

# Edrill Environmental Field Drilling Services Terms and Conditions

## A. INTERPRETATION

- 'Edrill' means Edrill environmental which is the trading name of M&J Nominees Pty Ltd (ABN 32 124 018 177) and includes its employees and Field Service Representatives;
- 'The Purchaser' means the person, business or corporation who buys or agrees to buy the services;
- 'The Services' means all of the drilling work that Edrill is or may be required to execute under the Contract and includes variations and remedial work;
- The 'Contract' means a Purchase Order form from the Purchaser and bearing the Edrill Quote number together with these Terms and Conditions and all documents attached to or incorporated in the Purchase Order by reference.
- The Contract constitutes the entire, final and concluded agreement between Edrill and the Purchaser relating to the execution of the Services. All previous communications, except to the extent expressly incorporated into and forming part of the Contract, shall have no effect.

## B. SCOPE OF EDRILL'S SERVICES

- Edrill will perform drilling in the manner and at the locations specified by the Purchaser in the drilling schedule. Edrill will provide a drilling rig and operator (Representative) in addition to consumable materials, tools, repair and replacement parts, fuel, lubricating oil and other supplies that may be required in connection with the work.
- Edrill will not interpret the Purchaser's drawings, or be required to superintend or supervise personnel supplied by the Purchaser or train them in their respective crafts in connection with the performance of the work. If, however, at the request of the Purchaser, Edrill agrees that it will act in another capacity, Edrill's representative shall do so in accordance with normal standard of the industry for that type of work and shall render an invoice in relation to the additional work.
- Neither Edrill nor its representatives shall be responsible for any acts, omissions or workmanship of employees, contractors, sub-contractors or agents of the Purchaser or for their failure to follow the advice or instructions of Edrill or its representatives, or for performing any work or giving any advice in respect to equipment or services sold to the Purchaser by others.

## C. PURCHASER'S RESPONSIBILITIES

### 1. Facilities and Site services

The Purchaser shall furnish at his own expense and responsibility all facilities and equipment, water, electric power, and other supplies and utilities that may be required in connection with the work.

### 2. Purchaser's Representative

The Purchaser shall designate a person in his organisation to represent him fully at the site in all contacts and dealings with Edrill. The Purchaser's representative shall be responsible for co-ordinating work, and shall be in charge of the Site services and facilities to be furnished by the Purchaser. The Purchaser's representative shall inspect and he shall be authorised to accept all details of the work as they are completed. Decisions with respect to repair or replacement of the Purchaser's equipment or parts thereof shall remain solely with the Purchaser.

### 3. Safety

The Purchaser shall furnish Edrill with a safe and healthful place to work, including first aid, washup, and toilet facilities at the site. If, in the opinion of Edrill, the Purchaser fails to comply with the foregoing, or if in Edrill's opinion, the employee's health or safety is or would be jeopardised during the period of the assignment, Edrill may order its personnel to return to their headquarters under the same provision as set forth in Paragraph D.3.(b)(4).

## D. CHARGES

Invoices from Edrill for the Services including the use of the drill rig and operators will be based on the conditions set forth below.

- The Purchaser shall pay Edrill for the time as defined herein and at the rates specified on our Drilling Service Proposal and Contract. The aforesaid rates shall remain firm for a period of three (3) months from the date of Edrill Proposal or order acknowledgment. Thereafter rates may be adjusted at three (3) months intervals.

### (a) Straight Time

Straight Time is defined as the time worked on a regular schedule of any hours between 8:00 am and 6:00 pm, Monday through Friday.

### (b) Stand-By Time

If during the course of his assignment, a Field Service Representative is available for work but is not working due to circumstances beyond Edrill's control then that time shall, as the circumstances dictate, be charged at the stand-by rate.

## (C) Travel Time

Travel Time is defined as time spent by the Representative up to ten (10) hours per calendar day travelling to the job site, and in returning, including travel occurring on Saturdays, Sundays and Holidays (but not exceeding normal travel time between his headquarters and the job site).

Each hour of travel time shall be paid for at the standby rate.

### 2. Minimum Charge

The minimum charge of four hours at the applicable rate, plus travelling and living expenses, if any, will be made on all service calls.

### 3. Exceptional Ground Conditions

Where exceptional ground conditions are encountered which have not been anticipated in the Edrill Drilling Service Proposal and either the daily drilling meterage achieved is below 35 metres or the use of consumables and drill components exceeds normal wear and tear to be expected of such components, the charges for the Drilling Service shall be calculated on the basis of the Exceptional ground charge per metre, and the charges indicated in the Edrill Quote shall be disregarded.

### 4. Expenses

The Purchaser shall pay a living away from home allowance on a day rate basis as set out in the Edrill Quote.

#### (a) Living Expenses

The Purchaser shall reimburse Edrill for the Representative's accommodation, meals and other expenses incidental to the job while the Representative is at the job site, and while travelling to the job site and return. Where commercial accommodations are not available, or when it is agreed in advance, the Purchaser shall provide the Representative with acceptable living quarters, food, local transportation, domestic help, etc. Such accommodations shall be first class in every respect including air conditioning, appliances, and household equipment.

#### (b) Tools, Instruments and Equipment

##### (1) Transportation and Related Charges

Edrill shall pay for round-trip transportation or excess baggage charges for tools and equipment furnished by Edrill or the Representative. If applicable, the Purchaser shall assist Edrill in arranging entry and exit permits for such tools and equipment.

##### (2) Tool Rental

If at the request of the Purchaser, Edrill furnished tools or equipment, a charge will be made at Edrill's current regular rates therefore, plus round-trip transportation and the cost of repair or replacement of tools or equipment damaged or lost, normal wear and tear excluded.

##### (3) Company and Personal Tools

Tools and equipment furnished by Edrill or the Representative shall remain the property of Edrill or its Representatives at all times. All such tools and equipment shall be for the exclusive use of the Representative. If such tools and equipment are not returned to Edrill, the Purchaser shall reimburse Edrill for their full replacement value.

##### (4) Purchased Tools and Equipment

If under the terms of the contract Edrill is to provide tools, consumables test instruments, vehicles or household equipment, they will be procured and shipped by Edrill.

Unless otherwise agreed and specified, the purchase price, packing and shipping expenses, insurance, import licenses and duties, taxes and other expenses involved and pertaining to this equipment plus 15% handling charge will be for the account of the Purchaser. Title, liability and maintenance responsibility passes to the Purchaser under delivery but right of exclusive use by the Representative is reserved by Edrill until the work is completed.

##### (5) Storage Facilities

The Purchaser shall provide suitable locked storage facilities for the exclusive use of the Representative for the storage of personal or Edrill property such as drawings, tools, instruments and other special equipment.

## E. INVOICING AND PAYMENT

### 1. Invoicing

Edrill will submit monthly invoices on a net cash basis covering the time and expenses of the Representative, and a final invoice upon completion of the Services. Separate or combination invoices for purchased material, repair parts, labour, engineering, services, tool rental, or other items furnished by Edrill will be issued on the same basis.

### 2. Payment

All payments shall be made by the Purchaser in Australian dollars upon receipt of invoice. Invoices not paid within thirty days from the date the invoice was issued shall be subject to an interest rate of 1½% of the invoiced amount for each month they remain unpaid.

### 3. Verification of Time and Expenses

The Representative, if requested by the Purchaser, will present a copy of his regular time and expense reports. The Purchaser, when requested, shall indicate his approval of such reports by signing the same.

## F. DELAYS, SUSPENSION, DEFERMENT

1. If the work is suspended or delayed due to no fault of Edrill, such as, but not limited to, act of god, war, act of government, act of Purchaser, priorities or allocations, fire, flood, strike and sabotage, the time of performance, if any such is specified, shall be extended for a period of time equal to the period of the delay and its consequences.

If the work is suspended because of such a delay, Edrill may temporarily withdraw the Representative and/or its contractor's personnel and return them to the job when needed and available. Rates current at the time the work is resumed and any additional costs (including travel time and expense) incurred by Edrill because of the foregoing will be charged to the Purchaser.

2. If for any reason the Purchaser defers start of the work, the Purchaser will give Edrill written notice immediately. It is understood that Edrill may not be able to furnish the Representative or its contractor at the precise date the work is rescheduled to start, but it will make every reasonable effort to do so. Edrill reserves the right to terminate services without further obligation if the Purchaser defers start of the work beyond six months of the starting date originally specified, or if the work is suspended for more than six months.

## G. SERVICE PARTS

Service parts and material furnished by Edrill at the Purchaser's request will be invoiced to the Purchaser at Edrill's current regular prices and under Edrill's current Terms and Conditions.

## H. LABOUR PERMITS AND TAXES

1. The Purchaser shall, at his own expense, secure any work permit, labour permit, tax exemption certificate, or any other authorisation which may be required to permit the Representative to perform the requested services. Any loss of the Representative's services pending the procurement of any such permit or authorisation shall be for the Purchaser's account and shall be paid for by the Purchaser as stand-by time as defined and specified herein.

2. The prices quoted for services do not include any sales, privilege, use, turnover, excise or similar tax. The amount of any such tax which Edrill shall be required to pay because of the furnishing of services shall be reimbursed to Edrill by the Purchaser upon presentation of invoice therefore.

## I. WARRANTY

Edrill warrants that the Drilling Services performed by it will be competent and that any recommendations of its Representative shall reflect his best judgment. Edrill also warrants that any specialised tools, equipment and instruments for the use of which a charge is made to the Purchaser by Edrill shall be adequate for the work performed. Where the Drilling Services include the recovery of soil core samples, Edrill warrants that it will achieve an overall rate of soil core recovery of 80%.

**THE FOREGOING WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES.**

Edrill assumes no responsibility with respect to the suitability of the Purchaser's equipment or with respect to any latent defects in the same.

## J. INSURANCE AND LIABILITY

1. Edrill will carry Worker's Compensation insurance to cover its Representative and will require similar coverage from its subcontractors while on the assignment for the Purchaser and will maintain public liability and property damage insurance in reasonable amount to cover the liability arising from their activities. Edrill shall be liable for loss, or damage to equipment or property of the Purchaser only if caused by Edrill's negligence and only if and to the extent such damage or loss is not covered by the Purchaser's insurance. The liability of Edrill whether in contract, in tort, or otherwise, shall expire one year after the completion of the work, and with respect to the Drilling Services being performed, shall not, in any event, exceed the total contract price for Drilling Services rendered hereunder.

2. In no event shall Edrill be liable for any loss in any way arising from the loss of use or cost of capital, cost of purchased power, cost of substitute equipment, services or facilities, loss of profit or revenue, loss of the use of any equipment, outage costs or claims of the Purchaser's customers or for any indirect, special, incidental, or consequential damages, nor shall Edrill assume any liability of the Purchaser or others for injury to persons or property.

## K. SUBSTITUTION OF PERSONNEL

Edrill's obligation is to furnish Drilling services and not specific personnel. Edrill reserves the right at any time, and from time to time, at its own expense, to recall and substitute any of its personnel.

## L. MODIFICATIONS

It is recognised that the nature of field service is such that changes in the scope of it as originally contemplated often occur. Edrill will undertake additional services within the normal scope of Drilling services but reserves the right to require the Purchaser to confirm in writing any extension of the services originally ordered. Edrill shall be entitled, however, to rely upon oral orders, including instructions of the Purchaser's representative at the site, and any services performed by Edrill pursuant to oral orders or instructions shall be paid for by the Purchaser on the basis set forth herein.

## M. GOVERNING LAW

The interpretation of this contract shall be governed by the laws of the State of Western Australia, Australia.