

PURCHASE CONTRACT No.

CONCLUDED IN COMPLIANCE WITH THE CLAUSES OF COMMERCIAL CODE OF SLOVAK
REPUBLIC NO. 513/1991 AS AMENDED

Concluded between:

Corporate Name:	NAFTA a.s.
Residing at:	Votrubova 1, 821 09 Bratislava
Company Registration Number:	36 286 192
Tax Identification Number:	20 221 465 99
VAT Identification Number:	SK2022146599
Bank:	ING Bank N.V., a.s.
Account No.:	9000007553/7300
IBAN:	SK77 7300 0000 0090 0000 7553
SWIFT:	INGBSKBX
Registered in:	Companies Register of the District Court Bratislava I in Section: Sa, Insert No.: 4837/B
Represented by:	Ing. Martin Bartošovič , procurist Ing. Ladislav Goryl , procurist

(hereinafter "the Buyer")

and

Corporate Name:
Residing at:
Company Registration Number:
Tax Identification Number:
VAT Identification Number:
Bank:
Account No.:
IBAN:
SWIFT:
Registered in:

Represented by:

(hereinafter "the Seller")

1 SUBJECT-MATTER OF THE PURCHASE CONTRACT

1.1 Purpose and Subject-Matter of the Purchase Contract

The purpose of the present Purchase Contract is to determine rights and obligations of the Parties, which shall apply to the delivery of Christmas trees (hereinafter referred to as the

"Goods") pursuant to paragraph 1.2. hereof. General Business Terms and Conditions of the Buyer, which create Annex No. 1, constitute an inseparable part hereof.

1.2 Specification of Goods

In compliance with terms and conditions hereof, the Seller undertakes to deliver to the Buyer and the Buyer undertakes to take over from the Seller the following Goods:

1. 11pcs Christmas tree made under specification API Spec. 6A 20th Edition (last edition):

Basic marking:	11" x 7 1/16" x 2 1/16" x 21 MPa (3000 psi) with interconnection
Pressure rating:	20.7 MPa (3000 psi)
Material class rating:	AA
Temperature rating:	P (-29°C up to +82°C)
Product specification level:	PSL 2
Performance requirements:	PR 1
Connections:	Flanges
Tubing spool assembly:	11" x 7 1/16" Secondary seal assembly for OD casing 6 5/8" Lock screws for tubing hanger Studded site outlets Right site: gate valve 2 1/16" with companion flange 2 1/16" with 2" API female LP thread with bull plug tapped 2" API male LP thread with hole and thread 1/2" NPT, with needle valve and gauge 21 MPa 4" dia, NPT connection. Left site: gate valve 2 1/16" with studed tee assembly 3x 2 1/16" for interconnection annulus tubing with companion flange 2 1/16" with 2" API female LP thread with bull plug solid and gate valve 2 1/16" and spacer spool 2 1/16"

Tubing hanger assembly:

Tree assembly:

Box x Box 2 7/8" 6.5 lb/ft API EU, with thread in the middle for 2" testing plug with back valve
21 MPa x 2 1/16"
Adapter tubing assembly 7 1/16" x 2 1/16"
Master valve assembly 2 1/16"
Studded cross Assembly 4 x 2 1/16"
Right site: wing valve 2 1/16" with companion flange 2 1/16" with API thread 2" LP bull plug tapped with 1/2" NPT port with needle valve and gauge 21 MPa 4" dia.
Left site: wing valve 2 1/16", studed tee assembly 4 x 2 1/16" with bull plugs 2" LP and tapped bull plug 2" LP with 1/2" NPT port with needle valve and gauge with choke beam, with companion flange 2 1/16" with 2" LP thread for bull plug 2" LP and bull plug 2" LP and weldneck flange 2 1/16".
Swab valve 2 1/16" with companion flange 2 1/16" with thread 3" LP, bull plug tapped 3" with 1/2" NPT port with needle valve and gauge 21 MPa 4" dia.

Including all bolts, nuts and gaskets.

Christmas tree colour: yellow

2. 4pcs Set of tubing hanger gaskets (suitable for item 1),
3. 11pcs Crossover 2 7/8" API EU 6.5 lb/ft PIN x 2 3/8" API NU 4.6 lb/ft PIN suitable for tubing 2 3/8" N 80,
4. 2pcs Test plugs 2" with back valve.

2 PURCHASE PRICE

2.1 Purchase Price

The Buyer undertakes to pay for the Goods the price, which is specified in the Purchase Contract and which is in compliance with the competitive tendering procedure and tender documents. Price for the subject-matter of the Purchase Contract pursuant to Article 1 paragraph 1.1 hereof is agreed at the DDP parity, NAFTA a.s., Zastávka 2103, 908 45 Gbely, store of the Buyer (hereinafter referred to as the "**Price**"). The total purchase Price is excluding VAT.

2.2 Contents of the Price

The Price shall, without regard to any business usage otherwise common in the sector, include all the costs connected with fulfilment of obligations of the Seller, in particular haulage, insurance of the Goods during transportation, customs, other fees connected with import, fees connected with certification of products, administration and similar fees collected by anybody of the public authority, as well as the price of documentation, which is necessary for use of the Goods or which is related thereto.

2.3 VAT

Value added tax (VAT) shall be invoiced in compliance with valid legal regulations regarding VAT.

3 DEADLINE FOR DELIVERY AND TAKEOVER OF GOODS

3.1 Deadline of Delivery and Takeover

The Seller undertakes to deliver the Goods to the Buyer within the deadline by:

5pcs till 30.06.2013,

6pcs till 31.10.2013. The Buyer undertakes to take over such delivered Goods from the Seller under the terms and conditions stipulated herein.

Takeover Record shall be elaborated on the takeover of the Goods, which shall be signed by both Parties, in principle in the form and in compliance with the contents of the Delivery Note issued by the Seller.

3.2 Right to Refuse Takeover of the Goods

Without regard to other provisions hereof, the Buyer subjects takeover of the Goods by transfer of the Goods, verification of their functionality and training of personnel in the place determined by the Buyer.

Acquisition of Ownership Title to the Goods

The Buyer shall acquire ownership title to the Goods on the date of signature of taking over/by payment at full in compliance with the present Purchase Contract.

3.3 Notice of Delay in Goods Delivery

If there is a risk that the Seller does not deliver the Goods within the deadline specified herein, the Seller shall inform the Buyer about this fact in writing without undue delay after the Seller learns about this fact. Such notice shall contain reasons for the delay and expected date of delivery of the Goods. Fulfilment of the Seller's obligation specified in this paragraph shall be without prejudice to other claims of the Buyer arising from breach of the Seller's obligation to deliver the Good in time.

3.4 Consequents of Delay in Goods Delivery

If the Seller fails to deliver the Goods within the deadline hereunder, the Seller shall be obliged, after receipt of written request of the Buyer, to immediately pay the Buyer a contractual fine in the amount of 0.05 % of the Price for every, as well as started day in delay. Such fine shall be payable on the day following after every day in delay. In that case penalty invoice will be issued once a month. If the Seller fails to pay such contractual fine or a part thereof in time, the Seller shall be obliged, after receipt of the Buyer's written request, to pay the Buyer delay interest in the amount of 15% per annum of the total unpaid part of the contractual fine.

4 PLACE OF GOODS DELIVERY

4.1 Place of Goods Delivery

In compliance with Article 2 paragraph 2.1 hereof, the agreed place of delivery shall be NAFTA a.s., Zastávka 2103, 908 45 Gbely, store of the Buyer.

4.2 Incoterms 2010

Unless otherwise provided herein, terms and conditions concerning delivery of the Goods shall be governed solely by the international trade language rules INCOTERMS 2010 (with application of "DDP" parity).

4.3 Risk of Damage

The risk of damage to the Goods shall pass to the Buyer on the date of signature of the dispatch note in compliance with Article 3 paragraph 3.2 hereof.

5 PAYMENT CONDITIONS

5.1 Invoice

Payment of the Price shall be made on the basis of statement of costs of the Seller in a form of invoice. The invoice must contain requisites required by the law and by the present Purchase Contract. If the invoice does not contain the requisites required by the law or by the present Purchase Contract, the Buyer shall be entitled to return the invoice to the Seller without payment. In such case, the maturity date of the invoice shall stop to pass and it shall start to pass on the date of delivery of corrected (new) invoice, which complies with requirements of generally binding legal regulations and the present Purchase Contract.

5.2 Maturity of Invoice

The invoice shall be payable within **30** days since the date of its delivery to the Buyer, unless later maturity date is specified in the invoice. The payment shall be made in the currency EURO. The date of debiting the owed sum from the Buyer's account shall be deemed as the date of fulfilment of the Buyer's monetary obligation. If, during validity hereof, the Seller changes account number referred to in the heading hereof and fails to deliver written notice of such fact to the Buyer at least 14 days before the maturity date of the invoice, the date of debiting the owed sum from the Buyer's account shall be deemed as the date of fulfilment of the Buyer's monetary obligation and that without regard to the fact whether financial means are credited to the Seller's account. If the maturity date of the invoice falls on a rest day, the invoice shall be payable on the next working day. For the case of delay in payment of the purchase price, the Parties have agreed upon contractual fine in the amount of 0.05% per day of the Price for every, as well as started day in delay.

6 LIABILITY FOR DEFECTS

6.1 Scope of Seller's Liability for Defects

The Seller shall be liable for defects, which the Goods have in the moment when the risk of damage to the Goods passes to the Buyer hereunder, and that even if the defect becomes obvious (detected by the Buyer) after such moment. The Seller shall be also liable for any defect, which occurs on the Goods also after the moment referred to in the previous sentence, if such defect arises due to breach of the Seller's obligations hereunder (for instance defects, which occur due to damage to the Goods by the Buyer or its employee or by other party due to actions of the Buyer or its employee or other party according to the manual for use of the Goods or other documents supplied by the Seller pursuant to Article 9 hereof).

6.2 Buyer's Rights in case of Defect Occurrence

If the delivered Goods have defects or if such defect occurs pursuant to paragraph 6.1 hereof, the Buyer shall be entitled:

(a) to claim, within the deadline determined in writing by the Buyer, removal of defects by making delivery of substitute Goods or delivery of missing part of the Goods;

(b) to claim, within the deadline determined in writing by the Buyer, removal of defects by repair. If the Buyer does not agree with proposal of the Seller, the Seller shall be obliged to start with removal of defects, if defects can be repaired, within 3 working days;

(c) to immediately withdraw from the present Purchase Contract.

6.3 Method of Defects Removal

The Seller shall be obliged, upon request of the Buyer, to send the Buyer a proposal for defects removal without undue delay. Until the time of removal of defects, the Buyer shall not be obliged to pay for material. If the Buyer does not agree with the Seller's proposal on the method of defects removal, the Seller shall be obliged to start with removal of defects within 3 working days.

6.4 Compensation of Costs on Defects Removal

The Seller shall be obliged to compensate the Buyer for any expenses suffered by the Buyer in connection with provision of cooperation to the Seller within the framework of defects removal.

7 LIABILITY FOR DAMAGE AND OTHER PENALTIES

7.1 Buyer's Liability

The Buyer shall be liable for damage caused to the Seller by breach of the present Purchase Contract up to the maximum amount of 0.05% of the Price. The Buyer shall not be liable for loss of profit, loss of earnings and other indirect damage caused to the Seller in case of breach of the Purchase Contract. If the Buyer withdraws from the present Purchase Contract due to breach of the Purchase Contract by the Seller, the Seller shall be obliged to pay the Buyer contractual fine in the amount of 10 % of the Price. This shall be without prejudice to the right of the Buyer to claim compensation of damage.

7.2 Seller's Liability

The Seller undertakes to hold harmless the Buyer for and against any and all obligations, losses, damages, fines, claims, complaints, taxes (other than income taxes), commitments, disputes, expenses and costs (including reasonable costs on legal consultancy, costs and expenses on investigation), which the Buyer suffers and which, in whatsoever manner, are connected with or arise from direct or indirect breach of any of the representations, warranties or obligations of the Seller hereunder, or under any other contractual relationship between the Buyer and the Seller, which is subject to the present Purchase Contract.

8 PACKAGING AND PACKING

The Goods shall be packed in compliance with technical conditions in order to prevent their damage during transport.

9 DOCUMENTS REQUIRED FOR USE OF THE GOODS

The Seller is obliged that the goods will be delivered with:

- a) documentation in compliance with API spec. 6A PSL-2,
- b) quality and inclusiveness certificate,
- c) pressure test protocol,
- d) material certificates,
- e) product certificate,
- f) operating and maintenance instructions,
- g) manual,
- h) other possible documents according to Seller's knowledge.

10 OTHER PROVISIONS

10.1 Force Majeure

The Seller and the Buyer shall not be obliged to comply with obligations hereunder during the period of duration of circumstances, which are independent on the will of the Parties and which exclude their liability pursuant to the relevant legal regulations. Should such circumstances occur, the Seller shall be entitled to prolong the Goods delivery date and the Buyer shall be entitled to prolong the maturity date of the Price and that for the period of duration of such circumstances. The Party, which was affected by such circumstances, shall be obliged to immediately inform in writing the other Party, otherwise it shall not be entitled to exercise its rights pursuant to this paragraph. The Buyer shall be entitled to withdraw from the present Purchase Contract if circumstances of the force majeure continue more than one month.

10.2 Assignment of Purchase Contract

The Buyer shall be entitled to assign all the rights and obligations arising from the present Purchase Contract to a third party. The Seller shall be entitled to assign rights and obligations from the present Purchase Contract to a third party solely with consent of the Buyer.

10.3 Withdrawal from Purchase Contract

The Buyer shall be entitled to withdraw from the present Purchase Contract if the Seller breaches any of the obligations of the Seller pursuant to Articles 3, 4, 6, 7, 8 or 9 hereof. The Seller shall be entitled to withdraw from the present Purchase Contract if the Buyer breaches paragraph 5.2 hereof.

10.4 Dispute of Provisions

In case of dispute between provisions of INCOTERMS 2010 or General Business Terms and Conditions on one side and provisions hereof on the other side, the provisions of the present Purchase Contract shall prevail.

10.5 Effect

The present Purchase Contract shall come into force and become effective on the date of its signature by the Parties.

In Bratislava, on:

In, on:

NAFTA a.s.

Name: Ing. Martin Bartošovič

Function: prokurist

COMPANY

Name:

Function:

NAFTA a.s.

Name: Ing. Ladislav Goryl

Function: prokurist