

GENERAL TERMS AND CONDITIONS

DEFINITIONS

In these Terms and Conditions, the following words and expressions have the meanings assigned.

- 1.1 "Affiliate" means in relation to any party, any company which is a subsidiary or holding company of such party or a subsidiary of any such holding company.
 - 1.2 "Well Services" means Well Services B.V. and its affiliates, its agents or its or their employees, officers and/or directors thereof.
 - 1.3 "Well Services Property" shall mean any surface and down hole equipment, and shall include any accessories, attachments and/or other cables, liquid (fuel) tanks, nozzles and other similar items, owned by Well Services as well as property or equipment of those under contract to Well Services.
 - 1.4 "Claims" shall mean all costs, losses, liabilities, expenses, claims, proceedings, debts, judgments, causes of actions or demands of every kind or character.
 - 1.5 "Contract" means these Terms and Conditions and the Services as detailed herein or annexed hereto.
 - 1.6 "Costs" shall mean all costs, liabilities, losses, damages and expenses (including court costs and legal fees on the basis of a solicitor and his client) of any nature whatsoever.
 - 1.7 "Customer" means the other party (or parties) to this Contract and includes its affiliates, its agents or its or their employees, officers and/or directors of Customer for whom Services may be performed at Customer's request.
 - 1.8 "Customer's Property" shall mean all property or equipment including the hole, reservoir, underground formation, downhole casing, pipeline or surface facilities owned by Customer, his client, his and their respective co-owners, co-leases and joint ventures', as well as the property or equipment of those under contract to Customer which includes, without limiting the foregoing, any drilling or service rig at the Work site.
 - 1.9 "Customer's Service Site" means the well, wellbore, derrick, drilling machinery, platforms, refinery, gas process, pumping stations, compressor stations, mining and construction sites, vessel, offshore installation, and any other industrial facility, pipeline or the pipeline right-of-way, land or premises to which Well Services is granted access for the purpose of performance of this Contract and includes any combination of the foregoing.
 - 1.10 "Force Majeure" means an event or effect that cannot reasonably be anticipated and is beyond the control of either party and which prevents that party from meeting its obligations.
 - 1.11 "Gross Negligence" shall mean a very marked departure from standards of conduct, diligence, safety and workmanship prevailing in the North Sea oilfield service industry being the wilful and wanton disregard for harmful, avoidable and foreseeable consequences.
 - 1.12 "Loss" shall mean loss of, damage to or destruction of, where the context requires.
 - 1.13 "Services" means the specific operations and supply of personnel, materials and equipment, including rental equipment, detailed in this Contract and any additional operations performed or materials supplied by Well Services for customer during the performance of this Contract.
 - 1.14 Any agreement by one party hereto to defend, indemnify and hold harmless the other party shall extend and apply to the officers, affiliates, agents, directors and employees of the other party.
 - 1.15 Authority to sign. Any individual signing the contract represents and warrants that he or she is of legal age, and has the authority and power to sign the Agreement as or for the Customer.
- 2 These Terms and Conditions may not be varied except as expressly agreed by both Well Services and Customer in writing, and shall be deemed to have been accepted by Customer upon Well Services agreeing to provide Services and/or equipment. Any terms and conditions proffered by Customer are excluded save

to the extent expressly accepted in writing by a representative of Well Services expressly authorized to do so. These Terms and Conditions replace and take priority over any other agreement in place in relation to the supply of Services between Well Services and the Customer whether oral or in writing.

- 3 It is agreed and acknowledged by Customer that conditions in and about Customer's Service Site have not been created by Well Services and that Well Services has no means of determining the hazards, damages and threats existent or to be encountered while performing the Services and therefore Well Services accepts this order only at Customer's risk, and in particular;
- 3.1 Customer shall at all times retain charge and control of, and accepts full responsibility for conditions on or about Customer's Service Site and Customer accepts full responsibility for all equipment on Customer's Service Site, including tubular and other equipment supplied by Well Services, whether used in connection with the Services and equipment or not.
- 3.2 Customer shall be responsible for preparation of Customer's Service Site, to a condition suitable for the provision of Services including all required facilities, ancillary works and materials and such unskilled labour as Well Services may reasonably require including assistance in loading or unloading PROVIDED THAT any person so engaged shall be deemed the employee or agent of Customer.
- 3.3 Customer shall ensure safe and adequate access for Well Services to Customer's Service Site and shall pay all costs of transportation for Well Services equipment, materials and personnel to or on Customer's Service Site, including the provision of properly made up roads and bridges and the provision of tractors, vessels or other special means of transportation as may be required under the circumstances.
- 3.4 Risk of damage to or loss of materials or equipment supplied to Customer by Well Services shall pass to Customer at the time of delivery. Notwithstanding delivery and the passing of risk in such materials and equipment, property and entitlement to such materials and equipment shall not pass to Customer until Well Services has received, in cash or cleared funds, payment in full of the invoiced amount of such materials and equipment and of all other sums due to Well Services under the Contract. Until such time as the property and entitlement to such materials and equipment passes to Customer, Well Services shall be entitled at any time to require Customer to handover such materials and equipment and, if Customer fails to do so forthwith, to enter upon any premises of Customer or any third party where such materials and equipment are stored and repossess such materials and equipment.

4 WARRANTY STATEMENT

- 4.1 Well Services warrants the services and equipment it supplies to the Customer shall be free from defect and shall be of satisfactory quality, and in accordance with good oilfield and engineering practices. HOWEVER, THERE ARE NO WARRANTIES, EXPRESSED OR IMPLIED, OF SATISFACTORY QUALITY OR FITNESS FOR A PARTICULAR PURPOSE IN RELATION TO THE SERVICES/EQUIPMENT.
- 4.2 Well Services liability and Customer's exclusive remedy in any cause of action (whether in contract, tort, breach of warranty or otherwise) arising out of the sale or use of any products, supplies, or materials is expressly limited to the replacement of such products, supplies or materials on their return to Well Services or at Well Services option, to the allowance to the Customer of credit of the cost of such items.
- 4.3 Because of the nature of the Services and equipment provided by Well Services which depends on the quality of the construction, materials and information provided by others and because of the uncertainty of variable well, pipeline and Customer Service Site conditions (as the case may be) and the necessity of relying on facts and supporting services furnished by others, Well Services is unable to guarantee the effectiveness of the products, supplies or materials, research analysis, job recommendation or other data furnished by Well Services. Well Services personnel will use their best efforts in gathering such information and their best judgment in interpreting it, but Customer agrees that Well Services shall not be liable for and Customer shall indemnify Well Services against any damages arising from the use of such information.
- 4.4 In the case of materials or equipment used in the Services which are not of Well Services manufacture, Customer shall be entitled only to such benefits as Well Services may have received

under any guarantee given in respect thereof. Any other liability whatsoever of Well Services is limited as provided for in this Article.

- 4.5 If the Customer operates or performs the Services with materials and/or equipment supplied by Well Services, then Well Services shall not be in any way liable or responsible for the use or misuse of those materials or that equipment or the results that occur from such improper usage. Well Services will not be liable for any defect arising from fair wear or tear to the materials or equipment.
- 4.6 In particular Well Services is not responsible for failures resulting from:
- 1) Any installation which Well Services judges improper;
 - 2) Attachments, accessory items or use of parts not sold or approved by Well Services;
 - 3) Customers delay in making the product available after being notified of a potential product problem;
 - 4) Abuse, neglect and/or improper repair, including but not limited to failure to undertake proper maintenance;
 - 5) Unauthorised repair or adjustments in unauthorised fuel setting changes;
 - 6) Improper use, including but not limited to failure due to chemical corrosion or physical erosion;
 - 7) Damage to parts, fixtures, housing, attachments and accessory items which are not part of the goods sold by Well Services; and
 - 8) Fire, theft, freezing, vandalism, riots, explosion, blowout, lightning, earthquake, windstorm, hail or flooding.

5 LIABILITY AND INDEMNITY

5.1 Personnel

Except as provided in subsection 5.5;

Each party shall be responsible at all times for Costs and Claims arising out of death, disease, illness or personal injury to its own affiliates, clients, officers and/or directors, agents or employees, and in addition;

Each party shall defend, indemnify and hold harmless the other party from Costs and Claims arising out of death, disease, illness or personal injury to its own affiliates, clients, officers and/or directors, agents or employees regardless of any fault, negligence, or breach of duty, statutory or otherwise, whether sole, joint, concurrent, active or passive, of the other party, except the Gross Negligence or wilful acts of that party.

5.2 Well Services' Property at Surface

Except as provided in Subsection 5.3 and 5.5;

Well Services shall be liable at all times for Loss of Well Services Property at surface; and in addition Well Services shall defend, indemnify and hold harmless Customer from all Costs and Claims as a result of any such Loss, arising out of the Services, regardless of any fault or negligence, or breach of duty, statutory or otherwise, whether sole, joint, concurrent, active or passive, of Customer, except the Gross Negligence or wilful acts of Customer.

5.3 Well Services' Property - Specific Hazard

Notwithstanding subsection 5.2, Customer is fully responsible for any Loss to Well Services' equipment or materials while they are being transported offshore to or from or loaded or unloaded at Customer's Service Site, by or on behalf of Customer, and Customer will indemnify and hold harmless Well Services against such Loss from such Costs or Claims irrespective of negligence or breach of duty, statutory or otherwise of the person to be indemnified.

Should any of Well Services' equipment become stuck, lost, damaged or irrecoverable, in a well or pipeline, Customer shall assume full responsibility for recovery including all associated costs, fishing operations and all repairs necessary for recovery, and if not recoverable, shall pay Well Services for such lost equipment together with all sums due and owing for Services performed. The value of the replacement from each part of equipment will be provided on request. Proper credit will be issued by Well Services for any equipment subsequently recovered and returned.

5.4 Customer's Property

Customer shall be liable at all times for Loss of Customer's Property; and in addition

Customer shall defend, indemnify and hold harmless Well Services from all Costs and Claims as a result of such Loss arising out of the Services, regardless of any fault or negligence, or breach of duty, statutory or otherwise, whether sole, joint, concurrent, active, passive or otherwise, of Well Services or howsoever arising, except the Gross Negligence or wilful acts of Well Services.

5.5 Blowout and Rupture

Customer shall be liable at all times for all bodily injury, death, or Loss of use or recovery of any property incidental to or resulting from a pressure vessel, pipework, containment device or pipeline rupture or blowout or other loss of control of a hole, including but not limited to subsurface damage, reservoir damage or surface damage resulting from subsurface damage; and in addition

Customer shall defend, indemnify and hold harmless Well Services from all Costs and Claims as a result of such bodily injury, death or property Loss arising out of the Services, regardless of any fault or negligence or breach of duty, statutory or otherwise, whether sole, joint, concurrent, active, passive, except the gross negligence or wilful acts of Well Services.

5.6 Well and Pipeline Control Costs

Customer shall be liable at all times for all Costs and Claims related to regaining control of any wild well or blowout or pressure vessel, pipework, containment device or pipeline rupture and removal of any debris; and in addition.

Customer shall defend, indemnify and hold harmless Well Services from all such Costs and Claims arising out of the Services, regardless of any fault or negligence, or breach of duty, statutory or otherwise, whether sole, joint, concurrent, active, passive or otherwise, of Well Services or howsoever arising.

5.7 Well Services' Pollution

Well Services shall be liable at all times for all Costs and Claims on account of pollution or contamination which originate above the surface of the ground from spills of Well Services products, fuels, lubricants, motor oils, wire cuttings, pipe dope, water, paints, solvents and garbage which are wholly in the possession and control of Well Services only, and directly associated with Well Services equipment and operation; and in addition

Well Services shall defend, indemnify and hold harmless Customer from all such Claims arising out of the Services, regardless of any fault or negligence, or breach of duty, statutory or otherwise, whether sole, joint, concurrent, active or passive of Customer, except the Gross Negligence or wilful acts of Customer.

5.8 Natural Occurring Radioactive Material (NORM)

All equipment and tools delivered on location by Well Services will be measured for accumulated Natural Occurring Radioactive Material (NORM) (a customer's representative will be present during measurement equipment by Well Services Specialist before load out). All equipment and tools used on location will be measured for accumulated Natural Occurring Radioactive Material (NORM) Well Services NORM Specialist will be present on location before demobilisation of equipment and tools.

In case equipment and downhole tools are contaminated by Natural Occurring Radioactive Material (NORM) Customer will be responsible for decontaminating this equipment and downhole tools. All equipment and downhole tools need to be decontaminated in accordance with the current Dutch regulations. Rental charges will continue until the equipment and downhole tools returns to our Emmen base free of contamination and ready for further use.

5.9 Other Pollution

Customer shall be liable at all times for all Costs and Claims on account of all other pollution or

contamination not referred to in Subsection 5.7 hereof including, but not limited to, contamination in any way connected with the use of radioactive material in the well bore, pollution from slush pit breakage or seepage, fire, blowout, cratering, or any other uncontrolled flow of oil, gas, water or other substance as well as the use or disposition of an oil emulsion, water or oil base chemically treated drilling fluids, cuttings or cavings and lost circulation materials or fluids or items or equipment in the possession and control of Customer and directly associated with Customer's equipment or facilities; and in addition Customer shall defend, indemnify and hold harmless Well Services from all such Costs and Claims arising out of the Services, regardless of any fault or negligence, or breach of duty, statutory or otherwise, whether sole, joint, concurrent, active or passive of Well Services, except the Gross Negligence or wilful acts of Well Services.

5.10 Hazardous Goods Disposal

Customer shall at its sole cost and risk transport and arrange for disposal or storage of any materials or products resulting from the Services and deemed to be hazardous goods by any applicable municipal, national or provincial regulation, order or statute to a suitable hazardous goods disposal or storage site approved for that purpose by the relevant governmental authority.

5.11 Consequential Damages

Notwithstanding any other provision herein to the contrary, Customer shall hold harmless and indemnify Well Services in respect of any claims, costs (including legal costs) losses or damages in respect of any consequential or indirect loss (whether or not foreseeable at the date hereof) sustained by Customer, and its co-ventures' and their respective contractors arising out of the performance of the contract irrespective of negligence.

And:

Well Services shall hold harmless and indemnify Customer and its co-ventures' and their respective contractors in respect of any claims, costs (including legal costs) losses or damages in respect of any consequential or indirect loss (whether or not foreseeable at the date hereof) sustained by Well Services arising out of the performance of the contract irrespective of negligence. Consequential loss shall include but not be limited to loss of use, loss of profits, loss of production, loss of business opportunity and business interruption.

5.12 General

Customer shall defend, indemnify and hold harmless Well Services from all Claims which may be brought against Well Services in connection the Services as a result of any negligent acts or omissions or breach of duty, statutory or otherwise, of Customer and parties other than Well Services and Well Services' subcontractors at the site of the Services.

5.13 Well Services Property - Replacement Costs

Where Customer is liable for Well Services property or equipment as a result of provisions in this Section 5 or Subsection 4.5, customer shall reimburse Well Services in the amount of the current repair, cost, or of the replacement cost when Well Services Property has been damaged, lost or destroyed. Customer shall also be responsible for the cost of fishing for Well Services Property downhole.

5.14 Third Parties

Subject to the provisions of subsections 5.1 to 5.13, losses to third parties and their personnel and property shall be governed according to the law and any finding or apportionment of negligence between parties.

5.15 Force Majeure

Each party hereto shall be excused from the performance of its obligations hereunder from time to time and at any time, but only so long as it is prevented from performance by act of God or public enemy, war, explosions, blockage, civil insurrection, strikes, lock outs, the elements, fire, flood,

compliance with any law rule, order or regulation which has not been declared by a court of competent jurisdiction to be invalid or any other cause beyond the reasonable control of such party whether similar or dissimilar, provided that lack of funds or circumstances resulting from the lack of adequate planning which a party should have reasonably been expected to perform shall not be considered a cause beyond the control of a party. In the case of work suspension due to Force Majeure, the party claiming Force Majeure shall, within fifteen (15) days from the beginning of any such Force Majeure, notify the other party of such failure of performance and the cause thereof, and shall specify the anticipated period of delay before performance can be resumed. The party claiming Force Majeure must also show that it has taken all reasonable measures to overcome and/or minimize any delay arising from such Force Majeure.

- 6 Well Services will make its best efforts to provide the Services on the date and within the time limit specified in the Contract, if any, but Well Services accepts no liability whatsoever arising from delay in commencement or completion of the Services and Well Services may adjust its charges to cover additional Services done or expense incurred by Well Services as a result of delay which has not been occasioned by the neglect or default of Well Services.
- 7 Subject to Section 8, Customer may at any time at its sole discretion upon notice, terminate any Services being performed or Services which have been ordered but has not as yet been performed, in which event Well Services will be paid at the agreed rates for Services performed up to the time of such termination. Well Services shall also be reimbursed for costs to demobilize equipment and personnel to the base of origin including all export and import taxes and duties in accordance with Section 15, as well as Well Services costs for goods manufactured or purchased specifically for the Services. Termination of Services being performed shall not be deemed to be a cancellation of this Agreement.
- 8 When a job is cancelled due to conditions beyond Well Services control, charges will be as follows:
 - 8.1 If job is cancelled before Well Services is rigged up and prepared to begin the Services, charges will include one-way travel and hourly charges for all hours spent on Customer Service Site, and all pre-job engineering and planning costs.
 - 8.2 If job is cancelled after Well Services is completely rigged up and prepared to begin Services, charges will include 50% of applicable equipment charges, plus travel charges at regular rates from base of origin, plus all hours in excess of job set-up time allowance.
 - 8.3 Any third party costs incurred plus cost of any special order or unusual product shall also be applicable to Subsections 8.1 to 8.2.
- 9 Well Services will operate at all times under its own standard of safety and reserves the right to refuse any Services when, in its sole opinion, job conditions render such Services inadvisable, and no liability is accepted by Well Services if performance is affected by such conditions or by other conditions or circumstances of any nature or kind whatsoever beyond the reasonable control of Well Services. Well Services will comply with Customers safety rules in so far as they have been clearly advised in writing to Well Services.
- 10 Customer shall nominate a responsible representative to be present throughout the performance of the Services to designate and provide the point of connection into which Well Services is to deliver any material and to designate the quantities of which and the pressures and times at which same are to be delivered.
- 11 Customer shall provide free of charge accommodation for Well Services personnel on offshore Customer's Service Site and free transport for crew changes where required.
- 12 Customer shall carry and maintain levels of insurance or self insurance as are suitable and sufficient to insure Customer's obligations hereunder.
- 13 Invoicing will be per month if the services or rental continues longer than a month.
- 14 Payment for Services shall be to pay the total net billing price as Well Services directs on its invoice within thirty (30) days of the date of receipt of such invoice, PROVIDED THAT if payment is not made in accordance with the terms of the Contract, in addition to any other rights Well Services may have at law, it shall be entitled to charge Customer Interest on the unpaid balance due at a rate of one and one half (1 ½%) per cent, per month, eighteen (18%) per cent per annum. If any portion of the invoice shall be disputed the Customer shall pay the undisputed portion. Thereafter the parties shall expeditiously and in good faith negotiate a settlement of the disputed portion.

For new Vendors a Bank guarantees or first down payments to be agreed/ arranged prior to mobilise or Start a New Contract or Operation

- 15 Prices and schedules apply to regular and usual Services and all prices appearing in current price schedules are subject to change without notice. Services to be carried out under unusual conditions will be subject to price adjustment to reflect increased or reduced costs and prices quoted are subject to variation after work has commenced if unusual conditions are encountered and Customer will be notified as soon as reasonably possible of any such variation.
- 16 Customer shall pay the rental charges without any offsets, deductions or claims and waives all rights Customer might have to suspend payment.
- 17 Customer shall not sublease, sub rent, assign or loan the equipment, and any such action by customer shall be void and constitute a default under the Rental Agreement. Customer agrees to use and keep the equipment at the job as agreed in the Rental Agreement unless Well Services approves otherwise in writing.
- 18 Customer will assure that the rental equipment is cleaned and ready for inspection and pick at the agreed date. All costs involved with the cleaning and inspection will be for the account of the customer. If the rental equipment is not ready at the agreed pick up, waiting hours will be charged at customer.
- 19 Any tax based on or measured by the charges made for or the cash receipts from the supply of equipment or materials or the rendering of Services, as well as Value Added Tax or any other included tax, unless Customer provides certificate of exemption for any such tax, shall be added to the scheduled prices, and prices shall be varied automatically on any variation in or imposition of included taxes, duties or levies to take account of such variation or imposition. Further:
- 19.1 If applicable, the Customer shall also be responsible for the importation of equipment for performance of the Services and all costs related thereto including customs duties, import taxes, stamp duties, local charges, and other like charges.
- 19.2 If applicable, the Customer shall reimburse Well Services for all taxes, levies or charges withheld in the foreign jurisdiction in relation to the performance of the Services.
- 19.3 All information provided by Well Services in its quotation or otherwise supplied or arising out of or in connection with this Contract shall be kept in confidence by Customer and shall not be communicated to any third party or used for any purpose other than for the purpose of this Contract without the prior written consent of Well Services unless and until the same is public knowledge or comes into the possession of Customer bona fide from a third party.
- 20 Well Services shall be entitled to the full and unrestricted right, including the right to apply for patent or other protection in its own name, to exploit any invention, technical information or know-how arising from or developed in the course of carrying out the Services.
- Equipment or materials that are standard and of Well Services' manufacture are warranted to be free of patent or other industrial property restrictions in the Netherlands but Well Services gives no other warranty against patent or intellectual property infringement and no liability is accepted in respect thereof, and for greater certainty, if Well Services supplies equipment or materials which have been varied to meet Customer's special requirements or to Customer's own specifications or if Well Services uses Customer's own equipment or materials, no warranty is given and Customer shall accept full liability in respect of infringement of patents or other industrial property rights and agrees to indemnify Well Services against all claims, losses or costs arising there from.
- 21 This Contract shall be construed in accordance with the laws of the Netherlands and shall be subject to the non-exclusive jurisdiction of the Dutch courts. Customer agrees that it occupies an equal bargaining position with Well Services and that the respective rights and liabilities of the parties hereunder are reasonable and equitable based on the nature of the Services to be performed.
- 22 Well Services shall be entitled to terminate the Contract by written notice to Customer in the event that Customer fails to make due payment to Well Services, is in material breach of any of its obligations under the Contract or in the event that Customer goes into liquidation, (other than for the purpose of a (solvent

- scheme of) re-organisation or amalgamation) becomes insolvent, makes an arrangement in favour of its creditors, or has a Receiver or Administrator appointed over its business.
- 23 Well Services shall be entitled to assign or sub-contract the Contract without the consent of Customer. Customer shall only be entitled to assign the Contract with Well Services' prior written consent.
- 24 If these General Terms and Conditions are attached to or incorporated by reference to any purchase order, then any reference in a purchase order to "FOB, CIF, Ex-Works" or any other commercial term, shall be construed in accordance with the rules of the International Chamber of Commerce, commonly known as Incoterms, 1990.
- 25 The parties expressly waive the provisions of the United Nations Convention on Contracts for the International Sale of Goods as adopted or proclaimed by the Netherlands.
- 26 The Services/equipment are supplied or sold to the Customer at the destination indicated on the purchase order or invoice. The Customer expressly warrants that any equipment, materials, components, chemicals, product or any other item supplied by Well Services to the Customer will not be trans-shipped or re-exported to any other country. Further, the Customer is aware that the sale or provision of certain goods to certain countries is restricted by US or other countries' laws which may apply to either Well Services or the Customer, and that the Customer will not do any act or resell any item in violation of such laws, or at all.
- 27 Criminal Warning The use of false identification to obtain Equipment or the failure to return the equipment may be considered a theft subject to criminal prosecution pursuant to applicable criminal or penal code provisions.
- 28 Sections 4, 5, 12, 19 and 22 will continue in effect notwithstanding the early termination or completion of the Contract.

29 RENTAL EQUIPMENT:

Notwithstanding anything to the contrary contained herein, except when Contractor's rental equipment is lost or damaged as a result of the sole negligence of Contractor, Company agrees to defend, indemnify and hold Contractor harmless from the loss of or damage to Contractor's tools or equipment occurring in the hole, or in the drill string below the level of the rotary table or whilst under the care custody or control of the Company. Company will replace such tools/equipment or reimburse Contractor with the current lost in hole/damage beyond repair charge. Should Company decide to replace lost or damaged tools/equipment, the replaced items should be new and purchased or obtained from a reputable manufacturer and should meet all original equipment manufacturer's specifications. Company agrees to reimburse Contractor for the cost of repair to such tools and equipment that are damaged other than from normal wear-and-tear during the rental period. However, before any major repairs are made to damaged equipment, approval for such repairs must be secured from an authorized representative of Company. Company shall not be responsible if Contractor's tools/equipment is damaged as a result of Contractor's negligent acts and/or omissions.

Notwithstanding anything to the contrary contained herein, it is expressly agreed and understood that in the event Contractor's rental equipment is leased or rented to Company pursuant to the Contract and is not returned or is damaged beyond repair, Company will replace such equipment or reimburse Contractor with the current replacement cost new of such equipment. Should Company decide to replace lost or damaged assets, the replaced items should be new and purchased or obtained from a reputable manufacturer and should meet all original equipment manufacturer's specifications. Company agrees to reimburse Contractor for the cost of repair to such tools and equipment that are damaged other than from normal wear-and-tear during the rental period. However, before any major repairs are made to damaged equipment, approval for such repairs must be secured from an authorized representative of Company. Company shall not be responsible to the extent that Contractor's equipment is damaged as a result of Contractor's negligent acts and/or omissions.