one occurrence and for injury and death.
- e. Transportation insurance covering the equipment, materials, bulk materials and supplies provided by Contractor at and from ports and/or places anywhere in the world to arrival at the Site, direct shipment or via ports and/or places in any order, including transits to or from and while at the premises of forwarders, packers, consolidators, hauliers, warehousemen and other bailees, via any route, including risks in customs and temporary storage as required;
- f. All risk insurance covering physical loss of /damage to the procured property whilst situated at any Manufacturers or Supplier's premises.
- h. Commercial General Liability (bodily injury and property damage) insurance with limits of not less than One Million United States Dollars (US\$ 1,000,000) per occurrence, including the following supplementary coverage:
 - 1. Contractual liability to cover liabilities assumed under this Agreement.
 - 2. Products Hazard coverage for any and all products provided or furnished by or on behalf of Contractor during the course of supply of the Goods and the provision of the Services.
 - 3. Completed Operations Hazard coverage for any claim relating to defects or deficiencies in goods, products, materials or services used, provided or performed by Contractor in connection with its operations.
 - 4. Broad Form Property Damage Liability insurance.
 - 5. Pollution Exclusion Clause deleted.
 - 6. Independent Contractor's Contingent coverage.
 - 7. Personal Injury Liability.

- i. Any other insurances which may be relevant and/or which may be required by any Applicable Laws which Contractor and/or sub-suppliers are subject to comply with.

APPENDIX C

FORM OF BANK GUARANTEE

[Issuing Branch Bank Letterhead or SWIFT identifier Code]

To: PetroChina International Iraq FZE Iraq Branch
PetroChina Halfaya Base Camp
Kahla'a, Missan Province, Republic of Iraq

Date:

Guarantee No. [Bank to insert reference number]

This Bank Guarantee (hereinafter referred to as the "Guarantee") is made on [Insert date of issue] and issued by [Insert complete name of bank, branch and address] (the "Guarantor"), to PetroChina International Iraq FZE Iraq Branch (hereinafter referred to as the "Company"), a company duly domiciled in the Republic of Iraq, pursuant the contract No. [Insert contract reference number] for [Insert object of the contract] (hereinafter referred to as the "Agreement"), dated [Insert Effective Date of the Agreement], executed by and between Company and [Insert Contractor's complete company name and address] (hereinafter referred to as the "Contractor").

1. At the request of Contractor, Guarantor hereby irrevocably and unconditionally guarantee the sum of [Insert amount in figures and words, and currency] (hereinafter referred to as the "Guarantee"), that is the amount of the performance guarantee required for the Agreement. Guarantor assumes its obligation as primary obligor and not as surety only. The Guarantee shall be drawable and shall become payable by Guarantor on first demand by Company without proof or conditions and notwithstanding any contestation or protest by Contractor or any other third party, upon presentation of a Demand for Payment in writing in English stating that Contractor is in breach of its obligations under the Agreement, without the need of submitting any additional document(s) to support the Demand for Payment. Company may demand all or part of the Guarantee. Any part of the Guaranteed which is undrawn may be drawn by Company in a subsequent demand or demands. Company shall submit the Demand for Payment at Guarantor offices located in [Insert exact address of the bank branch] (the "Place of Presentation"), on or before the Expiry Date of this Guarantee.

2. Guarantor shall not be discharged or released from this guarantee by any alteration in the obligations undertaken by Contractor or by any forbearance whether as to payment, time, performances or otherwise, or by any change in name or constitution of Company or Contractor.

3. All sums payable under this Guarantee shall be paid in full without set-off or counter-claim and free and clear of and without deduction of or withholding for or on account of any present or future taxes, duties or other charges.

4. This Guarantee is a continuing security and accordingly shall remain valid until [Insert exact date until which the Guarantee shall be valid and enforceable] (The "Expiry Date").

5. This Guarantee shall be construed in accordance with and governed by the laws of England and Wales (without reference to its rules as to conflicts of laws), excluding the Contracts (Rights of Third Parties) Act 1999. Any dispute concerning the construction, interpretation and enforcement of the Guarantee shall be finally and exclusively settled by arbitration under the London Court of International Arbitration Rules, as in effect on the date of the issue of this Guarantee; the arbitration shall take place in London, England, the U. K., in the English language.

Signature(s)

APPENDIX D

FORM OF PARENT COMPANY GUARANTEE

Date:

To: PetroChina International Iraq FZE Iraq Branch
PetroChina Oilfield Base Camp
Kahla'a, Missan Province, Republic of Iraq

Whereas PetroChina International Iraq FZE Iraq Branch (hereinafter referred to as the "Company") has entered into the agreement No. [Insert name and date of Contract] (hereinafter referred to as the "Agreement"), for [Insert object of Contract] with [Insert Contractor's complete company name and address] (hereinafter referred to as the "Contractor"); and,

Whereas Contractor is a subsidiary of [Insert complete company name and address of the Parent Company] (hereinafter referred to as the "Guarantor").

Guarantor hereby unconditionally and irrevocably guarantee to Company, as primary obligor and not as surety only (a) the due and punctual performance and observance by Contractor of the terms and conditions of the Agreement, (b) to perform or take such steps, as necessary, to achieve performance of such obligations, and (c) to indemnify and keep hold Company harmless against any and all losses, damages, claims, costs, charges and expenses, howsoever arising from Contractor's failure.

The undertaking assumed by Guarantor hereunder shall not be reduced, discharge or prejudiced by (i) any alteration in the relationship between Guarantor and Contractor; (ii) any arrangement between Contractor and Company; (iii) any amendment, variation, supplement, renewal or replacement, from time to time, to the Agreement; (vi) any forbearance or indulgence by Company toward the Contractor; (vii) any act or omission which might exonerate or discharge Guarantor; or, (viii) any invalidity or enforceability, insolvency, bankruptcy, winding up or reorganization of Contractor.

Guarantor represent and warrants that (a) it has the power to enter into and perform this Guarantee and has taken all necessary corporate actions to authorize the execution, delivery and performance of this Guarantee, and (b) the execution, delivery and performance of the Guarantee will not contravene any law or regulation to which the Guarantor is subject to or any provision of the Guarantor's Memorandum and Articles of Association, and that all other consents require for such execution, delivery and performance are in full force and effect.

This is an irrevocable and unconditional on-demand Guarantee. Guarantor agrees to make any performance due hereunder upon first written demand for payment from Company and without any legal formality such as protest or notice being necessary, and waives all privileges or rights which it may have as Guarantor.

The Guarantee shall continue to be in force and effect after expiry or termination of Agreement, until all duties, obligations and liabilities have been fully discharged; even if Company terminates the Agreement pursuant to its provisions.

Company agrees that the total responsibilities and liabilities of Guarantor shall in no event be beyond those for which Contractor shall assume, be responsible or liable for under the Agreement.

PROVISION OF 3 SET OF EACH X-RAY SYSTEMS AND METAL DETECTOR (PORTAL)

This Guarantee shall be governed by and interpreted in accordance with the laws of England and Wales (without reference to its rules as to conflicts of law), excluding the Contracts (Rights of Third Parties) Act 1999. Any dispute concerning the existence, validity or termination of this Guarantee shall be finally and exclusively settled by arbitration, according to the Rules of Arbitration of the London Court of International Arbitration, in force as of the date of commencement of any proceeding; the arbitration shall take place in London, England, the U. K., in the English language.

This Guarantee shall become effective on [Insert Effective Date of the Agreement].

Signature(s)