



CONDITIONS OF SALE (Surplus Materials Disposal)

SCOTLAND

1. GENERAL

These conditions of sale apply to sales by BP Exploration Operating Co. Ltd. of surplus materials in respect of which tenders have been sought from prospective purchasers ("the goods") and shall not apply to any other transaction with BP Exploration Operating Co. Ltd.

2. ACCEPTANCE

BP Exploration Operating Co. Ltd ("the Seller") is not bound to accept the highest or any tender and reserves the right to any tender in part only; these conditions shall apply in all cases.

Persons tendering shall be bound by their offer for the period stated in the form of offer or, where no such period is stated, for a period of 28 days from the date fixed for lodging offers.

3. TERMS

Prices quoted in tender offers shall be net, for collection of the goods purchased by the Purchaser from the Seller's works or store as the case may be.

The Seller shall provide to the Purchaser a priced invoice in respect of the goods and the Purchaser shall pay the amount so invoiced no later than 30 days following the date of the invoice in question.

4. DELIVERY

The Purchaser shall take delivery of the goods on collection from the Seller's works or store as the case may be provided that, unless otherwise agreed between the Seller and the Purchaser, delivery shall not take place until the Seller shall have received payment in full of the price payable pursuant to 3 above. The Purchaser shall collect the goods, at his sole expense, within 10 days of the date of payment of the invoice pursuant hereto.

This condition 4 shall apply whether or not the Purchaser takes delivery of the goods by collection of one or more consignments.

Risk in the goods shall pass to the Purchaser from the time of the posting of the acceptance of the Purchaser's tender and the Seller shall not thereafter be under any liability for the safe custody or preservation of the goods. Property in the goods shall pass to the Purchaser on loading on to the Purchaser's transport or collection from the Seller's works or store as the case may be.

The Seller may (but shall not be obliged to) rescind without penalty the agreement for sale at any time thereafter so far as any uncollected goods are concerned. While the agreement remains unrescinded after that period, the Purchaser shall pay for storage at the rate of £'s per day per lot or part of a day at the appropriate proportion of that rate if part only of the goods remain, rate determined by Seller.

5. QUALITY AND QUANTITY

The goods are sold as and where lying and the Purchaser shall be deemed to have satisfied himself that they are fit for the purpose or purposes intended for them by the Purchaser. In particular, and without prejudice to the generality of the foregoing:

- (a) The Purchaser shall have no right to reject the goods and shall take the goods with all faults and errors or mis-statements of description, measurement, weight, quantity, quality, number or otherwise (whether of a substantial nature or not). PROVIDED THAT, in the case of any goods sold by measurement weight quantity or numbers, if by virtue of any such error or mis-statement the amount of the goods the subject of the sale shall be more, or less, than the amount of the goods as they lie, the Purchaser shall pay for the amount as they lie and the purchase price shall be adjusted accordingly, and FURTHER PROVIDED THAT the Purchaser shall advise the Seller in writing at the time of collection of any discrepancy in question.

Save as provided in this sub-clause 5(a) there shall be no adjustment of the price payable here under for any reason.

- (b) Where, by reason of errors or mis-statements referred to in (a) above, the amount of the goods as they lie is less than the amount referred to in the tender documents relating to the same, the Seller shall not be obliged to sell an amount greater than the amount of goods as they lie.
- (c) Upon notification to the Purchaser by the Seller of the Seller's acceptance of the Purchaser's tender offer, the Seller shall cease to be liable for any charges, costs or other expenses in respect of the goods and the Seller shall not thereafter be liable for any damage, shortage or loss which may be sustained by the goods.
- (d) The Purchaser agrees that the goods shall be used or handled by suitably qualified personnel only and in a fit and proper manner.

6. TESTS

Unless previously agreed in writing between the Purchaser and Seller, the provision of test pieces and the machining and testing of test pieces (where appropriate) required by the Purchaser shall be at the risk and cost of the Purchaser. Where figures, formulae to other particulars relating to physical or chemical properties of the goods are indicated, they shall be a general guide only and shall not constitute a guarantee or warranty by the Seller as to accuracy or otherwise. If in any case a sample has been supplied for the purpose of tendering, in no event will a sale resulting from a tender be a sale by sample.

7. TAXES AND DUTIES

The price for the goods agreed between the Seller and the Purchaser is exclusive of taxes or duties or other charges which may be levied or due in respect of the goods. All taxes and duties and other charges, including where applicable Value Added Tax and, import duty due in respect of the goods shall be the responsibility of and borne by the Purchaser.

8 TERMINATION

The Seller shall have the right, without prejudice to its other rights, to withdraw from the sale at any time if:-

- (a) Any payment due by the Purchaser to the Seller is not made by the due date;
- (b) The Purchaser commits any other breach of these Conditions for Sale; or
- (c) The Purchaser, being a Company registered under the Companies Acts, is put into liquidation otherwise than for the purposes of amalgamation or reconstruction; or
- (d) The Purchaser, not being such a Company, is declared bankrupt or not, or bankrupt in Scotland or is subject to any legal process for bankruptcy in any other country.

9 LIABILITY AND INDEMNITY

The Purchaser shall be liable for all injuries to persons (whether employees of the Purchaser or third parties) and damage to property arising out of or in any way connected with the performance or non-performance by, or on behalf of, the Purchaser in respect of its obligations in respect of the sale and purchase of the goods hereunder.

The Purchaser shall indemnify the Seller, and Seller’s affiliates, agents, servants and employees and hold them harmless from any claims, demand, action proceeding, liability, damage or cost whatsoever, whether for personal injury, death or otherwise, arising out of or connected with the purchase, use or handling of the goods.

Without limitation of its obligations and responsibilities the Purchaser shall maintain for the duration of the agreement insurances in the joint names of the Purchaser and Seller (and with insurers satisfactory to the Seller) adequate to cover the Purchaser’s liabilities hereunder including among other risks the contractual liability assumed herein by the Purchaser.

10 SEVERABILITY

In the event that any term or provision of these Conditions of Sale shall be for any reason be invalid, illegal or unenforceable, such validity, illegality or unenforceability shall not affect any other term or provision of these Conditions of Sale and these Conditions of Sale shall be interpreted and construed as if such term or provision, to the extent possible and necessary, had been amended so as to remove the cause of the invalidity, illegality or unenforceability in question.

11 APPLICABLE LAW

The Sale Agreement represented by the relevant tender document and these Conditions of Sale shall be construed and take effect in accordance with the Laws of Scotland and the parties hereto prorogate the jurisdiction of the Court Session in Scotland.

12. ARBITRATION

Unless otherwise agreed, any dispute arising out of or in connection with this Sale Agreement shall be submitted to arbitration in accordance with and subject to the provisions of the Arbitration (Scotland) Act 1984 and the decision of the arbiter including any decision as to costs shall be final and binding, both on fact and law. In the absence of any decision as to costs, the parties shall bear the costs of the arbitration equally. The arbiter shall be a person appointed by agreement between the parties or, in default of agreement within fourteen days of one party giving notice to the other of its nomination or nominations, nominated by the Dean of Faculty of Advocates in Edinburgh.

Signed with reference to tender:
For and on behalf of the Seller

Signed with reference to tender:
for and on behalf of the Purchaser:

Signature.....

Signature.....

Position.....

Position.....

Date.....

Date.....

