

**General Terms and Conditions (GTC) of the
RED Drilling & Services GmbH
for the provision of services and
the rental of equipment**

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DEFINITIONS

In these T&Cs mean:

RED:

RED Drilling & Services GmbH (RED), Schwarzmoos 28, 4851 Gampern.

Client (AG):

The contractual partner for whom RED provides services or to whom RED rents equipment.

Authority management:

Activities defined with the AG to support official procedures until a permit is obtained.

Service:

All services and consulting services or services in the field of engineering and workover to be provided by RED within the framework of a contractual relationship, but not the execution of drilling projects. Drilling projects are only carried out by RED on the basis of a separate (drilling) contract.

Engineering:

Rough and detailed planning of boreholes or parts thereof. Optionally, RED can also provide services in the area of authority management as well as supervision and hydrogeological services.

Equipment:

All equipment, devices, tools and work equipment that RED uses or rents to the Client for the provision of services.

Subcontractors:

Contractors used by RED to fulfil its contractual obligations towards the Client - without establishing a contractual relationship with the Client.

Services:

The planning and execution of wire-line, slick-line and measurement services and other services for or in connection with a well and the provision of test and measurement equipment.

Workover:

Workover refers to any activities performed on existing wells to work on, repair or modify them. Such activities include, but are not limited to, removal of debris or contamination in the well, replacement of defective or damaged drilling equipment, and widening or narrowing of the well.

1. SCOPE OF APPLICATION

These GTC apply to all services that RED provides for a client as well as to the rental of equipment by RED. A prerequisite for the provision of services by RED is a prior written order by the client. All orders are based on a written offer by RED. Counter-offers by the CL are only binding for RED if they are confirmed in writing by RED or a revised written offer is sent to the CL in the event. Unless otherwise stated in the offer, offers from RED are valid for a period of 30 days.

General terms and conditions of the Principal shall not become the subject matter of the contract unless this is expressly agreed with the Principal in writing. Insofar as the Client refers to its own General Terms and Conditions in connection with an order, these are hereby expressly objected to. No further objection is required in individual cases.

2. PERFORMANCE OF THE RED

2.1 Services

RED carries out the services according to the state of the art.

However, the Client is aware that geological conditions (in boreholes and reservoirs) are inherently variable and not fully controllable and that unpredictable environmental conditions may occur in the course of service provision.

If significant circumstances arise after conclusion of the contract which indicate that a significant additional effort will have to be provided by RED, RED will inform the CL and attempt to reach an agreement with the CL. This applies in particular if lump sum prices, which are not dependent on the actual time expenditure, have been agreed. In such a case, both contractual partners have the right to reject the necessary additional services and to withdraw from the contract in the affected points without additional costs. Service agreements which are not affected by the considerable circumstances and which represent a separate service in the light of the overall service provision remain unaffected by this. Services which have already been provided by RED up to the recognition of the significant, unforeseen circumstances are to be remunerated - irrespective of the conclusion of a further agreement with the client.

RED will only provide services in the area of authority management on behalf of the client. The client is aware that RED has no influence on the positive outcome of an official procedure.

If the client provides RED with data for the provision of services, RED will not check these for completeness or correctness.

Within the scope of the performance of services, the Client shall retain full responsibility for the borehole/probe and the work processes in and on the borehole/probe. The supervision of the borehole/probe also remains his responsibility. The client is also responsible for all attempts to recover equipment (fishing work), regardless of whether the equipment was provided by RED, the client or a third party.

RED reserves the right to (temporarily) discontinue the provision of services if the working and/or environmental conditions (e.g. strong wind) make it impossible or considerably more difficult, at RED's own discretion, to carry out the contractually agreed activities.

Additional services requested by the Client - which are not included in the contractual scope of services - require a separate written order based on an additional offer submitted by RED. These GTC apply to the additional service(s), unless a different agreement is made in writing with the Client.

RED is entitled to use subcontractors for the provision of services at its own expense and risk.

2.2 Equipment rental

The following provisions also apply if the rental of equipment takes place in the course of a service to be provided by RED.

RED rents the equipment to the client in accordance with the specifications of the client in a ready-to-use and functional condition, but does not assume any guarantee or warranty for a successful use of the equipment or for the achievement of certain results through the use of the equipment, unless this is agreed separately with the client. If RED sublets equipment owned by a third party to the CL, the conditions of the third party apply to this rental relationship. The Client will be informed of these in writing in the offer.

The Client shall be obliged to return the rented equipment in the condition in which it was received upon delivery. Exceptions to this are normal wear and tear. If equipment is returned in an uncleaned condition, RED reserves the right to clean the equipment itself or have it cleaned by a commissioned third party at the expense of the Client.

The Client bears the risk of (accidental) loss, destruction or damage to the equipment as soon as the equipment has left the RED warehouse until the time of return of the equipment to this warehouse. If the equipment is damaged on return, the Client shall bear all repair costs, provided the equipment can still be repaired. In the event of loss or (also accidental) destruction or damage to the equipment that cannot be repaired, the Client must reimburse RED for the replacement costs of the equipment.

3. TERMS OF PAYMENT

The price to be paid by the client for the service or the rent to be paid for equipment results from the RED offer. The prices stated in the offer are net prices, the applicable taxes (e.g. statutory VAT) - if applicable - are shown separately. The same applies to any other applicable taxes and/or duties.

Unless otherwise agreed, the Client shall bear all costs for the transport of employees and equipment from the registered office of RED to the place of deployment as well as all costs for the return transport to the registered office of RED.

All invoices are - unless otherwise agreed - due within 30 days from the date of invoice without deduction. In the event of a delay in payment on the part of the Client, RED is entitled to the statutory interest on arrears. RED expressly reserves the right to assert further claims.

Any objections to invoices from RED must be raised in writing within 10 days of receipt of the invoice, stating the reasons, otherwise the amount invoiced is deemed to have been accepted by the Client.

The CL is not entitled to offset claims of RED with its own claims unless the claims have been expressly recognised in writing by RED both on the merits and in terms of amount or have been recognised by declaratory judgement.

4. WARRANTY

RED guarantees that it provides services according to the state of the art.

RED will repeat services that have significant defects before dismantling its equipment required to provide the service at its own expense. RED will therefore only dismantle the equipment required for the provision of the service after complete performance of the service and acceptance by the CL, whereby the CL may not unreasonably refuse acceptance.

If a results report is to be prepared by RED in the course of the service provision, the Client is obliged to accept this within 10 working days from the time of handover of the results report. The acceptance can also take place within the scope of a meeting with RED and this must be documented in writing. The CL is only entitled to refuse acceptance if the results report has significant defects for which RED is responsible. These significant defects as well as the form and scope of the rectification of defects are to be recorded in a joint protocol by the contractual partners. RED will carry out the defect rectification measures recorded in the protocol within a reasonable period at its own expense.

The client is not entitled to any further warranty rights/ remedies, in particular because the information, evaluations, recommendations and results provided and/or obtained by RED in the course of the provision of services contain conclusions from measurement procedures and analyses and are based on assumptions, empirical conditions, opinions and conclusions, all of which are not infallible and are subject to a certain degree of fluctuation. Accordingly, RED cannot assume any liability and/or warranty for the accuracy, completeness or usefulness of such information, evaluations and/or recommendations or for the achievement of a particular result or about the suitability of a particular result. The Client is solely responsible for the use of and reliance upon the information, evaluations, recommendations and results and bears all risks associated therewith. The Client agrees to indemnify RED against all claims arising from or in connection with the use of the information, evaluations, recommendations and results.

5. LIABILITY

Unless otherwise explicitly stipulated in these GTC, the contractual partners shall only be mutually liable for damages if they are guilty of intent or gross negligence. Any liability of the contracting parties for loss of profit, indirect, consequential or incidental damages is mutually excluded.

Notwithstanding other provisions of these GTC, RED shall not be liable in any case for damages that fall within the scope of risk and responsibility of the client as is typical in the oil and gas industry as well as the geothermal industry, thus in particular not for:

- Underground loss or damage, including loss of or damage to reservoirs, production horizons, production wells, borehole or equipment in the hole; damage to the subsurface or impairment of property rights in water, oil, gas or other substances;
- Damage, loss or destruction of equipment, installations or other permanently installed structures at or in the vicinity of the location, or the (temporary) impossibility of using items and equipment;
- Cost of dead pumping or bringing an out-of-control well/probe under control;
- Costs for re-drilling, trapping or reworking;
- the uncontrolled inflow of fluids from or within the reservoir (underground or surface well blowout), fire, explosion, cratering or loss of control of the well;
- Land and/or water pollution, contamination, radiation damage or leakage of radioactivity and the associated costs of containment, clean-up and disposal; and
- Shutdown or interruption of operations and/or loss of production.

The Client indemnifies RED against any responsibility and liability for losses, costs, expenses (including reasonable legal costs) resulting from the above-mentioned events and fully indemnifies and holds RED harmless in this respect. The aforementioned exclusions of liability and indemnification also apply to any claims and/or claims for damages by third parties resulting from the aforementioned events.

For damage, loss and/or unusual wear and tear of the equipment of RED and/or its subcontractors used underground, the client is liable, unless RED or its subcontractors have caused the damage through gross negligence or intentionally, for:

- the salvage costs (including trapping), and
- the costs of repair, clearance and transport of the equipment if it can be salvaged and repaired; or
- the replacement costs including customs duties, taxes, fees and transport (at RED's choice) to the place of use or RED's registered office if the equipment is destroyed, cannot be repaired or cannot be salvaged.

The Client is responsible for ensuring that he has all official permits required for the performance of services by RED; furthermore, he shall ensure unhindered access to the place of service provision. Any resulting hindrances/obstructions to the provision of services by RED shall be borne by the CL, in particular the daily rates specified in the offer shall continue to be paid by the CL.

6. INSURANCE

The Client must take out or maintain insurance with sufficient coverage (but with at least EUR 500,000.00) at its own expense to secure the liability releases and other claims to which RED is entitled in accordance with these GTC. The Client must submit a current insurance certificate on request.

7. SECRECY - PUBLICATIONS

The contractual partners are obliged to treat all facts, information and data as confidential and secret and to prevent the disclosure of these facts, information and data, in whatever form, to third parties, unless the contractual partners expressly agree to disclosure.

Any use of information, facts and data subject to secrecy for purposes other than the fulfilment of obligations or the exercise of rights arising from the contractual relationship is prohibited. Neither of the contracting parties shall be entitled to derive any rights, in particular trademark rights, patent rights, property rights, exploitation rights, rights of use, rights to a name, licensing rights or copyrights thereto, solely from knowledge of the information, facts or data of the respective other contracting party.

The contracting parties shall oblige their employees involved in agreement-related tasks to maintain confidentiality in an appropriate form.

Both contracting parties are entitled to pass on confidential information to affiliated companies within the meaning of § 15 ff. Austrian Stock Corporation Act (AktG), provided that it is ensured that confidentiality is maintained to the extent described herein.

The confidentiality obligation shall continue to exist for 5 calendar years after termination of the contractual relationship.

The obligation to maintain confidentiality does not apply to facts, information and data which are part of the general state of the art, have been published on the basis of the respective applicable legal situation or are otherwise publicly accessible or known through no fault or negligence of the contractual partner obliged to maintain confidentiality.

8. HIGHER VIOLENCE

Force majeure is understood to be an external, unforeseeable and unavoidable event affecting obligations, which the respective contractual partner could not have expected at the time of conclusion of the contract. This also includes, for example, terrorist attacks, blackouts, strikes, lockouts, civil war-like conditions, official or judicial orders, pandemics and the like.

If one of the contracting parties does not intend to fulfil its contractual obligations due to force majeure, it shall immediately notify the other contracting party thereof, stating the expected duration.

The other contracting party shall not be entitled to any claims whatsoever on account of such non-compliance with the contractual relationship for the period of time during which the force majeure circumstance persists. Rather, the rights and obligations of both parties shall be suspended for the duration of the non-observance of the contractual relationship due to force majeure to the extent affected by the force majeure. Payment obligations already incurred shall continue to apply and shall be fulfilled without delay.

In the event of force majeure, the contracting parties shall endeavour to keep the resulting disadvantages as low as possible. In particular, the affected contractual partner shall take all technically and economically reasonable measures to eliminate the cause or the consequences of the force majeure.

If it is foreseeable that the circumstances of force majeure and/or its after-effects will last longer than 1 week, the contracting parties shall enter into negotiations in order to reach a solution acceptable to both parties.

If, on the other hand, the expected duration of the circumstances of force majeure and/or their after-effects is longer than 8 weeks, the contractual partner who is not affected by the force majeure shall have an extraordinary right of termination.

9. EXTRAORDINARY TERMINATION OPTION

The contractual relationship underlying the provision of a service may be terminated in writing by the contracting parties for good cause without notice, in particular if

- one of the contracting parties violates essential obligations of the contractual relationship and does not remedy the violation despite a written reminder from the other contracting party setting a deadline of 14 days;
- the conduct of one of the contracting parties seriously damages the reputation of the other contracting party; or
- a contractual partner violates relevant legal provisions.

If the Client justifiably dissolves the underlying contractual relationship, RED retains the claim to payment of all services already properly provided by RED up to the time of dissolution.

10. TRANSFER OF RIGHTS AND OBLIGATIONS

The contractual partners are not entitled to transfer individual rights and obligations from an agreement as well as the entire agreement as such to third parties without the written consent of the other contractual partner.

Exempt from this is the transfer of individual rights and obligations as well as the entire agreement to affiliated companies (within the meaning of § 15 et seq. of the German Stock Corporation Act) of the contracting parties, provided that the transferring contracting party offers a guarantee for the fulfilment of the liabilities arising from the agreement.

11. SEVERABILITY CLAUSE

Should a provision of the contract be or become invalid or void, this shall not affect the legal validity of the remaining provisions. Instead, the contracting parties undertake to replace the invalid or void provision with a valid provision that comes as close as possible to it in terms of economic success.

12. OTHER

Claims of the Client - irrespective of the legal grounds - shall become statute-barred within 12 months after complete performance of the service.

Amendments and/or supplements to a contract including annexes must be made in writing in order to be effective; this also applies to any agreement to waive the written form requirement. Verbal agreements have not been and will not be made. Written form" or "in writing" also includes electronically signed documents with a qualified electronic signature in accordance with eIDAS VO (EU Regulation 910/2014). E-mails do not fulfil the written form requirement in this context.

Headings are for guidance only and not for contractual interpretation.

13. APPLICABLE LAW - PLACE OF JURISDICTION

All disagreements arising in connection with a contract for the provision of services pursuant to clause 2 of these GTC shall be settled by good faith negotiation between the contracting parties.

However, if an agreement cannot be reached or if one of the contracting parties declares that an agreement cannot be reached, the exclusive jurisdiction of the court with subject-matter jurisdiction in Wels is agreed for all disputes arising from a contract for the provision of services pursuant to clause 2 of these GTC or relating to its breach, dissolution or nullity.

The applicable law is the substantive law of the Republic of Austria, excluding the conflict of laws rules and the UN Convention on Contracts for the International Sale of Goods (UNCITRAL).