

TOWNROCK ENERGY TERMS OF BUSINESS

1 Definitions

"**Agreement**" means the Proposal, along with these terms and conditions of business and any non-disclosure agreement as agreed between the Client and TRE relating to the performance of the Services

"**Client**" means the person or company named as such on the first page of the Proposal

"**Intellectual Property Rights**" means all intellectual property rights, including but not limited to, patents, utility models, registered designs and models, trademarks, service marks, applications for any of the foregoing (and the rights to apply for any of the foregoing), design rights, ownership of inventions, proprietary information, technical know-how, trade secrets, confidential processes and systems, copyright in documents, drawings, diagrams, templates and designs, authorship, rights in computer software and any similar rights

"**Party**" or "**Parties**" means TRE and/or the Client as the context requires

"**Proposal**" means the letter issued by TRE to the Client setting out the scope and specific requirements for the Services to be performed by TRE

"**Services**" means any services, including any goods, agreed to be provided by TRE pursuant to the terms of the Proposal

"**TRE**" means TownRock Energy Limited

2 Terms and conditions

2.1 The Agreement contains all the terms and conditions agreed by the Parties relating to the performance of the Services and supersedes any and all prior understandings or arrangements or agreements between them.

2.2 Notwithstanding clause 2.1, any Non-Disclosure Agreement (however described) between the Parties shall remain in full force and effect.

3 Effective Date of Agreement

Unless indicated otherwise the Agreement shall come into effect on the date of acceptance by the Client in writing of the Proposal, subject to any further terms which are agreed between the Parties in writing.

4 Payment Terms

The Client is liable to pay TRE the fee or price as quoted in the Proposal. All prices quoted by TRE are subject to the addition of Value Added Tax at the rate prevailing at the time of supply of the Services. TRE's invoices are due for payment 30 days after presentation of the invoice in cleared funds to the bank account nominated in the invoice, and time for payment shall be of the essence of the Agreement.

5 Prompt Provision of Accurate Data and Availability of Site Contacts

5.1 The Client shall use reasonable endeavours to provide any information reasonably required to enable TRE to perform the Services in a professional and timely manner and in accordance with the Proposal. The Client shall use reasonable endeavours to ensure that all such information is provided in a timely manner and is accurate.

5.2 The Client agrees to make reasonably available appropriate contacts at the relevant site subject to prior notice being given by TRE.

5.3 TRE will not be liable for any delay or failure to perform the Services where the Client does not fulfil its obligations under this clause 5.

6 Health & Safety

Whilst working on the Client's sites, TRE will take reasonable steps to ensure that all of its personnel are aware of and comply with such rules and requirements as may be notified by the Client regarding conduct and health and safety of personnel on those premises.

7 Confidentiality

During the term of the Agreement, the Client and TRE will acquire knowledge and information concerning each other's operations which is of a confidential and/or commercially

sensitive nature. Both Parties agree that such information shall be maintained as confidential, shall be disclosed only to those employees for whom such knowledge is essential in respect of carrying out their responsibilities under this Agreement, that such persons shall be made aware of their responsibilities under this Clause, and that such information shall not be used under any circumstances to the commercial detriment of the providing Party. Each Party acknowledges and agrees (for itself and on behalf of any associated parties) that damages may not be an adequate remedy for breach or threatened breach of the obligations set out in this Agreement and that the Party not at fault shall be entitled to seek specific implement and injunctive relief and that no proof of special damages shall be necessary for the enforcement of this clause 7.

8 Intellectual Property Rights

8.1 It is underlying principle of this clause that neither Party shall have the right of use other than for the purposes of the Agreement, whether directly or indirectly, of any Intellectual Property Rights provided by the other Party and ownership of such Intellectual Property Rights will remain at all times with the Party providing the same.

8.2 Subject to clause 8.3, where any Intellectual Property Rights are developed or created as a result of or in connection with the Services, such rights shall vest in TRE from creation.

8.3 Where any Intellectual Property Rights are developed as a result of the Services which are enhancements of existing Intellectual Property Rights of the Client, such rights will remain and/or shall vest in the Client from creation.

8.4 TRE hereby grants to the Client a non-exclusive, irrevocable and royalty free right to utilise TRE's Intellectual Property Rights inherent in the data, specifications, calculations, diagrams and reports and other information created under or arising out of TRE's performance of the Services ("Data"), for the purposes for which such Data is supplied and for no other purpose. Such right is granted on the basis that the Client shall not exploit or allow others to exploit TRE's Intellectual Property Rights in a manner which is inconsistent with the terms of the Agreement.

8.5 The Client hereby grants to TRE a non-exclusive, irrevocable and royalty free right to utilise the Client's Intellectual Property Rights (including any such rights owned by the Client by virtue of clause 8.3) for the purposes of delivering the Services and performance of TRE's obligations under the Agreement, and for no other purpose without the Client's permission.

8.6 Notwithstanding the terms of this clause 8, from time to time TRE may utilise the Client's name and recognised trade marks within its marketing literature and/or web presence for the purpose of promoting its services.

8.7 Each Party shall execute all such documentation and do all such acts as are necessary to give effect to this clause 8.

9 Work Specification and Variations

The Proposal contains the full specification of work to be carried out. Any additional work or variations to the Proposal must be agreed in writing by the Parties to be valid and TRE reserves the right to make additional charges for any additional work and variations to the Proposal.

10 Personnel Competency/Change of Personnel

TRE will allocate personnel as appropriate to the work to be undertaken and all personnel will have appropriate knowledge and experience to each task to be performed for the provision of the Services. TRE reserves the right to change such personnel as needed to meet operational requirements, always providing that the replacement shall be of an equivalent standard in terms of knowledge and experience.

11 Solicitation of Personnel

Each Party agrees that, during the provision of the Services, and for a period of six months after completion of the Services or the expiry or termination of the Agreement (whichever is the later), that it will not, either directly or indirectly, seek to employ any personnel of the other Party

involved in the provision of the Services unless that Party provides written consent, or in response to an open advert without solicitation.

12 Early Termination

12.1 Either Party may terminate the Agreement forthwith by written notice to the other at any time if:

12.1.1 the other Party is in material breach of its obligations hereunder and, if remediable, fails to remedy the same within 14 days after receiving written notice of the failure from the Party requiring it to be remedied; or

12.1.2 the other ceases to trade or enters into liquidation whether voluntarily or compulsory (other than for the purposes of amalgamation or the construction) or compounds with its creditors or has a receiver, administrative receiver, administrator, nominee, supervisory or similar officer appointed over all or any of its assets or its undertakings or any part thereof, or if any action, petition, application or proceeding is initiated or resolution passed relating to any of the aforementioned matter.

12.2 In the event of termination of the Agreement, the provisions of the Agreement which are required to ensure the full exercise of the rights, remedies, obligations or liabilities of the Parties or the fulfilment of their obligations shall survive the termination of the Agreement.

12.3 Upon termination or expiry of the Agreement, Client shall immediately pay any outstanding unpaid invoices to TRE and, where Services have been provided but no invoice has been submitted, TRE shall submit its invoice which shall be payable immediately upon receipt by the Client.

13 Limitation of Liability

13.1 Nothing in the Agreement limits any liability which cannot legally be limited, including in respect of death or personal injury resulting from negligence, or fraud or fraudulent misrepresentation.

13.2 Subject to clause 13.1, TRE shall not be liable to the Client in contract or delict for loss of profits, loss of or damage to goodwill, loss of anticipated savings or profits, loss of agreements, sales, business or contracts, or any type of indirect or consequential loss arising from the provision of the Services, even if such loss was reasonably foreseeable or that Party had been advised of the possibility of incurring it.

13.3 Subject to clauses 13.1 and 13.2, TRE's total cumulative liability to the Client, including any liability arising out of suspension or termination of the Services or the Agreement, and arising out of or related to the performance of Services, shall be limited to the value of the fees payable to TRE as set out in the Proposal.

13.4 Notwithstanding the limitations of liability in this clause 13, TRE shall have full and exclusive liability for the payment of all taxes (and any interest or penalties thereon) for which it is liable as imposed by any appropriate government authority whether of the United Kingdom or elsewhere.

14 Applicable Law

This Agreement shall be construed and enforced in accordance with the laws of Scotland. The Scottish Courts shall have exclusive jurisdiction to deal with any dispute that arises out of or in connection with this proposal and the work carried out under this proposal.

15 Assignment

Neither Party shall transfer or assign its rights or obligations under this Agreement without the prior written approval of the other Party, which approval shall not be unreasonably withheld or delayed.

16 Waiver

Any delay on the part of either Party in enforcing any term or condition right or remedy in respect of this Agreement shall not be deemed to be a waiver of any right or remedy whatsoever by that Party.

17 Notices

Any notice required to be delivered under this Agreement shall be deemed given if left or sent by recorded delivery post to the agreed

addresses, or such other addresses as shall subsequently be notified in writing, and shall be deemed to have been received two days after posting.

18 Force Majeure

- 18.1 Neither the Client nor TRE shall be liable for any expense, loss or damage resulting from delay or prevention of performance of the Agreement that is caused by fires, floods, acts of God, riots, thefts, accidents or any other cause whatsoever beyond their reasonable control (excluding timely payment of fees properly due by the Client to TRE).
- 18.2 The Services will from time to time be dependent upon agencies outside the control of the Parties, including but not limited to, trade associations, government departments and energy suppliers. Providing that all reasonable steps have been taken by TRE to minimise such delays then their occurrence will not affect TRE's rights under the Agreement, and the Client agrees to meet with TRE and find practical ways of mitigating any possible adverse effects on the Parties of any such delays.