

## SCOPE OF WORK

### Dai Hung Nam Project - WELCAR Insurance

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## 1. OVERVIEW

The Dai Hung Nam EpCI Project is a comprehensive offshore development initiative aimed at delivering high-quality engineering, procurement, construction, and installation (EpCI) works, along with subsequent hook-up, commissioning (HUC), and brownfield modification activities. The project involves a wide range of technical and logistical requirements to achieve successful execution.

In addition to the Manpower Contract, Certification Agent (CA), Marine Warranty Surveyor (MWS), Insurance, and QA/QC Services, the CLIENT will directly procure 10 long-lead packages, including critical components such as:

\* E-house: local electrical building completed with all steel and architecture works.

- i. LV switchboard
- ii. Transformers
- iii. UPS
- iv. HVAC
- v. ICSS

Structure Steel for Jacket, Piles and Topside

Gaslift Compressor

Generators (Gas Engine Generator and Standby Diesel Generator – GEG & SDG)

Pedestal Crane

Pressure Vessels

Chemical Injection Skid

Main Valves (including Manual valves above 4 inches, Actuated valves, Control valves)

Rigid Linepipe (including Linepipe, Hot Induction Bends)

Wellhead Control Panel

The remaining scope of work, which includes Engineering, Procurement, Fabrication, Installation, Hook-Up and Commissioning (HUC), and Modification Work, will be executed by the selected EpCI CONTRACTOR. The EpCI package is awarded to Vietsovpetro and the Fabrication work is at Rach Dua Ward, Ho Chi Minh City and the project is at the stage of:

1. Detailed Engineering
2. Fabrication
3. 10 Long Lead Items have been awarded to our Subcontractors.
4. Preparation for the remaining procurement activities

The Insurance Broker will provide comprehensive broking services and expertise to secure and manage the CAR (Construction All Risks) policy for CLIENT's project – Dai Hung Nam Project, Dai Hung Field Development, Block 05-1(a), Offshore Vietnam with a coverage value can be referred to the attached ECV. The detailed PROJECT SCOPE OF WORK, ECV and other information provided to Lead Underwriter can be referred in ATTACHMENT 01- PROJECT DESCRIPTION. The selected broker will ensure that the insurance program meets the project's requirements, provides comprehensive risk coverage, and is managed efficiently throughout the policy lifecycle.

As the project progresses, the selected insurance broker will play a critical role in ensuring that comprehensive insurance solutions are in place to mitigate risks and safeguard the project's successful execution. This will include coverage for all phases of the project, from engineering, procurement to completion, and addressing specific offshore challenges inherent to projects of this scale and complexity.

## 2. DETAILED SCOPE OF WORK

### 2.1. Broking Services

The broker will deliver end-to-end broking services, which include:

- Provide professional advice on structuring the insurance program to ensure comprehensive protection against all identified risks.
- Obtaining a Lead Quote:
  - Secure a competitive lead quote from a reputable and financially stable lead underwriter. Negotiate and secure competitive terms, including premium levels, deductibles, and coverage limits, from a reputable lead underwriter with extensive experience in offshore projects.
  - Ensure the quote aligns with the project's risk profile, coverage requirements, and deductible levels specified by CLIENT
  - Ensure the Lead Quote be valid for 180 days from the Bid Closing Day.
- Facilitate the placement of the WELCAR policy with a qualified lead underwriter and ensure the program is structured to provide 100% coverage. Collaborate with global insurance markets, including Lloyd's of London, regional hubs, and the local market, to structure the most cost-effective and comprehensive insurance solution.
- Preferred lead underwriters typically have a strong presence in the London market (e.g., Lloyd's of London) or other major global insurance hubs.
- Monitor the reinsurance arrangement to ensure compliance with regulatory and market standards.
- The Insurance Broker must ensure that the entire coverage amount (**as per ECV**) is fully placed, supported by the lead underwriter and backed by reputable and strong financial credit rating reinsurers. The reinsurance program must be finalized and operational before the policy's effective date to provide seamless risk coverage.
- The Insurance Broker is required to nominate a qualified **LOCAL ORIGINAL INSURER** that meets the CLIENT's specific requirements for issuing the necessary endorsements

- Ensure seamless execution of all necessary documentation, endorsements, and policy arrangements.
- Continuously monitor and manage the policy to address any changes in project requirements or risk exposure.

## 2.2 Nominated Lead Underwriter

2.2.1 L/Us (preferable in Lloyds' market) to be approached by BIDDER shall strictly comply with the following requirements:

- a. Having reinsurance leading experience in similar insurance contracts for similar properties and projects of similar risks and size (minimum premium of USD 2,500,000) in Southeast Asia, with priority in Vietnam.
- b. Strong financial rating from **A or higher by A.M. Best** or an equivalent credit rating by one of the other international rating organizations such as Standard & Poor's, Moody's, Fitch;
- c. BIDDER confirms that Lead Quote provided by L/Us will be fully supportable by following reinsurers having financial rating **A- or higher by AM. Best** or equivalent by one of other international rating organizations such as Standard & Poor's, Moody's and Fitch (Credit rating of RuAA or higher shall be acceptable for reinsurers)

2.2.2 Validity of LEAD QUOTE:

- a. The LEAD QUOTES should be valid for 180 (one hundred eighty) days from the Submission Closing Date & Time of submission of BID PROPOSAL (or as proposed by L/U or Bidder which is considered as acceptable as practice).
- b. Quotation Slip and Wording, Premium Worksheets must be originally signed and/or stamped at each page by the L/U's authorized persons whose information must be provided in **Section 3- Technical Bid Form – TBF 06 – L/U's Quotation & Quotation Slip**
- c. Any improvements/ amendments/ new wording/ exceptions on the Quotation Slips, Premium Worksheets and shall be made with initialled in blue ink and submitted in the **Section 3- Technical Bid Form – TBF 13 – Exception and Qualification.**
- d. L/U must confirm a minimum 10% written line on the Quotation Slip.

2.2.3 LEAD QUOTE for Quotation Slip and Wording:

- a. BIDDER is kindly requested to strictly follow the proposed **Section 3- Technical Bid Form – TBF 06 – L/U's Quotation & Quotation Slip** as attached hereinafter.
- b. BIDDER is requested to submit the Quotation Slip originally signed and/or stamped at each page by L/U.
- c. All types of discounts need to be in consistent with all types of discounts proposed in **Section 3- Technical Bid Form – TBF 06 – L/U's Quotation & Quotation Slip** for Premium Worksheet.
- e. Any exception, amendments, improvements or enhancements to Proposed Quotation Slips and Wordings must be detailed in **Section 3- Technical Bid Form – TBF 13 –**

**Exception and Qualification** hereinafter, with reasons explaining restrictions/alternations of coverage. Also, BIDDER is requested to comment and analyse how the amendments/improvements/enhancements impact the reinsurance program, as well as to provide and estimated financial impacts of such.

### 2.3 Nominated LOCAL ORIGINAL INSURER:

BIDDER is requested to evaluate Vietnamese insurance market and provide PVEP/PVEPPOC with the nominated LOCAL ORIGINAL INSURER (s) who meets requirements below:

- a. The insurer must be legally licensed and authorized to operate within the local jurisdiction.
- b. In the event the Local Original Insurer provide the policy form a consortium for this package:
  - Each Consortium Partner is to provide the documents and to meet the requirements mentioned in paragraph 2.3.a. above.
  - Written Consortium Agreement between the consortium partners specifying responsibilities (joint and several) of each Consortium Partner in implementing the Bid, rights and scope of work and respective value of each Consortium Partner, including the Leading Consortium Partner and its responsibility, place and date of signing the Consortium Agreement, signatures and seals (if any) of Consortium Partners. If the Consortium Partner is authorized as the Leading Partner to sign the Proposal Letter, this effect shall be stated in the Consortium Agreement).
- b. Must adhere to all applicable regulations and guidelines set forth by local authorities
- c. The average turnover of the latest 3 years from insurance business activities must ensure not lower than USD 3,500,000.
- d. The professional reserve fund of the latest fiscal year must not be lower than USD 3,500,000.
- e. Insurer achieved financial ratings at B++ or higher by A.M. Best or equivalent by one of the international rating organizations such as Standard & Poor, Moody's and Fitch. (In case of Consortium, one of the Consortium Partner achieved the financial rating at B++ or higher by A.M. Best or equivalent by one of the international rating organisation such as Standard & Poor's and Fitch is deemed acceptable). Alternatively, the nominated LOCAL ORIGINAL INSURER possesses a professional reserve fund of the recent year (ie 2024) exceeding the retention value.
- f. The Local Insurer should have a proven track record of handling large-scale energy projects, particularly those involving WELCAR or similar policies. Insurer must have experience as a local insurer of insurance contracts for energy projects (minimum premium of USD 2,500,000).
- g. Insurer must have experience in dealing with claims for properties/projects of the similar size and or the scale of similar insurance contracts and must use an experienced Loss Adjuster.

- h. Insurer must have specialised staff/personnel in the implementation for similar risk insurance contracts. The team must have at least:
  - 01 Account Director
  - 01 Account Manager
  - 01 Account Executive
  - 01 Claim Handling Executive
- i. Insurer must have experience in negotiation and successful negotiation with the international L/Us and the remaining international Following Reinsurers for similar projects.
- j. Insurer must confirm on acceptance to issue Construction All Risk Insurance Policy for Dai Hung Nam Project, Dai Hung Field Development on time based on the LEAD QUOTE provided by Lead Underwriters who meet General Requirement as stated above and provide insurance/reinsurance placement plan with guarantee the correct and full placement of 100% sum-insured/liability limit (including the retention percentage as regulated by law) for the proposed insurance policy.
- k. Claims Handling Capacity: The Local Insurer must have the capability to manage complex claims efficiently.

#### **2.4. Administration of the Insurance Program**

- Coordinate with lead and local insurers:
  - Facilitate the arrangement between the lead insurer and the local insurer to ensure seamless issuance of the policy.
  - Ensure risk placement through reinsurance, where the Local Original Insurer retains the required retention value as per regulation and cedes the remaining risk to the lead insurer or other reinsurers.
- Collaborate with the Local Original Insurer for the day-to-day administration of the insurance program, including:
  - Policy servicing (e.g., issuance of policies, endorsements, and certificates).
  - Claims management, including documentation, submission, negotiation, and resolution.
  - Recovery of losses and coordination with reinsurers for timely settlements.
  - Obtaining relevant endorsements to reflect changes in project scope or coverage requirements.
- List the reinsurers that will support the program, including:
  - The name of each reinsurer.
  - Their respective share of the coverage.
  - Their financial ratings from recognized agencies such as AM Best, Standard & Poor's, Moody's, or Fitch (minimum A- or equivalent) or RuAA or above.

#### **2.5. Expert Advice and Training**

- Provide expert advice to PVEP/PVEP POC on all insurance-related matters, including:
  - Risk assessment and mitigation strategies.
  - Updates on market trends and best practices in offshore insurance.

- Conduct training sessions for PVEP/PVEP POC personnel to enhance their understanding of the WELCAR policy, claims procedures, and risk management practices.

## **2.6. Reporting and Communication**

- Submit regular reports to PVEP/PVEP POC, including:
  - Updates on the placement progress and terms negotiated.
  - Claims status reports and recovery updates.
  - Recommendations to improve the insurance program and address emerging risks.
- Maintain clear and open communication with PVEP/PVEP POC throughout the policy lifecycle to ensure alignment with project goals and expectations.

The Insurance Broker is required to promptly notify the CLIENT of any changes in the reinsurance program. This includes, but is not limited to:

- Changes in Reinsurers:
  - Any modifications to the reinsurers involved, including additions, removals, or replacements. Such changes must seek CLIENT's approval.
- Changes in Coverage Terms:
  - Insurance Broker must promptly inform and seek PVEP-POC's approval regarding the updates to the terms, conditions, or exclusions of the reinsurance program that may affect the project's coverage. However, PVEP POC shall not accept any changes that may reduce the coverage and/or increase the deductibles, etc.
- Financial Stability of Reinsurers:
  - Any concerns or updates regarding the financial strength or credit ratings of the reinsurers.
- Program Structure:
  - Adjustments to the structure or allocation of risks within the reinsurance program.

The Insurance Broker must ensure that all updates are communicated in a timely and transparent manner, providing the CLIENT with detailed information on the nature and impact of the changes. This is essential to ensure that the CLIENT is fully informed and that the project's insurance coverage remains aligned with its requirements and risk management objectives.



## ATTACHMENT 1 – DAI HUNG NAM’S PROJECT DESCRIPTION

### 1. OVERALL

#### 1.1 INTRODUCTION

Dai Hung Nam (DHN) area is located in the southern part of Dai Hung oil field of Block 05-1(a), approximately 250 km from the coastline of the South-Eastern Vietnam and is situated in a water depth of 110 m (average). Block 05-1(a) has been operated by PVEP-POC since 2003. The center of DHN is located approximately 3.5 km from the existing WHP-DH02 and 7.5 km from the current location of the FPU.

The location map of Block 05-1(a) is as hereunder in Figure 1.1.1.

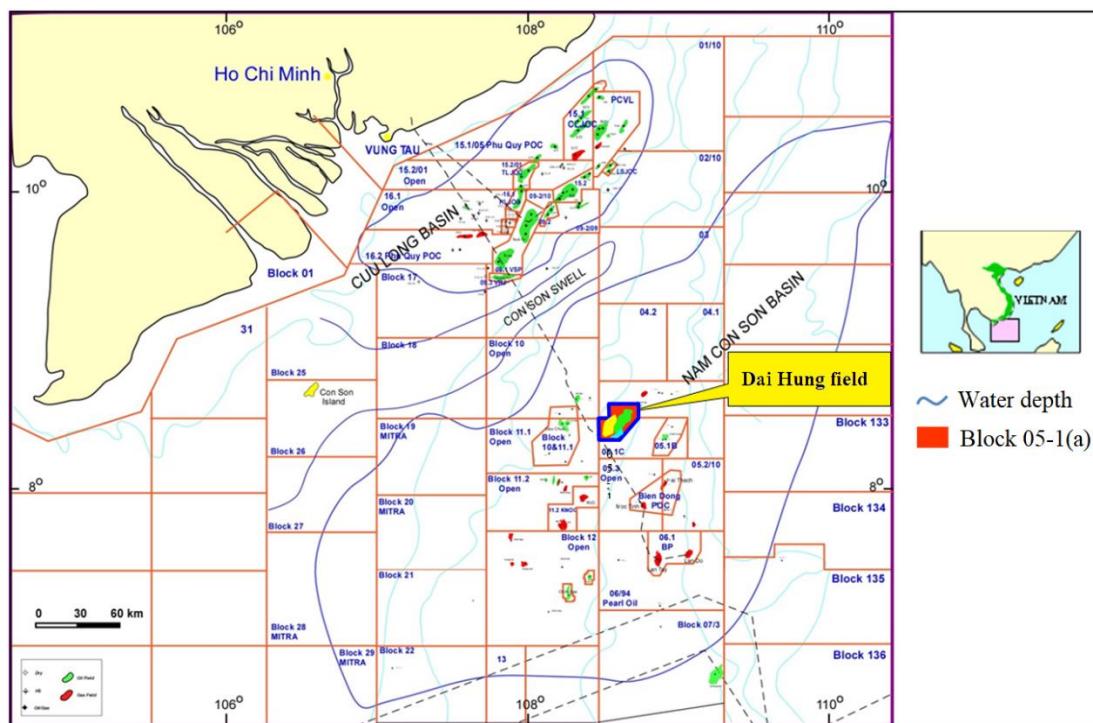


Figure 1.1.1: Block 05-1(a) Location

#### 1.2 BLOCK 05-1(a) EXISTING FACILITIES



The block facilities currently comprise of: Floating Production Unit Dai Hung (FPU), subsea wells, flowlines, mid depth buoy, calm buoy, and a 6" oil export pipeline that routes product liquid from the FPU to the FSO. The Wellhead Platform DH02 (WHP-DH02) is located in southwest direction of FPU at a distance of about 5km, dual 6" subsea export pipeline that transports the liquid from WHP-DH02 to FPU for further processing. Dai Hung gas gathering system with a pipeline length of approximately 20 km to transport gas from WHP-DH02 to BK-TNG of Vietsovpetro Joint Venture (VSP) (Figure 1.2.1); and the wellhead platform DH01 (WHP-DH01) is located in northeast direction of FPU at a distance of about 2.5 km, 10" subsea export pipeline that transport the liquid from WHP-DH01 to FPU for further processing, 6" fuel gas pipeline to supply fuel gas to FPU, 8" water injection pipeline for supplying water injection from FPU to WHP-DH01 and 12" export gas to BK-TNK.

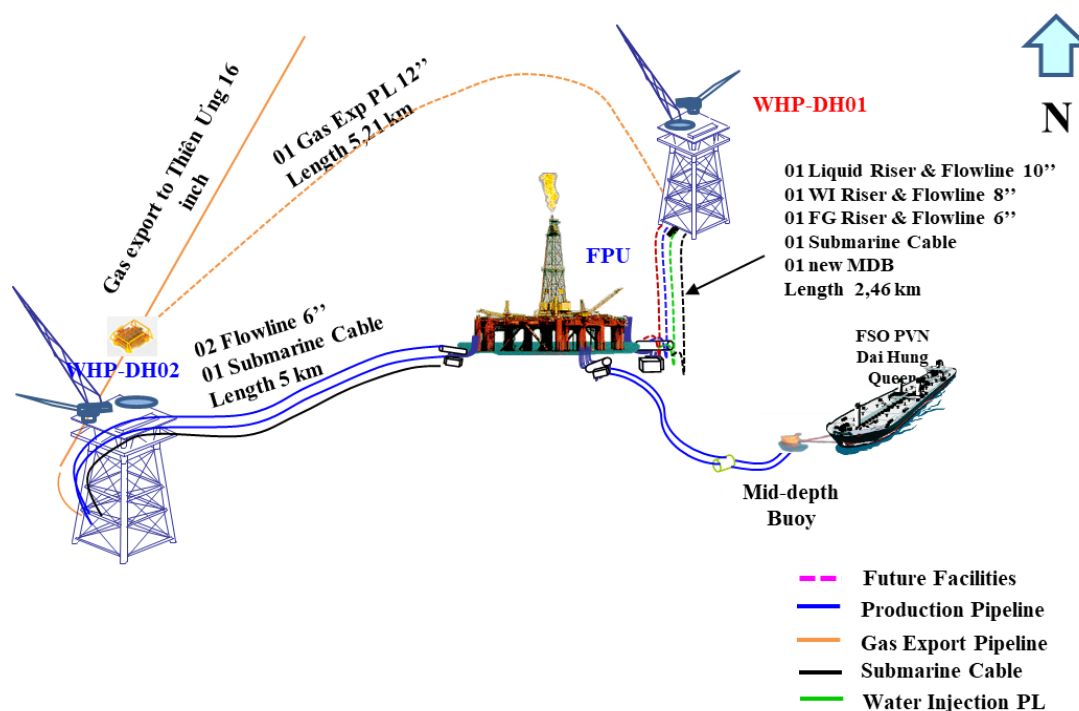


Figure 1.2.1: Existing Dai Hung field facilities in 2024

### 1.3 DAI HUNG NAM DEVELOPMENT SCHEME

The field facilities in Dai Hung Nam Field Development are as follows:

- New unmanned wellhead platform WHP-DHN located near WHP-DH02. WHP-DHN will be designed with 11 well slots for drilling by jack-up rig. Full wellstream of WHP-DHN will be routed to a Production Separator (on WHP-DHN) then the separated liquid

is transported to FPU for further processing, a separated associated gas is exported to BK-TNG.

- Infield Pipelines

- + One liquid rigid pipeline, transporting separated liquid from WHP-DHN to FPU through subsea tie-in point of existing 10" liquid flowline from WHP-DH01 to FPU.
- + One gaslift rigid pipeline, transporting gaslift from WHP-DHN to WHP-DH02.
- + One export gas/source gas, transporting separated associated gas/source gas from WHP-DHN to subsea tie-in point of 16" existing export gas pipeline and via versa.
- + One water injection rigid pipeline, transporting water injection from FPU to WHP-DHN through subsea tie-in point of existing 8" water injection flowline from FPU to WHP-DH01.

- Modification works on WHP-DH02 and FPU for connection and processing.

Scheme of Dai Hung Nam Field Development is presented as below.

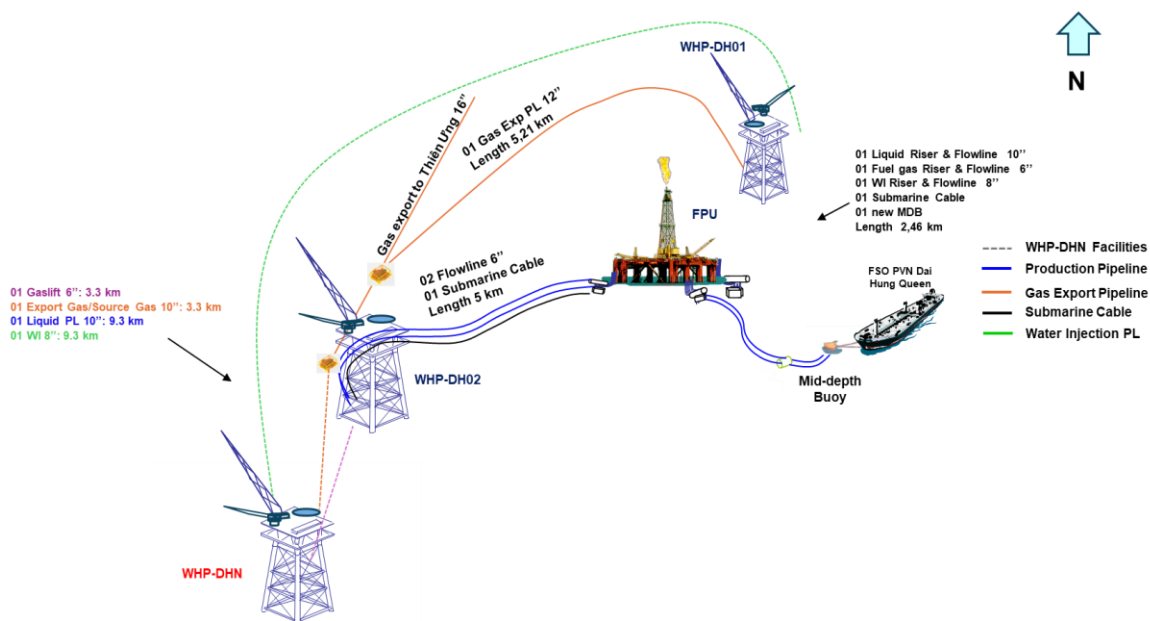
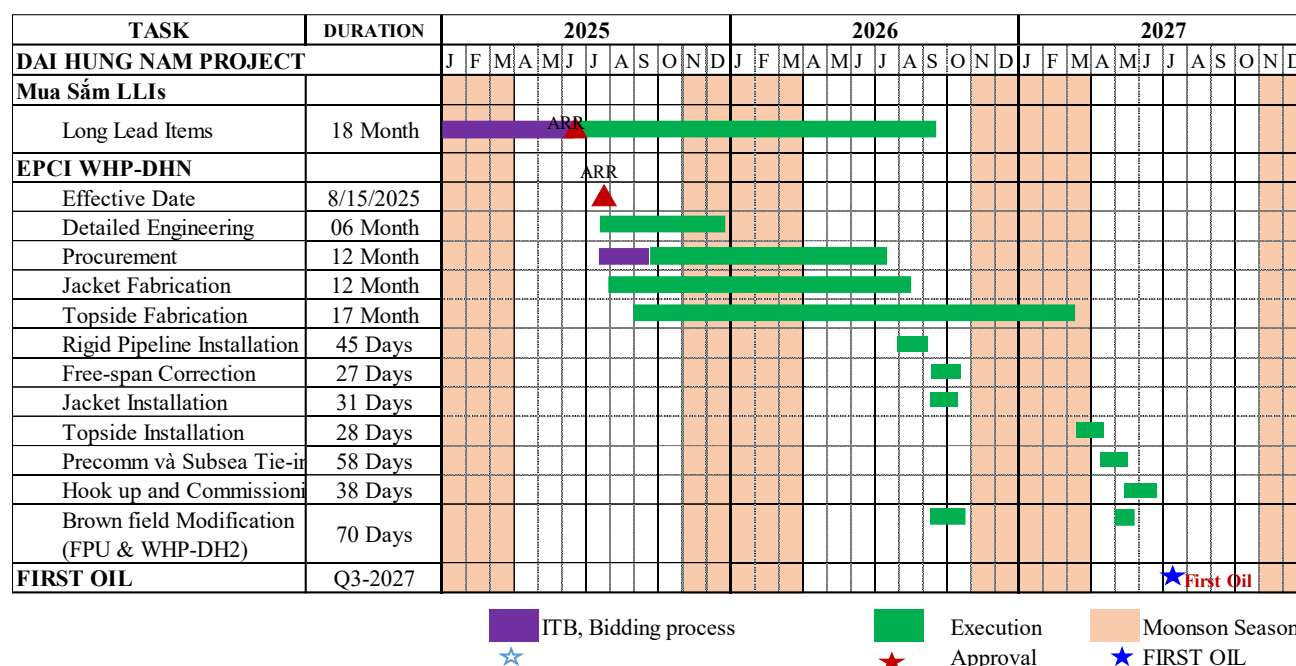


Figure 1.3.1: Dai Hung Nam Field Development Scheme

## 2. PROJECT SCHEDULE



## 3. EpCI CONTRACTOR's Insurance Clause and Indemnity Clause

Quote:

### “INSURANCE

8.1 CONTRACTOR shall carry and maintain in full force throughout the duration of the CONTRACT the following insurances with companies satisfactory to CLIENT. Nothing contained herein shall serve in any way to limit or waive CONTRACTOR's responsibility under the CONTRACT. The insurances to be carried by CONTRACTOR are as follows:

8.1.1 Workmen's Compensation or Similar Statutory Social Insurance and/or Employer's Liability Insurance as required by law at the locations where WORKS will be performed and which may be applicable covering all CONTRACTOR's employees engaged in accomplishing WORKS.

8.1.2 Comprehensive General Liability Insurance covering all operations hereunder against bodily injury, death, loss or property damage for an amount of at least US Dollar One Million (USD 1,000,000.00) for any one occurrence and unlimited as to the number of claims in the period of insurance. Such insurance shall include contractual liability coverage.

- 8.1.3 Motor Vehicles Liability Insurance for owned, non-owned, and hired automobiles covering the use of such vehicles in accordance with the Law on Road Traffic No. 23/2008/QH12.
- 8.1.4 Protection and Indemnity insurance, including coverage for liabilities assumed under Transportation and Installation contracts, with a limit of not less than US\$10,000,000 (ten million United States Dollars) per accident for lay barges and derrick barges, US\$2,000,000 (two million United States Dollars) for tugs and supply boats, and US\$1,000,000 (one million United States Dollars) for cargo barges, on each vessel owned and/or chartered by the CONTRACTOR and used in connection with operations under this Contract.
- 8.1.5 Hull and Machinery insurance on full conditions in an amount of not less than the actual value of each vessel owned and/or chartered by the CONTRACTOR and used in connection with operations under this Contract. The policy must show appropriate navigation limits.
- The policies under 8.1.4 and 8.1.5 above shall include full collision liability coverage and in addition cover for removal of wreck
- 8.1.6 Vessel pollution liability insurance for all vessels owned by CONTRACTOR and used in the performance of the Work for the duration of its operations on the Contract with a limit of not less than US\$5,000,000 (US Dollars five million) per occurrence and in the aggregate to cover property damage, cleanup and containment due to sudden and accidental pollution emanating from CONTRACTOR's vessels.
- 8.1.7 Any other insurances which may be relevant and/or necessary and/or as may be required by any law(s) to which the CONTRACTOR and/or Sub-contractors are subject.
- 8.2 Without limiting or waiving CONTRACTOR's responsibility as contained elsewhere under the CONTRACT, CLIENT shall at its own expense, procure and maintain in full force and effect from the Effective Date the following insurance which shall by no means to be construed as a limitation of CONTRACTOR's liabilities, except otherwise agreed in the CONTRACT:
- 8.2.1 Construction All Risk Insurance (WELCAR 2001) covering the Work, Third Party Liabilities (TPL) including pollution, or Work Materials and Equipment, in the amount of replacement value thereof, against all risks of physical loss or damage, including the cost of debris removal, and including physical loss or damage resulting from faulty design, workmanship and material to the extent same is usually and reasonably insurable, until the date of the Provisional Acceptance and covering further during the Warranty Period, but for no more than twenty four (24) months after the Effective Date of Provisional Acceptance. CLIENT shall furnish to CONTRACTOR a copy of certificate of CAR insurance upon CONTRACTOR's request.
- 8.2.2 CLIENT shall include CONTRACTOR and its Sub-contractors as additional assured under the foregoing insurances and shall cause the insurers thereof to waive all expressed or

implied rights of subrogation against such parties, their respective employees, servants and agents. Insurance under ARTICLE 8.2.2 shall also include a "severability-of-interest" (cross liability) clause.

- 8.3 CONTRACTOR shall cause CLIENT, its Co-Venturers and their parent companies, subsidiaries, affiliates, consultants and their respective agents, officers and employees to be included as additional assured and covered by all insurances as stipulated in ARTICLES 8.1.2 and 8.1.4 with respect to the operations conducted under this CONTRACT.
- 8.4 All other insurances where CLIENT, and its Co-Venturers and their parent companies, subsidiaries, affiliates, consultants and their respective agents, officers and employees are not named as additional assured, CONTRACTOR shall include a waiver of all expressed or implied rights of subrogation against such parties and their respective employees, servants and agents.
- 8.5 N/a
- 8.6 All deductibles/ conditions/ coverage applicable to the insurances as stipulated in ARTICLES 8.1 and 8.2 herein and resulting from any act or omission of CONTRACTOR and its Sub-contractors, representatives and agent shall be for the account of and be paid by the CONTRACTOR. Any losses as a result of any breach of conditions and/or warranties applicable to the said insurances shall also be for the account of the CONTRACTOR.
- 8.7 Not later than fourteen (14) calendar days prior to the commencement of WORKS, CONTRACTOR shall furnish to CLIENT Certificates of Insurances evidencing that insurances stipulated in ARTICLE 8.1 have been effected, including evidence that premium payment which shall be stamped thereof have been fully paid. Renewal and/or extension of such certificates of insurances shall be furnished to CLIENT as and when applicable. Certified renewal documents including evidence of premium payment thereof shall be forwarded to CLIENT not less than fourteen (14) calendar days prior to the expiry thereof.
- 8.8 The furnishing of Certificates of Insurances shall not be interpreted as implying that CLIENT assumes responsibility for the correctness of such documents or that the CONTRACTOR has complied with its other obligations contained in the CONTRACT.
- 8.9 Should CONTRACTOR at any time neglect or refuse to provide or renew any insurance required herein, or should any insurance be canceled, CLIENT shall have the right to procure such insurance and, in such event, any sum so paid by CLIENT shall immediately become due and payable to CLIENT by CONTRACTOR or CLIENT shall be entitled to deduct such sums from any monies due or which may become due to CONTRACTOR in addition to any other remedies CLIENT may have under this CONTRACT.
- 8.10 CONTRACTOR shall notify CLIENT immediately upon receipt of any notice of claims, incidents or demands of any situation which may give rise to such claims or demands being made under the said policies. Written notice shall be given not later than two (02) working

days after the occurrence of any accident. However, for serious accidents (including but not limited to death or serious injuries) notice shall be given immediately and confirmed in writing.

- 8.11 CONTRACTOR shall ensure that its Sub-Contractors maintain similar insurance coverage as specified herein and that its Sub-Contractors similarly indemnify and hold CLIENT harmless against all costs, claims and demands. Any deficiencies in the coverage or policy limits of Sub-Contractor's insurance shall be the sole responsibility of CONTRACTOR.
- 8.12 CONTRACTOR and its Subcontractor shall not commence the shipment of equipment or materials or commence WORKS until all of the insurance that CONTRACTOR is required to provide are in force.

### **LIABILITIES AND INDEMNITIES**

#### **18.1 General Liability of CONTRACTOR**

Subject to the other clauses of this Contract, the CONTRACTOR shall be liable for and indemnify and save CLIENT Group harmless against all damage, loss and destruction of Work of whatsoever nature arising from or as a result of the Work or any other act in performance of its obligations under this Contract whether incurred by CLIENT Group or Third Parties or otherwise.

CONTRACTOR shall be responsible for all damages to, or destructions or losses of, from any cause whatsoever, fabrication tools, equipment, and other property own or rented by CONTRACTOR and its Sub-contractors which are used or intended for use in performing the WORKS.

CONTRACTOR shall notify CLIENT immediately of any incident, claim or litigation affecting the provisions of this ARTICLE.

CONTRACTOR shall notify CLIENT immediately of any damage, loss or destruction of property used in connection with the WORKS and any injury or death of persons occurring in connection with the performance of the WORKS and to furnish CLIENT adequate written reports pertaining to same.

Except as otherwise provided in this ARTICLE, the indemnities given by CONTRACTOR shall not be reduced by reasons of any negligence or omissions of CLIENT Representative in failing to supervise or control the CONTRACTOR's site operations or methods of working or to detect or prevent or remedy defective WORKS or to ensure proper performance of any other obligations of the CONTRACTOR under this CONTRACT.

Except as expressly provided herein, CONTRACTOR shall be solely responsible for the costs of all losses or damages caused by the willful misconduct, act, omission or negligence of CONTRACTOR, its Sub-contractors, and/or their respective officers, agents or employees.



Any exclusion or limitation of liability specified in this CONTRACT shall apply to claims in contract, tort or otherwise at law in respect of matters covered by such exclusion or limitation.

#### 18.2 Damage or Loss to the Work

Notwithstanding the provisions of Article 11, up to the date of expiry of the Defect Liability Period or during the performance of any Rectification Work if a physical loss or damage occurs to the Work, howsoever caused or arising during the performance of the Work, CONTRACTOR shall bear the cost of measures taken to locate, assess, recover, save, preserve, repair, reinstall, restore, reinstate, retest, rectify and otherwise make good such loss or damage; provided however, that the CONTRACTOR's liability for such damage or loss shall be limited and in no way whatsoever exceed:

- a. the first US\$250,000 (two hundred and fifty thousand United States Dollars) each occurrence or series of occurrences stemming from a single event onshore up to and including load-out; and/or
- b. the first US\$ 750,000 (seven hundred and fifty thousand United States Dollars) each and every accident or occurrence in respect of marine transit by barge including loading, lifting and unloading. But USD 500,000 each and every lost in respect of value below USD 15,000,000.
- c. the first US\$1,000,000 (one million United States Dollars) each occurrence or series of occurrences stemming from a single event offshore
- d. The first 72 hours each and every occurrence in respect of standby charges

Except as expressly provided herein, CONTRACTOR shall be solely responsible for the costs of all losses or damages caused by the willful misconduct, act, omission or negligence of CONTRACTOR, its Sub-contractors, and/or their respective officers, agents or employees.

Without in any way modifying the CONTRACTOR's obligation pursuant to preceding paragraphs of this Clause 18.2, CLIENT shall give the CONTRACTOR the first opportunity to effect repairs and replacements of damaged Work and/or Work Materials and Equipment.

#### 18.3 Benefit of Insurance placed by CLIENT

The principles set forth in sub-clause 18.1, 18.2, 18.5(a) and 18.6 shall not be construed as depriving the CONTRACTOR and its Subcontractors of the benefit of the insurance to be placed by CLIENT as per Article 8.

#### 18.4 Loss or Damage Suffered by the CONTRACTOR

CONTRACTOR shall be solely responsible for and shall indemnify, defend, and hold the CLIENT Group free and harmless from any liabilities, demands, debts, damages, losses, causes of action, suits, expenses (including legal expenses) and costs arising out of or in connection with injury to or death of any Personnel, or loss or damage to property and equipment of the CONTRACTOR, its Subcontractors, or agents, in any way sustained or alleged to have been sustained in connection with or by reason of the performance of the Work



howsoever caused, whether by negligence or otherwise, even if caused by the negligence CLIENT, except to the extent that such liabilities arises out of or results from the Willful Misconduct of CLIENT Group.

#### 18.5 Loss or Damage Suffered by CLIENT

- (a) CLIENT shall be solely responsible for and shall indemnify, defend, and hold CONTRACTOR free and harmless from any liabilities, demands, debts, damages, losses, causes of action, expenses (including legal expenses) and costs arising out of or in connection with injury to or death of any of the CLIENT Group's employees, or loss or damage to property ( Except the Existing Facilities and Contract Object) and equipment of the CLIENT Group in any way sustained or alleged to have been sustained in connection with or by reason of the performance of the Work by CONTRACTOR, its Subcontractors or Personnel howsoever caused, whether by negligence or otherwise, even if caused by the negligence of CONTRACTOR, its Subcontractors or Personnel.
- (b) Notwithstanding the provisions of clause 18.5(a), the CONTRACTOR shall be liable for the first US\$1,000,000 (One Million United States Dollars) per accident or occurrence for any damage to the Existing Facilities arising out of performance of the Work or Rectification Work by CONTRACTOR, its Subcontractors and Personnel if caused by CONTRACTOR, its Subcontractors or Personnel.

#### 18.6 Loss or damage suffered by Third Parties

CONTRACTOR shall be responsible for and indemnify, defend and hold the CLIENT Group free and harmless from any liabilities, demands, debts, damages, losses, causes of action, suits, expenses (including legal expenses) and costs of every kind and nature resulting from personal injury, including fatal injury and disease to, or loss of or damage to the property of Third Parties arising out of or in connection with the performance of this Contract howsoever caused, whether by negligence or otherwise, whether or not the negligence or breach of duty by one of the CLIENT Group.

CLIENT shall be responsible for and indemnify, defend and hold the CONTRACTOR, its Subcontractors and Personnel free and harmless from any liabilities, demands, debts, damages, losses, causes of action, suits, expenses (including legal expenses) and costs of every kind and nature resulting from personal injury, including fatal injury and disease to, or loss of or damage to the property of Third Parties arising out of or in connection with the performance of this Contract to the extent the negligence or breach of duty of any of the CLIENT.

#### 18.7 Willful Misconduct

Without prejudice to the provisions of clause 28 (Consequential Losses) but notwithstanding any other provision of this Contract, in particular the indemnity and hold harmless provisions, the CONTRACTOR shall be liable for its Willful Misconduct including any intentional

disregard of any provision of this Contract or of any program of Work to be carried out under this Contract by any contractor, Subcontractor or their Personnel. It shall not include any act or omission or any error of judgement or mistake made by any of such Contractor, Subcontractor or their Personnel in the exercise in good faith of any function, authority or discretion conferred upon the CONTRACTOR.

#### 18.8 Patent Indemnification

(a) CONTRACTOR shall defend, indemnify, and hold CLIENT Group harmless from and against any claims whatsoever arising from or in any manner related to infringement of patents or the improper use of other proprietary rights that may occur in connection with CONTRACTOR's performance of the Work and the ownership or use of the CONTRACTOR's Supply, unless such infringement or improper use is at the direction of CLIENT and not otherwise contemplated hereunder. CONTRACTOR shall have sole authority for the control of the defence of any such claims.

(b) Furthermore, if any such claim does or might materially impair CONTRACTOR's performance of the Work or continued operations, then CONTRACTOR shall, at its own expense, expeditiously procure the right to continue its performance of the Work so as not to impair its ability to achieve Provisional Acceptance by the Guaranteed Completion Date.

(c) CLIENT shall notify CONTRACTOR in writing as soon as CLIENT receives notice of any claims of infringement of patents or other proprietary rights occurring in connection with CONTRACTOR's performance of the Work. In turn, CONTRACTOR shall promptly notify CLIENT in writing of any claims that CONTRACTOR may receive alleging infringement of patents or other proprietary rights and that may affect CONTRACTOR's performance of the Work.

(d) CLIENT may, on a case-by-case basis, approve CONTRACTOR's use of terms and conditions for procurement of Reimbursable Work with provisions differing from those set out above in this ARTICLE 18.8 in respect of patent indemnification. In such event, CONTRACTOR's obligations under this ARTICLE 18.8 in respect of such items of Reimbursable Work shall be limited to and shall in no event exceed those of the particular Subcontractor or Supplier pursuant to such CLIENT-approved terms and conditions.

#### 18.9 Consequential Loss

(a) Notwithstanding anything to the contrary expressed or implied elsewhere in the Contract, but subject always to ARTICLE 18.9 (c) no member of CONTRACTOR Group shall be liable to any member of CLIENT Group in any action for special, incidental or consequential losses or damages (whether arising directly or indirectly, immediately or otherwise) resulting from or arising out of the performance or non-performance of this Contract ("Consequential Losses") suffered by any member of CLIENT Group. Notwithstanding the definitions of "Third Party" and "Third Party

Property” in ARTICLE 1, no member of CONTRACTOR Group shall be liable to any member of CLIENT Group for Consequential Losses in respect of damage to or loss of or loss of use of, or in respect of pollution emanating from, Third Party Property owned by such member of CLIENT Group or in which such member of CLIENT Group has a beneficial interest and which is located in the Block 05.1a area, offshore The Socialist Republic of Vietnam. Notwithstanding anything to the contrary expressed or implied elsewhere in the Contract, but subject always to ARTICLE 18.9(c), no member of CLIENT Group shall be liable to any member of CONTRACTOR Group in any action for Consequential Losses suffered by any member of CONTRACTOR Group. Without prejudice to the generality of any of the foregoing provisions of this ARTICLE 18.9(a), Consequential Losses shall include:

- (i) loss or deferment of revenue, use, production or profit (whether actual or anticipated);
- (ii) loss or escape of product (processed or unprocessed hydrocarbons);
- (iii) loss of or damage to mineral reservoirs;
- (iv) hydrocarbon production, processing, storage or export facilities downtime (whether partial or complete);
- (v) loss of hole;
- (vi) damage to or loss of downhole/in-hole tubing and equipment;
- (vii) losses associated with business interruptions including wasted overheads and loss of anticipated savings;
- (viii) loss of bargain, contract, expectation or opportunity;
- (ix) any loss, claim or expense that arises out of or is connected with the sale, disposal, exchange or use of, or the transportation or processing of, any production; and
- (x) any increase in operating or other costs,

however same may be caused and regardless of any Wilful Misconduct, negligence, breach of duty (statutory or otherwise), other fault or strict liability of the member of CONTRACTOR Group, or CLIENT Group, that is relieved of liability hereunder.

- (b) CLIENT shall defend, indemnify and hold harmless CONTRACTOR Group from and against any claims made or causes of action brought by any member of CLIENT Group for Consequential Losses. CONTRACTOR shall defend, indemnify and hold harmless CLIENT Group from and against any claims made or causes of action brought by any member of CONTRACTOR Group for Consequential Losses.

#### 18.10 Pollution

CLIENT shall indemnify, defend and hold CONTRACTOR, its employees, agents and Sub-contractors harmless from liability for pollution resulting from fire, explosion, well out of control, escape of product from any facilities as a result of WORKS hereunder; provided however, that if such pollution is the result of the Gross Negligence or willful act or omission of CONTRACTOR, its employees, agents or Sub-contractors, then in such instance CONTRACTOR will indemnify and hold harmless CLIENT and its Co-Venturers from and against such liability resulting from pollution and will reimburse CLIENT for costs incurred or payments made by CLIENT to control or clean up the pollutant or as compensation for payments made by CLIENT for damage suffered by others.

CONTRACTOR shall protect, indemnify and hold CLIENT and its Affiliated and associated companies and their stockholders, directors, agents, employees and representatives of each harmless from and against all liabilities for any pollution emanating from CONTRACTOR's Equipment and/or property and equipment in its care, custody and control for which CONTRACTOR is responsible (other than WORKS) howsoever caused and shall reimburse CLIENT for costs incurred or payment made by CLIENT to control or clean up the pollution or as compensation for payments made by CLIENT for damage suffered by others.

This ARTICLE 18 shall continue in effect and survive notwithstanding any termination or expiry of this Contract.

**END OF ARTICLE”**

**Unquote.**

## ATTACHMENT 2 – ECV

	Value (USD)	Limit (USD)	Deductible (USD)	Period / Months
<b>Section 1 - Property Damage</b>	<b>215,563,000</b>	-	-	-
<b>Project Service</b>				
PVEP POC's PMT	8,262,000			
Engineering	5,237,000			
Others/Service (MWS, CA, Insurance)- General/ Overall.	16,433,000			
<b>Wellhead Platform</b>				
Procurement & Fabrication	99,018,000			
Loadout& Sea-Fastening	6,331,000			
Transportation & Installation	34,725,000			
Hook-up/Commissioning/Testing	7,598,000			
<b>FPU &amp; WHP-DH02 Modification</b>				
Procurement & Fabrication	4,309,000			
Transportation & Installation	3,188,000			
<b>Pipelines</b>				
Procurement & Fabrication	8,594,000			
Loadout & seafastening	1,232,000			
Transportation & Installation ( Including Loadout)	28,898,000			
<b>24 months Maintenance</b>	<b>215,563,000</b>			24 months
<b>Additional Costs - aggregate Policy Limit</b>		<b>10,000,000</b>		

	Value (USD)	Limit (USD)	Deductible (USD)	Period / Months
Offshore Cancellation - aggregate sub-limit		5,000,000		
Standby Charges - aggregate sub-limit		5,000,000	72 hours	
Tests, Leak and Damage Search Costs -aggregate sub-limit		5,000,000		
Expediting Expenses - aggregate sub-limit		2,500,000		
Forwarding Charges - aggregate sub-limit		2,500,000		
Evacuation Expenses - aggregate sub-limit		1,500,000		
<b>Defective Part Exclusion Buy-back</b>		5,000,000	500,000	
<b>Section 2 - Third Party Liability</b>	-	-	-	-
<b>Third Party Liability</b>		20,000,000	250,000	
Damage to Existing Property		10,000,000	1,000,000	

**2.5% Marine Warranty Survey Allowance of Gross Premium of Section 1, subject sight of invoices**