

SALES AGREEMENT OF THE TOP DRIVE

concluded on _____ by and between:

«Exalo Drilling S.A.», a company incorporated under laws of Poland having its registered head office at Plac Staszica 9, 64-920 Piła, Poland, entered into ten National Court Registered maintained by the District Court for Poznań – Nowe Miasto i Wilda in Poznań IX Commercial Division of the National Court Register under KRS number 0000428139, possessing Tax Identification Number (NIP) 5272681258, share capital of PLN 1.074.150.000,00 fully paid up, represented by

_____ - President of the Board

_____ - Member of the Board

hereinafter referred to as „the Seller”

and

[details of the buying party – address, tax numbers, registration details, etc. – similar to the description as details of the Seller, as applicable due to the nature of buying party]

Hereinafter referred to as „the Buyer”

represented by:

_____ - _____

_____ - _____

[details of the natural persons signing the agreement on behalf of the buyer with specification of the function: e.g. CEO and if need be accompanied by e.g. power of attorney]

Hereinafter referred individually as „the Party” and collectively as „the Parties”

WHEREAS:

- a) The Seller is an owner of used Top Drive TDS-8SA 750 T AC MAX RPM 230 7500 PSI,
- b) The Seller has carried out an unlimited tender no DLG-16-2025 dated _____ for the sale of said Top Drive,
- c) The Buyer submitted the bid to buy the Top Drive,

NOW THEREFORE the Parties hereby agree as follows:

1. SUBJECT OF THE AGREEMENT

- 1.1. The Seller sells and the Buyer buys used Top Drive TDS-8SA 750 T AC MAX RPM 230 7500 PSI , manufacturing date 09-2016 , as per technical specification contained in the appendix no 1 to this agreement and which consists of the items contained in the appendix no 2 to this agreement, hereinafter referred to as „the Top Drive”, under the terms and conditions specified in hereby agreement.

- 1.2. As per tender no. DLG-16-2025 conditions, the Buyer had an opportunity to inspect the Top Drive before submission of the bid in the tender, referred to in preceding section. Regardless of the fact, if the Buyer has used said opportunity, the Buyer hereby declares that is well aware of the technical condition, quality, contents and any other feature of the Top Drive being purchased, including the fact that the Top Drive was used and is not new and agrees to buy the Top Drive as it is without the right to claim any defects, malfunctions or other issues of the Top Drive. The Seller does not confirm nor warrant or guarantee the Top Drive to be operational. The Top Drive may require repairs, replenishments, maintenance and/or other operations in order for it to be ready for safe and proper use.
- 1.3. The Seller does not grant any guarantee of quality with regard of the Top Drive. The Parties hereby exclude the statutory warranty for the legal and physical defects of the Top Drive.

2. PRICE AND PAYMENT TERMS

- 2.1. Sales price is _____ USD (say: _____ United States Dollars _____ Cents) net + ____ % VAT (if applicable), that is _____ USD (say: _____ United States Dollars _____ Cents) total (gross), hereinafter referred to as „**the Top Drive price**” in accordance with the Buyer’s offer, contained in appendix no. 3 of this Agreement.

The Buyer paid, a tender deposit in the amount of 113 594,00 USD (say: one hundred and thirteen thousand five hundred and ninety-four 00/100 USD). Tender deposit is being retained by the Seller for the account of the Top Drive price upon signing the Agreement.¹

- 2.2. The Buyer undertakes to pay the Seller the Top Drive price, (reduced by the amount of tender deposit referred to in preceding section)² on the basis of the commercial invoice covering Top Drive price issued by the Seller within 14 days from the day of receiving the invoice. All payments under the present Agreement shall be done by the bank account transfer to the Seller’s bank account following details:

Name of the bank: _____
Account No: _____
BIC/SWIFT Code: _____
Currency: _____

An invoice shall be issued in electronic form within 7 days from the date of signing of the Sale Agreement.

In case the legislation of the Republic of Kazakhstan provides for specific tax settlement rules, especially in the scope of VAT, such rules shall apply.

- 2.3. Any formal obligations, duties and other deeds referring to customs, duties, export, import of the Top Drive are the sole responsibility of the Buyer.

^{1,2} Agreement will be adjusted before signing.

- 2.4. The Buyer shall pay any taxes, including sales, value added, withholding or any other taxes applicable to hereby agreement or that may become applicable to hereby agreement. Top Drive price is based on the understanding that the revenue derived by the Seller under this agreement is not subject to withholding tax. Should any withholding taxes be imposed, the commercial invoice, invoice amount shall be increased such that the net amount received by the Seller shall be equal to the amount that would have been received before such withholding taxes had been imposed.
- 2.5. Should any claim be asserted towards the Seller by the state of Kazakhstan or any state or local custom or tax assessing authority against the Seller in connection with any of the Buyer's unpaid duties, taxes on profits or gains, the Buyer shall indemnify and hold the Seller harmless from any costs or expenses whatsoever arising out of such claims.
- 2.6. The Seller shall not be responsible to obtain any export licenses or other official authorisation necessary for the sale or export of the Top Drive.

3. DELIVERY

- 3.1. The Top Drive shall be delivered under the terms Ex Works Incoterms 2020 location: Ansagan Oilfield (N46° 34' 32.33", E53° 09' 42.88") Kazakhstan.
- 3.2. The Buyer undertakes to collect the Top Drive within ____ days of the payment of the Top Drive price to the Seller. Collection of the Top Drive before the Seller's bank account is credited with the Top Drive price is not possible. The Buyer undertakes to notify the Seller at least ____ days prior to the commencement of collection of the Top Drive via e-mail or in writing. Should Buyer miss the deadline referred to in the preceding sentence and the Seller be not ready for the hand over of the Top Drive at the moment of arrival of the Buyer's representatives to collect the Top Drive, the Seller has the right to postpone hand over in accordance to the deadline given in the preceding sentence. Such circumstance is not considered as a delay of the Seller or any other default of the Seller.
- 3.3. Collection of the Top Drive shall be performed by the Buyer on his own expense and effort, including but not limited to dismantling, packing, loading, transport, insurance, collection and other.
- 3.4. Prior to the commencement of the collection activities of the Top Drive by the Buyer in the location given in section 3.1, the Parties shall sign the Certificate of Acceptance and Transfer of the Top Drive confirming the handover of the Top Drive to the Buyer, as per appendix no. 4 to this agreement.

4. OWNERSHIP TITLE AND RISK

- 4.1. The transfer of the ownership title over the Top Drive shall take place at the moment of the Top Drive price being credited on the Seller's bank account.
- 4.2. The risk of loss and damage of the Top Drive shall pass from the Seller to the Buyer with the moment of conclusion of hereby agreement.

5. TERMINATION

5.1. The Seller has the right to withdraw from the agreement unilaterally and without judicial procedures by sending an appropriate notice in writing, in any of the following cases, if:

5.1.1. The Buyer did not pay the Top Drive price in the deadline stipulated in article 2 section 2.2 increased by an extra time indicated by the Seller for the payment, within 60 days from the expiration of said extra time.

5.1.2. The Buyer goes into liquidation, becomes bankrupt, be dissolved or have a an appropriate winding-up decision made against it by the competent authority / court, make or attempt to make composition proceedings or arrangements with creditors within 60 days from the day of becoming aware of said condition for withdrawal.

If the Seller withdraws from the agreement on any of the grounds set out in this Clause, the tender deposit paid by the Buyer as set out in Clause 2.1. of the Agreement shall not be refunded.

5.2. The Buyer has the right to withdraw from the agreement in the event of the Seller does not hand over the Top Drive in the deadline stipulated in article 3 section 3.2 increased by an extra time indicated by the Seller for the handover of the Top Drive, within 60 days from the expiration of said extra time.

In this case the tender deposit shall be refunded to the Buyer within 14 (fourteen) days from the date of withdrawal from the Agreement.

6. FORCE MAJEURE

6.1. "Force Majeure" shall be deemed to mean circumstances, conditions or events outside the control of either Party and impossible to foreseen at the moment of conclusion of the agreement that render impossible or impossible for the time being either Party's fulfilment of its duties and obligations under this agreement and shall include, but not limited to, war (whether declared or not), hostilities, acts of God (including fire, flood, lightning, storm, hurricane, tornado, earthquake, landslide, epidemic or other natural disaster), official strike declared by a trade union, governmental order or regulation or law or change or amendment thereof, boycott of import and/or export or trade sanctions or other barriers imposed by any country or group of countries.

6.2. In such cases referred to in section 6.1 above, provided that the other Party is notified in writing, indicating the type of Force Majeure and a detailed description of the moment and impact of its occurrence on preventing a Party from performing its contractual obligations within the agreed deadlines and indicating when their performance will be possible under the agreement, each Party shall not be liable for any losses, damages or delays in performing its obligations under the agreement for the period of the Force Majeure. Subject to the following sentences, the contractual deadlines shall resume automatically and immediately after the termination of the Force Majeure. The Party affected by the Force Majeure shall immediately,

no later than within 2 (two) business days, inform the other Party in writing about the time needed to initiate again the performance of the agreement after the Force Majeure termination, with a proper justification. In such a case, the Parties may agree on a new date of performance of particular contractual obligations in the form of an annex to the agreement.

- 6.3. In case an event of Force Majeure should last for a period of 30 (thirty) or more calendar days, the Parties will meet to mutually agree in bona fide on the possible actions to take in light of the particular circumstances, including the termination of this agreement, in such case.
- 6.4. In the event of a delay in the performance of the agreement due to Force Majeure exceeding the period of more than 90 (ninety) calendar days, if the Parties have not reached a different agreement by way of the arrangement referred to in section 6.3, each Party has the right to terminate the Agreement unconditionally and without liability on the basis of a written notification delivered to the other Party. In the event of such termination, the Seller shall return all payments received from the Buyer within 14 (fourteen) days of termination and the Buyer shall return to the Seller the Top Drive, if any was delivered. The Top Drive shall be returned by the Buyer at Buyer's own expense, risk and efforts.

7. NOTIFICATION AND CORRESPONDENCE

- 7.1. Unless otherwise expressly stipulated in the agreement, all communications under this agreement or in connection herewith shall be in writing and shall be addressed to the Parties by and to the persons as follows, otherwise being declared null and void:

7.1.1. For the Seller:

7.1.1.1. Attention: Mr./Mrs. _____ ,
Address: _____ ,
Telephone number: _____
E-mail: _____

7.1.1.2. Attention: Mr./Mrs. _____ ,
Address: _____ ,
Telephone number: _____
E-mail: _____

7.1.2. For the Buyer:

7.1.2.1. Attention: Mr./Mrs. _____ ,
Address: _____ ,
Telephone number: _____
E-mail: _____

7.1.2.2. Attention: Mr./Mrs. _____ ,
Address: _____ ,
Telephone number: _____
E-mail: _____

- 7.2. Persons specified in section 7.1 are not entitled to amend, withdraw or perform any other deeds with regard to the existence of the agreement, without separate empowerment based

on e.g. power of attorney, unless they are empowered to do so under the generally applicable law.

- 7.3. Each Party shall be obliged to notify the other Party in writing about the change of its contact persons and details within 2 (two) business days from the moment of such changes. Such change does not require amending the agreement and is valid and binding upon the Parties from the day following the day of receiving proper notification by the Party being notified.

8. CONFIDENTIALITY

- 8.1. Parties undertake to keep confidential and not to disclose to third parties without the prior explicit and written consent of the other Party, any information obtained in connection with the execution of the agreement, including the contents of this agreement and its annexes, as well as information obtained in the course of negotiations and correspondence preceding conclusion of the agreement, hereinafter referred to as „Confidential information“.
- 8.2. The Parties undertake not to use the Confidential information for purposes other than to those they were provided for, made available or disclosed and for the purposes not related to the performance of the agreement.
- 8.3. The Parties undertake to provide, at the other Party's request, information about persons who have had access to the Confidential information.
- 8.4. Parties undertake to protect Confidential information made available to them at their own expense by providing the highest level of diligence.
- 8.5. Disclosure of Confidential information to the personnel of the Party shall be controlled and limited to members of staff providing services on the basis and in the performance of the agreement. Confidential Information may be disclosed to Party's advisors and shareholders.
- 8.6. If, in accordance with applicable law, Confidential information must be made available by the Party to authorized entities, the Party may provide Confidential information only within the scope required by law, notifying the other Party within 3 (three) working days from the day of disclosure, specifying scope and content of the information disclosed and the legal basis of the disclosure, as well as the factual circumstances of the disclosure.
- 8.7. The obligation not to disclose Confidential information shall be valid for the duration of the agreement and for the period of 10 (ten) years after it expires.
- 8.8. If the Party violates the obligations referred to in sections 8.1-8.7 of the agreement, the other Party has the right to charge the infringing Party with a contractual penalty of USD 50.000,00, for each identified breach of the above-mentioned obligation. The Party has the right to claim additional damages from the infringing Party in the event damage actually suffered exceeds stipulated contractual penalty.

9. APPLICABLE LAW AND DISPUTE RESOLUTION

- 9.1. This agreement and all obligations arising out of it shall be governed by Polish law and shall be interpreted according to it. In matters not covered by the agreement, the provisions of the Polish generally applicable law apply, in particular the provisions of the Civil Code. The United Nations Convention on Contracts on the International Sale of Goods (CISG) of Vienna shall not apply.
- 9.2. All disputes regarding the interpretation, validity and performance of the agreement as well as other matters related to the agreement shall be settled by the Parties amicably.
- 9.3. If the Parties fail to reach an agreement within 60 days from the day of delivery to the other Party of the first letter containing claims disputes arising from the Agreement will be resolved by Polish courts competent for the registered office of the Seller.

10. SEVERABILITY CLAUSE

- 10.1. The Parties declare that in the event that any provision of this agreement, by virtue of law or final ruling of any administrative or judicial body, are found to be invalid or ineffective, the remaining provisions of this agreement shall remain in full force and effect, unless the circumstances clearly show that without the invalid or ineffective provisions, the agreement would not have been concluded.
- 10.2. The provisions of this agreement invalid or ineffective in accordance with the preceding point shall be replaced, by virtue of this agreement, by Parties with provisions valid in law and fully effective, the content of which shall be as close as possible to the original intentions of the Parties.
- 10.3. The failure of either Party, to enforce at any time or for any reason any of the provision of this agreement shall not be constructed as a waiver of such provisions or of the right of the party thereafter to enforce each and every provision hereof.

11. SANCTIONS CLAUSE

- 11.1. The Buyer declares that, to the best of its knowledge, as at the date of the agreement, it and its subsidiaries, parent companies and members of its bodies and persons acting on its behalf:
 - 11.1.1. are in compliance with the sanctions regulations introduced by the Republic of Poland, The United Nations, the European Union, the Member States of the European Union and the European Economic Area, the United States of America, the United Kingdom of Great Britain and Northern Ireland, as well as other entities of a similar nature and bodies acting on their behalf, (the „Sanctions Regulations”);
 - 11.1.2. are not subject to any sanctions, including economic sanctions, trade embargoes or other restrictive measures imposed under the Sanctions Regulations and are not legal or natural persons with whom the Sanctions Regulations prohibit transactions (hereinafter: the „Sanctioned Entity”);

- 11.1.3. are not directly or indirectly owned or controlled by legal or natural persons meeting the criteria described in sec. 11.1.2 above;
 - 11.1.4. do not reside or have their registered office or principal place of business in a state being subject of Sanctions Regulations or are not incorporated under the laws of a state being subject to Sanctions Regulations;
 - 11.1.5. are not involved in any proceedings or investigations against them in relation to a breach of any Sanctions Regulations.
- 11.2. The Buyer undertakes that:
- 11.2.1. it and its subsidiaries and the members of its bodies and persons acting on its behalf and for its benefit conduct themselves in accordance with the Sanction Regulations;
 - 11.2.2. the items purchased under the agreement will not be directly or indirectly available to the Sanctioned Entity or used for the benefit of the Sanctioned Entity or used by the Buyer to the extent that such action is not permitted under the Sanctions Regulations;
 - 11.2.3. in the event that any statement made in sec. 11.1 becomes untrue, it shall, unless prohibited by law, promptly, but in any event within 30 days of becoming aware of such event, inform the Seller of each such event and of the steps taken to restore the truth of such statements;
 - 11.2.4. shall indemnify the Seller for any damage caused by any acts or omissions of the Buyer, its subsidiaries, parent companies and members of its bodies and persons acting on its behalf and for its benefit in connection with the non-performance or improper performance of the obligations referred to in this sec. 11.2.

12. MISCELLANEOUS

- 12.1. The Seller shall not, in any event or under any circumstances, be responsible for damages or other sums in excess of the total Top Drive price actually paid by the Buyer. The Seller shall not be responsible or liable in any regard with respect to damages, including lost of profits, claimed with relations to the purchase of the Top Drive or resulting from the use of the Top Drive by the Buyer or any other entity.
- 12.2. The Parties hereby confirm, that they are in full capacity, financial, technical, organisational and other to conclude and perform hereby agreement, as well as its conclusion and performance is allowed under both Parties internal regulations or under generally applicable regulations to either Party. Parties confirm, any corporate approvals necessary for the conclusion and performance of hereby agreement have been acquired and are valid.
- 12.3. Parties undertake to inform each other in writing or via e-mail, to the addresses given in hereby agreement about any circumstances that may prevent either of them from proper performance of the agreement or that may affect agreement performance or the other Party in any negative way.

- 12.4. Neither Party hereto may assign, transfer, sell or part with the benefit of the whole or any part of this agreement.
- 12.5. In the event of any discrepancies or contradictions between the contents of the agreement and its appendices, the contents of the agreement shall prevail.
- 12.6. No amendment to this agreement shall enter into force unless made in the form of an annex, concluded in writing, duly executed by an authorized representative of each Party.
- 12.7. Agreement has been made in two identical copies written in English, one for each of the Parties. This agreement supersedes all previous agreements regarding sale of the Top Drive.


Appendices:

1. Technical specification.
2. List of items sold as the Top Drive – materials
3. Buyer's Offer
4. Certificate of Acceptance and Transfer of the Top Drive

The Seller

The Buyer

Appendix no. 4 Certificate of Acceptance and Transfer of the Top Drive

	Exalo Drilling S.A.	Date/data
	Certificate of Acceptance and Transfer of the Top Drive / Świadectwo przyjęcia i przekazania Top Drive

Seller/Sprzedający: Exalo Drilling S.A.
 Buyer/ Kupujący:
 Equipments/Urządzenia:
 Date of receipt/Data odbioru:
 Place of receipt/ Miejsce odbioru:
 Agreement no/Nr umowy:

Description of the technical condition (possible damage)/ Opis stanu technicznego (ewentualne uszkodzenia):

Accepted and transfered without comments/ Zaakceptowano i przyjęto bez zastrzeżeń*
 Comments / Zastrzeżenia*:

.....

Certificate for:
 Protokół otrzymującą:

Buyer
 Kupujący

Seller
 Sprzedający

* delete as inappropriate
 *niewłaściwe skreślić