

CENTURY ENERGY SERVICES LIMITED

AND

BUMI ARMADA BERHAD

**FOR PROJECT MANAGEMENT OF THE EPCI PHASE OF THE OPL 245
PROJECT**

MEMORANDUM OF UNDERSTANDING

This Agreement is entered into this.....day of..... 2014

BETWEEN:

CENTURY ENERGY SERVICES LIMITED, a company duly incorporated and existing under the laws of the Federal Republic of Nigeria and having its principal office at Plot 21, Prince Adelowo Adedeji Street, Off Admiralty Way, Lekki Phase I, Lagos, Nigeria (hereinafter referred to as “CESL”) of the one part;

AND

BUMI ARMADA BERHAD, a company duly incorporated and existing under the laws of Singapore and having its principal office at Level 21, Menara Perak, 24, Jalan Perak, 50450 Kuala Lumpur Malaysia (hereinafter referred to as “BAB”) of the second part;

CESL and BAB are hereafter referred to individually as “Party” and collectively as “the Parties”.

WHEREAS:

- a. BAB recently secured a contract for the EPCI Phase of the OPL 245 project through Century Bumi LTD and requires execution of the project management through a competent company.
- b. CESL a duly registered subsidiary of the Century Group possesses the required competence and has accepted to be the project manager.
- c. The Parties’ objective is to set out herein the terms and conditions as well as the definitive basis of their agreement and sundry related matters with regards to CESL handling the project management for the EPCI phase of the OPL 245.

NOW THEREFORE, in consideration of the mutual covenants and promises set forth herein, and other good and valuable consideration, the Parties agree as follows:

1. DEFINITIONS

- 1.1 As used herein, “AGREEMENT” shall mean this agreement hereby entered between the Parties.

- 1.2. As used herein, “Parties” shall mean the signatories to this AGREEMENT being Century Energy Services Limited and Bumi Armada Berhad.
- 1.3 As used herein, “Effective Date” shall mean the date of signing of this AGREEMENT.
- 1.4 As used herein, “Associates” shall mean a Party and its principals, partners, owners, shareholders, parent companies, affiliates, subsidiaries and other related entities, and the directors, officers, employees, agents and representatives of each of them and their successors.

SCOPE

- 2.1 The purpose of this AGREEMENT is to establish the definitive terms & basis of the engagement of CESL as project manager for the EPCI phase of the OPL 245.
- 2.2 **Further to the above, Parties hereby agree on the following definitive points:**
 - I. That CESL shall be responsible for the Project Management of the EPCI phase of the OPL 245 project on behalf of BAB.
 - II. That as consideration for (I) above, CESL shall be entitled to 20% of the project value. This amount shall be paid to CESL as project management fee by BAB.
 - III. That CESL shall be responsible for the effective management of all the required subcontractors on behalf of BAB. This shall include all payments due such subcontractors. For rendering this service, CESL shall be entitled to a 20% Markup on all such subcontractors’ invoices.
 - IV. BAB shall promptly make payments to CESL on receipt of all CESL invoices in respect of payments due CESL under this agreement. Parties hereby agree that the period for making such payments by BAB shall not be more than 14 days after receipt of CESL’s invoice.
 - V. Corporate & take all other steps as may be necessarily incidental to the provision of successful project management services for the EPCI Phase of the OPL 245 project.

3. **RELATIONSHIP**

Unless expressly stated, nothing in this AGREEMENT shall be deemed to constitute, create, give effect to or otherwise recognize an employee, agency, representation, partnership or other joint venture relationship of any kind, and the rights and obligations of the Parties shall be limited to those expressly set forth herein. Neither Party shall obligate or bind the other Party without the express prior written consent of the other Party.

4. **DURATION**

This AGREEMENT shall take effect on the Effective Date being the date of signing of the AGREEMENT as defined in Article 1.3 herein and shall remain in force until it is terminated by either Party in accordance with the clauses in Article 10 below.

5. **CONFIDENTIALITY**

- 5.1 For the purpose of this AGREEMENT and Contract, each of the Parties, their employees, agents and representatives hereby undertake to hold in confidence during the term of this AGREEMENT, all correspondence and transfer of technical, financial, proprietary information

specific to the contract. All such information shall be treated as confidential and shall not be disclosed to any third party without the prior written consent of the other party.

- 5.2 Confidential Information does not include information that was in the non-disclosing Party's possession prior to the date of this Agreement or information that subsequently is independently discovered or generally available to the public. A Party may disclose Confidential Information with the written permission of the disclosing Party or as required by applicable law.

6. **LIABILITY**

Each Party ("indemnitor") shall be liable for and shall defend and indemnify the other ("indemnitee") for any illness, injury or death of the indemnitor's Associates, and for damage to or loss of the property of the indemnitor's Associates, actually or allegedly arising in connection with this AGREEMENT or the activities contemplated herein. Notwithstanding anything to the contrary in this AGREEMENT, each Party waives and releases the other Party and the other Party's Associates from, and neither Party or its Associates shall be liable to the other Party for, any special, indirect, incidental or consequential damages, or for any exemplary or punitive damages, arising in connection with this AGREEMENT or the activities contemplated herein, except where such damages arises as a consequence of the negligence of a Party, under any theory of law or fault.

7. **COMPLIANCE**

- 7.1 Notwithstanding anything to the contrary contained in this AGREEMENT, each Party shall and shall cause its Associates, to comply with all applicable laws in the course of any activities undertaken, directly or indirectly, pursuant to or in furtherance of this AGREEMENT.

- 7.2 Each Party ("Breaching Party") is responsible to the other Party ("non-Breaching Party") for damages arising from breach or threatened breach of this Article and the non-Breaching Party may terminate this Agreement immediately without further obligation to the Breaching Party for any such breach or threatened breach of this Article.

8. **GOVERNING LAW AND DISPUTES**

- 8.1 The interpretation and enforcement of this AGREEMENT shall be governed by and construed in accordance with the Laws of the Federal Republic of Nigeria.
- 8.2 Failure by the respective parties management's to amicably resolve any dispute, controversy, claim or question arising under, out of or relating to this agreement shall thereafter be referred to and finally settled by arbitration in accordance with the Rules of Arbitration of the Arbitration and Conciliation Act, CAP A18 Laws of the Federation of Nigeria, 2004. The arbitration award shall

be final and binding upon the parties and judgment upon the award tendered may be entered in any court having jurisdiction. The seat of the arbitration shall be Lagos, Nigeria. Each party shall bear its own costs of the arbitration.

- 8.3 The Parties agree, however, that in the event of any dispute in respect of any aspect of this AGREEMENT, the Parties shall firstly attempt to resolve amicably the said dispute, before resorting to other means of Dispute Resolution.

9. **ASSIGNMENT**

Neither Party may assign this AGREEMENT or any interest therein, in whole or in part, without the prior written consent of the other Party.

10. **TERMINATION OF THE AGREEMENT**

- 10.1 Notwithstanding anything contained herein, any Party may terminate this AGREEMENT by giving thirty (30) days written notice of its intention to do so and this AGREEMENT shall thereafter terminate at the expiration of the notice period but without prejudice to any accrued obligations of the Parties.

- 10.2 The Parties agree that this AGREEMENT may be terminated by either Party, where the Parties fail to resolve any dispute or difference in the ways prescribed in this AGREEMENT and the dispute/difference renders the project unworkable or incapable of taking off.

11. **CHANGES TO AGREEMENT**

No amendments, modifications or changes to this AGREEMENT shall be valid unless the same are approved in writing by all the Parties.

12. **THIRD PARTIES**

This AGREEMENT is intended for the parties hereto, and nothing contained in this AGREEMENT shall be construed to create any duty to, standard of care with reference to, or rights in any person not a Party to this AGREEMENT. This AGREEMENT shall not confer any right to any third party claiming the right to entitlement or benefits under this AGREEMENT.

13. **LANGUAGE**

The language for the purposes of administering this AGREEMENT shall be English.

14. **ENTIRE UNDERSTANDING**

This AGREEMENT comprises the full and complete understanding of the Parties hereto with respect to all the matters addressed in this AGREEMENT.

15. **NOTICES**

All notices and other communications provided for in this AGREEMENT shall be in writing and shall be deemed properly delivered when delivered in person to an authorized representative of the other Party or sent by mail or facsimile to the Parties at the following addresses:

Osas Uwaifo

CENTURY ENERGY SERVICES LIMITED

Plot 21, Prince Adedeji Adelowo Street
Off Admiralty Way, Lekki Phase I, Lagos.

Attn: Osas Uwaifo

Tel.: +234 (0) 12715374, 2719586

Fax:+234 (0) 12717573

Email: osasuwaifo@ceslintlgroup.com

If to BAB:

Level 21, Menara Perak,
24, Jalan Perak,
50450 Kuala Lumpur
Malaysia.
Attn: ...

IN WITNESS WHEREOF the Parties hereto have executed this Agreement by their duly authorised representatives.

SIGNED:

FOR AND ON BEHALF OF

Century Energy Services Limited

FOR AND ON BEHALF OF

Bumi Armada Berhad

Name:

Name:

Designation:

Designation:

Date:

Date: