



RCR Energy Ltd and/or its wholly owned subsidiaries (hereinafter referred to as RCR) hereby agrees to purchase Goods and Services as described on RCR's purchase order, from the person, firm, company or subcontractor (hereinafter referred to as the Supplier) named on the order, subject to the following terms and conditions:

Purchase Order: These Conditions become valid and binding on the parties, when a duly signed Purchase Order from RCR is received by the Supplier, in response to an offer made by the Supplier. If the Supplier fails to acknowledge this Purchase Order within 10 days from receipt, and proceeds with the supply of the Goods and Services, then this entire contract is deemed to have been accepted by the Supplier.

Price: The price shown on the Purchase Order is in New Zealand Dollars (unless otherwise stated) and is the agreed price for the whole of the Goods and Services offered, inclusive of testing, packing, documenting, and freight to the nominated Point of Delivery (Incoterms). The price is inclusive of GST (unless otherwise stated) and all other taxes and charges, however incurred, up to the Point of Delivery. The price cannot be varied unless by a Contract Variation mutually agreed in writing by both parties. Verbal understandings are not recognised under this contract.

Delivery: Time is of the essence as to the Supplier's performance under this contract, and the delivery time to the Point of Delivery, nominated on this Purchase Order must be achieved unless an extension of time has been agreed in writing by RCR. RCR reserves the right to charge a penalty for late delivery, this penalty to be agreed between the parties and nominated in the text of this Purchase Order.

Sub-Contract: The Supplier may not sub-contract or assign any of its rights or obligations under this contract without the prior consent of RCR.

Warranty: The Supplier guarantees that the Goods and Services comply with the stated specifications, drawings and technical instructions issued by RCR with this Purchase Order, and the Goods and Services shall be suitable for their intended purpose. Notwithstanding acceptance of the Goods and Services by RCR at the Point of Delivery, the Supplier shall warrant the Goods and Services under the terms of this clause for a period of not less than 6 months from date of delivery, unless a different warranty period has been agreed between the parties in writing.

Confidentiality: The specifications, drawings and technical instructions issued to the Supplier by RCR during tendering and at the time of establishing this Purchase Order will remain the property of RCR, must be kept confidential and shall be returned to RCR on completion of this contract, and must not be disclosed to a third party unless agreed by RCR in writing.

Payment: Payment for the Goods and Services will be made after acceptance by RCR at the Point of Delivery. Acceptance of the

Goods and Services can only occur after all obligations under this contract have been met, including documentary proof of compliance with specifications, drawings and technical instructions. After acceptance of the Goods and Services by RCR, the Supplier's invoice will be accepted into the RCR accounts payable system, which operates on a 45 days payment regime.

Insurances: It is the Supplier's responsibility to indemnify RCR against all risks in respect of injury or death of any persons and in respect of losses or damage to any property arising in connection with the Goods and Services being the subject of this contract. When requested, the Supplier shall provide copies of Certificates of Currency of Insurances covering Workers Compensation, Public Liability and Property Damage Loss and Theft Insurance, and Motor Vehicle Third Party Liability Insurance and such other policies as requested by RCR.

Default by Supplier: If the Supplier defaults on any of the terms of this contract, for any reason including insolvency, RCR may institute cancellation procedures after giving the Supplier 10 days notice in writing of its intention to cancel. In the event of cancellation due to default by the Supplier, RCR can appoint another Supplier to complete the uncompleted portion of the contract and can withhold payment from the defaulting party to ensure that RCR suffers no loss due to the default by the Supplier.

Reporting: If required by RCR, the Supplier must report progress of the supply to RCR on a regular basis.

Inspection: RCR's nominated Project Manager will inspect the Goods and Services from time to time during the progress of the works, and on completion at the Point of Delivery, and will examine the documentation to ensure compliance to the specifications, drawings and technical instructions. Any technical or commercial questions or notices should be addressed to him and his written instructions in response to those questions or notices will become part of this Contract and should be accepted as lawful instructions for the execution of this contract.

Title and Risk: The Supplier warrants that all goods supplied are free and clear of all liens and encumbrances whatsoever. Title to the Goods and Services pass to RCR at the Point of Delivery. Risk in the Goods and Services, pass to RCR at the Point of Delivery subject to all the provisions of this contract.

Access: RCR's nominated Project Manager will be afforded free access during the progress of the supply for the purpose of expediting or inspection of the Goods and Services.