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23374

UNIDO PROJECT Number: MP / ROM / 05 / 005
CONTRACT No: 1600 1077

FINAL REPORT

Final Report refers to the activities related to Contract 1600/1077 – UNIDO Project Number MP/ROM/05/005 performed during June – December 2006.

A. Summary of activities:

1. Preparation of documents for technical – financial audit in June – July 2006.
2. Performing technical – financial audit in July 2006.
3. Analysis and clarification of audit results in July 2006.
4. Signing of Contract by both parties in August 2006.
5. Acceptance of first payment (40,000 USD).
6. Submittance of First Interim Report in August 2006.
7. Acceptance of second payment (40,000 USD).
8. Submittance of Second Interim Report - October 2006.
9. Submittance of Draft Final Report - November 2006.
10. Acceptance of third payment (180,000 \$) – December 2006.
11. Submittance of Draft Final Report revision – December 2006.
12. Submittance of Final Report – December 2006.

B. Description of main activities:

1. Organizational aspects:

It was performed the assignation of members of Contractor's Tehnical Team (7 persons).

2. Acquisition of CTC portable analyzer:

- 2.1. After launching the inquiries for CTC portable analyzer we received offers from:
- Servomex USA (Romanian representative)
 - Big Dipper Techno Chem Inst. – China
 - CCS Newsystem SRL - Romania (importer)
 - Wilke Enterprises – USA
 - Dreger – Germany (Romanian representative)

2.2. The offers were submitted to a technical – economical analysis and it was decided the acquisition from Dreger – Romania (Techno - Instrument).

2.3 The payment for the instrument and consummables was done (copy of invoice annexed to Second Interim Report).

3. Acquisition of incineration unit:

3.1. As a consequence of our technical inquiries we received technical and commercial offers in two time periods, namely :

► until September 2006 from:

- Technip – France
- SGL Carbon + Caloric Anlageban – Germany
- Vichem – France.

► During October 2006 from:

- Michaelis – Germany
- TSKE – Japan.

3.2. It was performed the feasibility study for existing offers at that moment (September) - (Technip, SGL, Vichem) by RODESIGN – Rm. Valcea – Romania.

The feasibility study was presented and approved (technical part) by Technical – Economical Council of Chimcomplex at the meeting held in 25.10.2006.

Copies of contract , feasibility study and invoice for payment towards Rodesign were annexed to First and Second Interim Reports respectively.

3.3. Investment Department from Chimcomplex Borzesti made a technical and economical evaluation of all relevant offers for incineration plant (including the new ones from Michaelis and TSKE). It was concluded that, concerning technical performances, the majority of the offers are quite equivalent.

3.4. During November 2006 all bidders were invited to Chimcomplex main office for final discussions.

3.5. After the presentation of last price offer from each bidder the decision has been made to sign the contract with Michaelis - Germany (best price offer at superior technical performances of the unit).

3.6. The Contract nr. 363 Dated 28.11.2006 was signed by both parties.

3.7. First payment confirming to article 5. of contract (125,000 euro) was done according to invoice nr. 1034-01. Copies of invoice are annexed as in Annex 3 in Draft Final Report.

4. Cumulative data regarding unintended CTC production, stocks, ratios.

Data refers to the year 2006

Month	January 2006	February 2006	March 2006	April 2006	May 2006	June 2006	July 2006	August 2006	September 2006	October 2006	November 2006	December 2006	Total 2006
Methylene Chloride prod(to)	260	232	244	47	170	230	248	250	11**	165	260	-***	2117
Chloroform prod(to)	70	85	100	22,5	72	85	82	80	-	40	72	-	708,5
CTC prod(to)	10	7	10	2	15	15	15	18	-	8	17	-	117
CTC Stock(to)	333	340	350	352	367	382	397	415	415	423	440	440	440
Ratio CH ₂ Cl ₂ /CTC	26	33,14	24,4	23,5	11,33	15,33	16,53	13,89	-	20,62	15,29	-	18,09
Ratio CHCl ₃ /CTC	7	12,14	10	11,25	4,8*	5,66*	5,46*	4,44*	-	5	4,23	-	6,05
Ratio (CH ₂ Cl ₂ + CHCl ₃)/CTC	33	45,28	34,4	34,75	16,13	21*	22*	18,33	-	25,62	19,52	-	24,14

Note: * the low ratios are due to poor quality of raw methane gas (high content of

C₂ – C₅ hydrocarbons). As a general rule, during the summer when the global consumption of gas from the national pipeline network is low, the system is preferentially fed with gas from the oil wells (of poor quality as methane content).
** plant stopped for annual revision.

*** plant stopped in December due to chloromethanes low prices on the market.

The unintended CTC production during the period January – October 2006 was stored in three railroad wagons namely:

- wagon 341 - 5 – content 44 tons CTC mixture;
 - wagon 917 - 2 – content 48 tons CTC mixture;
 - wagon 166 - 0 – content 25 tons CTC mixture;
- Analysis certificates for wagons 341-5 ; 917-2 ; 166-0 are annexed (Annex 1).

Actual situation and control of CTC stock:

- in October 2006 all ten (10) wagons containing CTC stock were placed in a single location for a better control.
- chief of the Methylene Chloride plant issued a written mandate stipulating that , in the first and second shifts of each day, a special designated person will inspect the wagons regarding mechanical integrity (potential leakage).

Inspection results are written in the shift reports by chiefs of shifts for operative measures.

5 .Planning and execution of the demolition of existing plant for production of chlorinated methanes.

5.1.Preliminary activities

- establishing an environmental clean - up team and its organizational structure (team leadership)
- establishing concrete tasks and timeframe for team activities and attribution (competence) of team leader.
- according to specific tasks and timeframe, the team leader will issue and submit for approval an Environmental Closure Plan.
- performing acquisition of specific materials, devices and equipments needed for execution of Environmental Closure Plan (non-routine activities).

5.2.Definitive Shut Down of production process

Definitive Shut Down of the plant is performed in a controlled manner according to existing operating instructions in order to insure optimal safety conditions for personnel and environment.Thus:

- chlorination and absorption units will be stopped according to operating instruction IL – 349 – 002 – ed. in Force: Shut Down for Revision.
- neutralization unit will be stopped according to operating instruction IL – 349 – 003 – ed. in Force: Shut Down for Revision.
- drying and condensing units will be stopped according to operating instruction IL – 349 – 004 – ed. in Force: Shut Down for Revision.
- rectification unit will be stopped according to operating instruction IL – 349 – ed. in Force: Shut Down for Revision.
- refrigeration unit will be stopped according to operating instruction II – 349 – ed. in Force: Shut Down for Revision.

5.3. Emptying of production line, products destination

- all existing final products (methylene chloride, chloroform) in intermediate storage tanks will be analyzed and, if conforming to quality specification, will be sent to the final storage to be dispatched to the clients.
- off specification products , inventories of equipments in the production line (separators, rectification columns, vessels) together with residual product containing CTC will be transferred to a railroad wagon and sent to the incineration unit.
- products inventories of process lines will be flushed with nitrogen and sent to the same railroad wagon for final incineration.
- cooling brine inventory (calcium chloride solution 10 – 15%) will be transferred to a railroad wagon for recovery and reuse.
- caustic soda lye (10%) inventory will be transferred to bulk containers to be used for waste water treatment in factory own facility.
- ammonia inventory of refrigeration system will be transferred to a railroad wagon to be reused inside factory.

5.4. Decontamination of plant equipments and disposal of materials

As a general rule, all equipments containing internals (packings, trays) will be decontaminated by steaming; condensates will be stored and decanted chlorinated organics will be separated and sent to incineration unit.

Ceramic packing rings containing carbon-black deposits, after steaming, cooling and checking of needed decontamination level (by portable analyzer) will be packed in plastic big-bags and disposed to waste solid dump area of the factory.

Heat insulation materials will be also packed in plastic big-bags and disposed to the same waste dump area.

Detailed procedures and operations related to the decontamination, control of decontamination and disposal of materials will be covered by Environmental Closure Plan.

5.5. Dismantling of equipments, final decontamination of plant area

Detailed planning and procedures for equipments dismantling, storage of dismantled equipments, pipes, fittings, materials, control of emissions during dismantling activities and final decontamination of plant area will be covered in details by Environmental Closure Plan.

Equipments and materials as resulted from dismantling activities will be capitalized as they are or by further dismantling as components according to the Procedure in Force for such activities (separately for carbon steel, stainless steel, graphite, cables, etc.).

6.Planning and execution the introduction of a new plant with a chemical process to generate low amounts of CTC

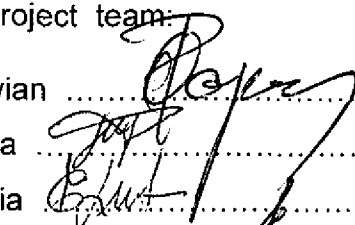
The contract for acquisition of new technology of plant for chloromethane was signed with Technip - France. Two copies of contract are annexed (Annex 2).

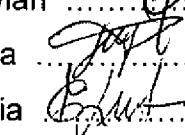
The execution of contract is actually in stand-by position, until the identification of most suitable financing solutions.

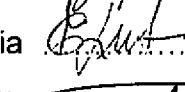
Development Plans of Chimcomplex states as estimated stages for new chloromethane plant the following:

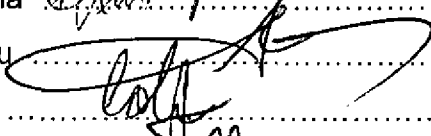
- studies, legal permits, basic design : 2007;
- detailed design : 2008;
- plant erection, installation works : 2008 / 2009;
- start – up : around 2009

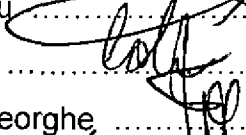
Project team:

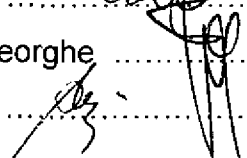
Eng. Popescu Octavian 

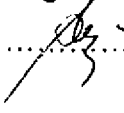
Eng. Manole Ștefania 

Eng. Levițchi Eugenia 

Eng. Coman Dumitru 

Ec. Munteanu Gina 

Eng. Făgărășan Gheorghe 

Eng. Olteanu Lucia 

SC CHIMCOMPLEX SA BORZESTI
BIROU CTC / LABORATOR *CRONIA TOGRAFIE*

RAPORT DE ÎNCERCĂRI nr. 12205 / data 6.12.2006

Obiectiv solicitant.....
Denumire produs *REZINĂ METILEN*.....
Nr. lot, vagon, cisternă, auto..... *3415*.....
Specificație de calitate

*without
connection
factor
for factor de corecție*

Denumirea încercării	UM	Valori realizate	Valori prevăzute	Metode de încercare
<i>CLORURA DE METILEN</i>	<i>γ</i>	<i>7.04</i>		
<i>1.1 DICLORETAN</i>	<i>γ</i>	<i>1.57</i>		
<i>1.2 DICLORETILENA</i>	<i>γ</i>	<i>1.23</i>		
<i>CLOROFORM</i>	<i>γ</i>	<i>19.0</i>		
<i>TETRACLORURA DE CARBON</i>	<i>γ</i>	<i>23.65</i>		
<i>TRICLORETILENA</i>	<i>γ</i>	<i>1.021</i>		
<i>1.2 TRICLORETAN</i>	<i>γ</i>	<i>5.77</i>		
<i>PERCLORETILENA</i>	<i>γ</i>	<i>2.22</i>		
<i>ZC</i>	<i>γ</i>	<i>38.51</i>		

Raportul de încercări se referă numai la proba supusă încercării. Reproducerea parțială a documentului este interzisă.

Controlor CTC
Data/ora predării/primirii RI în laborator

Laborant *Mihalcea* *06.12.2006*
Data / ora predării RI la BID

Inspecții CTC.....

Coordonator laboratoare..... *MT*

CTC - PCT-10-F1-ED1/RO

SC CHIMCOMPLEX SA BORZESTI
BIROU CTC / LABORATOR *CRONIA TOGRAFIE*

RAPORT DE ÎNCERCĂRI nr. 12205 / data 6.12.2006

Obiectiv solicitant.....
Denumire produs *REZINĂ METILEN*.....
Nr. lot, vagon, cisternă, auto..... *3415*.....
Specificație de calitate

*connection
factor
applied
cu factor de corecție*

Denumirea încercării	UM	Valori realizate	Valori prevăzute	Metode de încercare
<i>CLORURA DE METILEN</i>	<i>γ</i>	<i>3.31</i>		
<i>1.1 DICLORETAN</i>	<i>γ</i>	<i>0.44</i>		
<i>1.2 DICLORETILENA</i>	<i>γ</i>	<i>0.34</i>		
<i>CLOROFORM</i>	<i>γ</i>	<i>20.51</i>		
<i>TETRACLORURA DE CARBON</i>	<i>γ</i>	<i>30.16</i>		
<i>TRICLORETILENA</i>	<i>γ</i>	<i>1.14</i>		
<i>1.2 TRICLORETAN</i>	<i>γ</i>	<i>5.48</i>		
<i>PERCLORETILENA</i>	<i>γ</i>	<i>2.71</i>		
<i>ZC</i>	<i>γ</i>	<i>35.91</i>		

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Controlor CTC
Data/ora predării/primirii RI în laborator

Laborant *Mihalcea* *06.12.2006*
Data / ora predării RI la BID

Inspecții CTC.....

Coordonator laboratoare..... *MT*

CTC - PCT-10-F1-ED1/RO

RAPORT DE ÎNCERCĂRI nr. 12204 / data 6.xii 2006

Obiectiv solicitant..... NETILEN
Denumire produs..... REZILII NETILEN
Nr. lot, vagon, cisternă, auto..... 9172
Specificație de calitate.....

without
correction
factor
fata factor de corectie

Denumirea încercării	UM	Valori realizate	Valori prevăzute	Metode de încercare
Clorură de metilun	γ	0,62		
1,1 Diclretan	γ	1,13		
1,2 biclorretenă	γ	0,83		
Clorofom	γ	16,54		
Tetraclorură de carbon	γ	17,79		
Tricloretilena	γ	2,06		
1,1,2 Tricloretan	γ	7,14		
Percloretilena	γ	2,81		
Σ Cx	γ	51,07		

Raportul de încercări se referă numai la proba supusă încercării. Reproducerea parțială a documentului este interzisă.

Controlor CTC
Data/ora predării/primirii RI în laborator
Inspecții CTC.....

Laborant..... Filipa C
Data / ora predării RI la BID..... 6.xii 2006
Coordonator laboratoare.....
CTC - PCT-10-F1-ED1/RO

RAPORT DE ÎNCERCĂRI nr. 12204 / data 6.xii 2006

Obiectiv solicitant..... NETILEN
Denumire produs..... REZILII NETILEN
Nr. lot, vagon, cisternă, auto..... 9172
Specificație de calitate.....

correction
factor
applied
cu factor de corectie

Denumirea încercării	UM	Valori realizate	Valori prevăzute	Metode de încercare
Clorură de metilun	γ	0,28		
1,1 biclorretan	γ	0,31		
1,2 biclorretenă	γ	0,23		
Clorofom	γ	14,56		
Tetraclorură de carbon	γ	29,51		
Tricloretilena	γ	1,9		
1,1,2 Tricloretan	γ	6,67		
Percloretilena	γ	3,38		
Σ Cx	γ	48,15		

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Controlor CTC
Data/ora predării/primirii RI în laborator
Inspecții CTC.....

Laborant..... Filipa C
Data / ora predării RI la BID..... 6.xii 2006
Coordonator laboratoare.....
CTC - PCT-10-F1-ED1/RO

SOLVENTI

RAPORT DE ÎNCERCĂRI nr. 12203 / data 05.XI.06

Obiectiv solicitant
Denumire produs *Rețedü Metilfen*
Nr. lot, vagon, cisternă, auto *1660*
Specificație de calitate *fără factori*

without correction factors

Denumirea încercării	U/M	Valori realizate	Valori prevăzute	Metode de încercare
<i>Aspect</i>		<i>16710</i>		
<i>Aciditate la 20°C</i>		<i>1497</i>		
<i>Apă</i>	<i>1/1</i>	<i>0,024</i>		
<i>pH-ul metilen</i>	<i>4/1</i>	<i>4,0</i>		
<i>1,1 DCE</i>	<i>1/1</i>	<i>0,53</i>		
<i>1,2 DCE</i>	<i>1/1</i>	<i>3,0</i>		
<i>Cloroform</i>	<i>1/1</i>	<i>0,97</i>		
<i>tetraclorură de carbon</i>	<i>1/1</i>	<i>23,46</i>		
<i>tricloroetilena</i>	<i>1/1</i>	<i>16,88</i>		
<i>1,1,2 TCE</i>	<i>1/1</i>	<i>1,12</i>		
<i>PCE</i>	<i>1/1</i>	<i>5,2</i>		
<i>Σ x</i>	<i>1/1</i>	<i>2,16</i>		
		<i>35,625</i>		

Raportul de încercări se referă numai la proba supusă încercării. Reproducerea parțială a documentului este interzisă.

Controlor C.T.C. *[Signature]* Laborant *[Signature]*
Data/ora predării/primirii RI în laborator *05.XI.06/13* Data/ora predării RI la BID *6.XI.06/11*
Inspecții C.T.C. *[Signature]* Coordonator laboratoare *[Signature]*

CTC-PCT-10-FI-ED1/RO

5

SOLVENTI

RAPORT DE ÎNCERCĂRI nr. 12203 / data 5.XI.06

Obiectiv solicitant
Denumire produs *Rețedü metilen*
Nr. lot, vagon, cisternă, auto *1660*
Specificație de calitate *cu factori*

correction factors applied

Niagu

Denumirea încercării	U/M	Valori realizate	Valori prevăzute	Metode de încercare
<i>Aspect</i>		<i>16710</i>		
<i>Aciditate la 20°C</i>		<i>1497</i>		
<i>Apă</i>	<i>1/1</i>	<i>0,024</i>		
<i>pH-ul metilen</i>	<i>4/1</i>	<i>4,0</i>		
<i>1,1 DCE</i>	<i>1/1</i>	<i>0,77</i>		
<i>1,2 DCE</i>	<i>1/1</i>	<i>0,90</i>		
<i>Cloroform</i>	<i>1/1</i>	<i>0,99</i>		
<i>tetraclorură de carbon</i>	<i>1/1</i>	<i>23,12</i>		
<i>tricloroetilena</i>	<i>1/1</i>	<i>1,12</i>		
<i>1,1,2 TCE</i>	<i>1/1</i>	<i>5,25</i>		
<i>PCE</i>	<i>1/1</i>	<i>2,81</i>		
<i>Σ x</i>	<i>1/1</i>	<i>27,24</i>		

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Controlor C.T.C. *Niagu* Laborant *[Signature]*
Data/ora predării/primirii RI în laborator *5.XI.06/13* Data/ora predării RI la BID *6.XI.06/11*
Inspecții C.T.C. *[Signature]* Coordonator laboratoare *[Signature]*

CTC-PCT-10-FI-ED1/RO

**CHIMCOMPLEX ROMANIA
CMS PROJECT 12 KT/Y, 065462 E**

CONTRACT No 310

This CONTRACT is made on the 23th day of March 2005

Between,

CHIMCOMPLEX, a corporation organised and existing under the laws of Romania, whose registered office is located at 3, Cauciucului Street 5450 Onesti, Romania, and represented by Mr. Virgiliu Bancila, acting as General Manager; (the "BUYER");

and

TECHNIP FRANCE, the duly entitled successor in the interests of KREBS-SPEICHIM, a corporation organised and existing under the laws of France, whose registered office is located at 6-8 Allée de l'Arche, Faubourg de l'Arche - ZAC Danton, 92400 Courbevoie, France and represented by Mr. Daniel ARSAC, acting as Manager - Chemicals branch (the "SELLER");

PREAMBLE

WHEREAS, the BUYER wishes to have the construction of a 12,000 tonnes per year Chloromethanes (ISBL) PLANT in Borzesti, Romania.

WHEREAS, BUYER and KREBS-SPEICHIM previously entered into a contract on 6 February 1998 for the WORK and such contract has not entered into force.

WHEREAS, the SELLER, has expressed the desire to supply the know-how, basic engineering, imported equipment and technical assistance services as hereinafter described in this CONTRACT.

WHEREAS, the PARTIES have decided to substitute this present CONTRACT for the original contract dated 6 February 1998.

NOW THEREFORE, in consideration of the mutual benefits to be derived and the representations and warranties, conditions and promises herein contained, and intending to be legally bound hereby, BUYER and SELLER hereby agree as follows:

065462E -Nov 16 2004



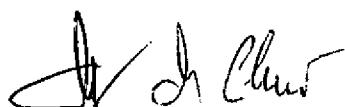
CHIMCOMPLEX ROMANIA
CMS PROJECT 12 KT/Y, 065462 E

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Annex 1: Form of Bank Guarantee for Good Performance

Annex 2: Form of Documentary Credit



**CHIMCOMPLEX ROMANIA
CMS PROJECT 12 KT/Y, 065462 E**

Definitions

When used in this CONTRACT, the following terms shall have the meanings ascribed to them below unless the context otherwise requires:

ACCEPTANCE: means the acceptance by BUYER of PLANT, following the successful ACCEPTANCE TEST

ACCEPTANCE DATE: means the date defined in Article 13 (Commissioning and Acceptance);

ACCEPTANCE CERTIFICATE: means the certificate to be issued by the BUYER in accordance with Article 13 (Commissioning and Acceptance);

BUYER: means CHIMCOMPLEX;

COMMISSIONING: means the services to be performed by the BUYER under the technical assistance of the SELLER in accordance with Article 13 (Commissioning and Acceptance) in order to ascertain whether the PLANT can attain the PERFORMANCE GUARANTEES specified in Article 16 (Performance Guarantees);

CONTRACT: means the various documents constituting the CONTRACT, as amended from time to time, which are mutually complementary provided however in the event of a contradiction the following order of precedence shall apply:

- (i) the present agreement entered into between the BUYER and the SELLER,
- (ii) TECHNICAL APPENDIX,
- (iii) APPENDIX 1: Form of Bank Guarantee for Good Performance of the CONTRACT
- (iv) APPENDIX 2 : Form of Documentary Credit

CONTRACT PRICE: means the sum specified in Article 6 (Lump sum Contract Price);

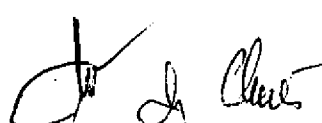
DELIVERY CONDITIONS: means the delivery of the SET OF EQUIPMENT – unloaded - CIP Borzesti (for land transport), according to INCOTERMS 2000. The out of gauge equipment, itemised in Chapter 4 of Technical Appendices shall be delivered CIF Constanta (unloaded);

EFFECTIVE DATE: means the date when this CONTRACT enters into full force and effect according to Article 36 (Effective Date);

ENGINEERING ACTIVITIES: means the engineering studies as described in CHAPTER 6 of the TECHNICAL APPENDIX;

FINAL ACCEPTANCE: means the end of the MECHANICAL GUARANTEE PERIOD and the release of SELLER from its obligations resulting from the CONTRACT;

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GUARANTEE TEST: means the test to be conducted by the SELLER during COMMISSIONING of the PLANT in accordance with Article 13 (Commissioning and Acceptance);

LICENCE/KNOW-HOW: means the ARAGONESAS CMS Process;

LAST DELIVERY OF SET OF EQUIPMENT: means that the SELLER has delivered 90 % of the value of the SET OF EQUIPMENT (with the condition that all MAIN ITEMISED EQUIPMENT listed in TECHNICAL APPENDIX, CHAPTER 2, ATTACHEMENT 2.1. are delivered);

MECHANICAL COMPLETION: means the status of the PLANT or any part thereof has been completed mechanically and structurally by the BUYER and put in a tight and clean condition, excluding such minor items as finishing the insulation and painting, and other items not materially affecting the operation or safety of the PLANT, all in accordance with Article 11 (Mechanical Completion);

MECHANICAL COMPLETION DATE: means the date when the PLANT is in a state of MECHANICAL COMPLETION

MECHANICAL GUARANTEE PERIOD: means the period defined in Article 15 (Mechanical Guarantee Period);

PARTY: means either the BUYER or the SELLER and are collectively referred to as PARTIES;

PERFORMANCE GUARANTEES: means the performance guarantees to be attained during the GUARANTEE TEST in accordance with Article 16 (Performance Guarantees);

PLANT: means the Chloromethanes plant with incinerator to be built on SITE by the BUYER and incorporating the WORK; such Plant shall be put in operation by the BUYER according to the operating manual provided by the SELLER and with the technical assistance of the SELLER;

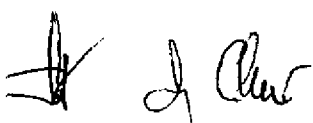
PRE-COMMISSIONING: means the services to be performed by the BUYER in accordance with Article 12 (Pre-commissioning) in order to make the PLANT ready for COMMISSIONING;

REIMBURSABLE EXPENSES means the expenses exposed by the SELLER for TECHNICAL ASSISTANCE;

ROMANIA - FRANCE DOUBLE TAX TREATY means the treaty concluded between the Governments of Romania and the French Republic for avoiding the double taxation, signed in Bucharest on the 27.th September 1974 and ratified by Romania by Law no. 240 of 23.rd December 1974 and by the French Republic by Law no. 75 - 584 of July 5 , 1975 .

SELLER: means TECHNIP FRANCE, the duly entitled successor in the interests of KREBS-SPEICHIM;

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SET OF EQUIPMENT: means the equipment to be supplied by the SELLER in accordance with Article 2 (Scope of SELLER's Work);

SITE: means Borzesti, Romania where the PLANT is to be built.

TECHNICAL ASSISTANCE: means the technical assistance during erection works and COMMISSIONING to be supplied by the SELLER in accordance with Article 2 (Scope of SELLER's WORK);

TIME FOR COMPLETION: means the time within which the WORK shall be performed by the SELLER in accordance with Article 3 (Time for Completion) or within such extended time to which the SELLER shall be entitled under Article 23 (Extension of Time for Completion);

WORK: means the works and services to be performed by the SELLER in accordance with Article 2 (Scope of WORK).



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Article 1: Subject Matter of CONTRACT

The purpose and subject-matter of this CONTRACT is the acquisition of the SELLER's WORK by BUYER, under the terms laid down hereunder, for the construction by BUYER of a 12,000 t/year Chloromethanes Plant with a yearly production of 6,000 tons of Methylene Chloride and 6,000 tons of Chloroform, including an incineration unit, with technical characteristics as specified in Chapters 1 and 2 and designed to achieve the PERFORMANCE GUARANTEED by CONTRACTOR in Chapter 8 of Technical Appendix and subject to the terms and conditions of the CONTRACT, in particular Article 16.

Article 2: Seller's Scope of WORK

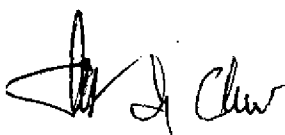
The SELLER's obligations cover the supply of:

- (i) LICENSE/KNOW-HOW as specified in CHAPTER 6 of the TECHNICAL APPENDIX,
- (ii) ENGINEERING ACTIVITIES as specified in CHAPTER 6 of the TECHNICAL APPENDIX,
- (iii) SET OF EQUIPMENT as specified in CHAPTER 4 of the TECHNICAL APPENDIX, to be delivered according to the DELIVERY CONDITIONS,
- (iv) TECHNICAL ASSISTANCE as specified in CHAPTER 9 of the TECHNICAL APPENDIX: technical supervision of the commissioning and start-up of the PLANT and of the GUARANTEE TEST in order to achieve ACCEPTANCE of the PLANT,
- (v) Training of the operating personnel of the BUYER according to CHAPTER 10 of the TECHNICAL APPENDIX.
- (vi) To demonstrate the PERFORMANCE GUARANTEES of PLANT, under the conditions specified in Article 16 of the CONTRACT and CHAPTER 8 of the Technical Appendix.
- (vii) The SELLER undertakes for a period of 10 years from the EFFECTIVE DATE, to supply the BUYER on the BUYER'S request, based on separate orders, the spare parts necessary for the SET OF EQUIPMENT supplied by the SELLER, at the usual prices and within acceptable delivery terms.

except for those supplies, works and services which will be provided by the BUYER as set forth in Article 5 (BUYER's responsibilities) and as more described in CHAPTER 5 of the TECHNICAL APPENDIX.

As the purpose and subject matter of this CONTRACT is the acquisition by the BUYER of the WORK for the construction by the BUYER of the PLANT as defined in Article 1 of this

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CONTRACT, the integral execution of all undertakings of the SELLER provided in this Article 2 is essential. The execution of only some of them or a partial or incomplete execution of them does not meet the requirements of the BUYER, and therefore it cannot be considered that the BUYER has received and the SELLER has delivered the subject matter of this CONTRACT until the moment when the SELLER has integrally fulfilled his obligations, unless otherwise agreed.

Article 3: Time for Completion

The SELLER shall proceed with the WORK in accordance with the time schedule specified in CHAPTER 7 of the TECHNICAL APPENDIX (Expected Time Schedule).

Article 4: Co-operation

The SELLER and the BUYER undertake to co-operate with due care and diligence for the purpose of execution and completion of the WORK, in accordance with this CONTRACT.

Article 5: Buyer's Responsibilities

- 5.1. The BUYER shall ensure the correctness and exactitude of all information and/or data to be supplied to the SELLER as per CHAPTER 3 (Basis of Design) of the TECHNICAL APPENDIX and shall perform the works and services as summarised but not limited to CHAPTER 5 of the TECHNICAL APPENDIX.
- 5.2. The BUYER shall be responsible for providing use of and access to the SITE, and providing use of and access to other areas reasonably required for the proper execution of the WORK.
- 5.3. The BUYER shall acquire all permits, approvals and/or licences from all local, regional or state government authorities or public service undertakings in the country where the SITE is located which are necessary for the execution of the WORK.

If requested by the SELLER, the BUYER shall use its best endeavours to assist the SELLER in obtaining in a timely and expeditious manner all necessary permits, approvals, and/or licences from all local, regional or state government authorities or public service undertakings in the country where the SITE is located, as required by such authorities or undertakings for the personnel of the SELLER or its sub-contractors.

- 5.4. The BUYER shall provide sufficient, properly qualified operating and maintenance personnel and supply and make available all necessary utilities as specified in CHAPTER 3 of the TECHNICAL APPENDIX, facilities, services, materials, raw materials and products and other matter and perform all work and services including those, reasonably required by the SELLER, to properly carry out the COMMISSIONING of the PLANT.



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- 5.5. The BUYER shall perform or cause to be performed all the works and services indicated as such in the split lists of CHAPTER 5 and 6 of the TECHNICAL APPENDIX.
- 5.6. All costs and expenses involved in the performance of the obligations under this Article 5 (BUYER'S Responsibilities) shall be the responsibility of and borne by the BUYER.
- 5.7. The BUYER shall be responsible for the erection and construction of the PLANT in accordance with the SELLER's technical documents.

Article 6: Lump Sum CONTRACT PRICE

In consideration of the performance by the SELLER of its obligations hereunder, the BUYER shall pay to the SELLER the following CONTRACT PRICE subject to the provisions of Articles 6.1 and 6.2:

8 451 245 EUROS
(Eight million four hundred fifty one thousand two hundred forty five Euros)

This CONTRACT PRICE is a firm lump sum not subject to any alteration (except the one described in Article 6.3), for proper performance of the obligations under Article 2 (Scope of SELLER's WORK) in accordance with the time schedule specified in Article 3 (Time for Completion), except in the event of a CHANGE in the WORK or as otherwise provided in the CONTRACT, provided that this CONTRACT enters into force in accordance with Article 36 (EFFECTIVE DATE).

The breakdown of the CONTRACT PRICE is as follows:

6.1. Chloromethanes plant

TOTAL PRICE:

7 744 990 EUROS
(Seven million seven hundred forty four thousand nine hundred ninety EUROS

including :

a.1) LICENSE/ KNOW-HOW

PRICE :

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400 000 euros

(Four hundred thousand EUROS)

a.2) BASIC ENGINEERING, MEETINGS AND TRAINING

PRICE:

894 169 EUROS

(Eight hundred ninety four thousand one hundred sixty nine EUROS)

Documentation shall be delivered either by air-freight (free airport Otopeni-Bucharest,) or by an international express mail service (DHL, TNT or similar) to BORZESTI and will be addressed to CHIMCOMPLEX SA.

b) SET OF EQUIPMENT AND TECHNICAL ASSISTANCE

PRICE

6 450 821 EUROS

(Six million four hundred fifty thousand eight hundred twenty one EUROS)

including:

b.1.) Equipment

6 261 071 EUROS

(Six million two hundred thousand sixty one and seventy one EUROS)

b.2.) Technical Assistance : a lump sum of

189 750 EUROS

(One hundred eighty nine thousand seven hundred fifty EUROS)

based on a provision for TECHNICAL ASSISTANCE of up to 220 man x calendar day.

IF TECHNICAL ASSISTANCE is needed after this amount of 220 man x calendar day, each over man x calendar day will be charged by TECHNIP to CHIMCOMPLEX with a fee of 1,150 Euro excluding living and travel expenses.

6.2 *Chim*

~~6.1~~ Incineration package

TOTAL PRICE:

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706 255 EUROS

(Seven hundred six thousand two hundred fifty five EUROS)

including :

a) **BASIC ENGINEERING**

PRICE:

131 291 EUROS

(One hundred thirty one thousand two hundred ninety one EUROS)

Documentation shall be delivered by air-freight (free airport Otopeni – Bucharest) or by an international express mail service (DHL, TNT, or similar) to BORZESTI and will be addressed to CHIMCOMPLEX SA..

b) **SET OF EQUIPMENT AND TECHNICAL ASSISTANCE**

including:

b1.) **Equipment:**

505 964 euros

(Five hundred five thousand nine hundred sixty four EUROS)

b2.) **Technical Assistance:**

69 000 EUROS

(Sixty nine thousand EUROS)

based on a provision for TECHNICAL ASSISTANCE of 60 man x calendar day with a fee of 1,150 Euro per calendar day excluding living and travel expenses.

6.3. **Prices conditions**

PRICES according to Articles 6.1 b.1), and 6.2 b.1) above are exclusive of any Romanian tax, withholding tax, duties, levies and charges assessed on the SELLER, its subcontractors and their employees by all local, regional or state governmental authorities in Romania, in connection with or arising out or in any way related to the performance of this CONTRACT.

PRICES according to Articles 6.1.a.1 and a.2), 6.2.a are subject to the Romanian withholding tax in accordance with the provisions of the Double Tax Treaty concluded between Romania and the

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C. R. I. U. T.

[Handwritten signature]
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French Republic regarding Royalties (Article 12) at the level of 10%. All withheld amounts shall be confirmed by official documents.

The SELLER shall hand over to the BUYER the specifications of all equipment with the characteristics of the equipment and their positions according to Harmonised System (HS) Code.

The equipment shall be delivered according to the DELIVERY CONDITIONS.

The calendar man day fee of 1,150 Euros does not include the travels, living and lodging, which shall be covered by client directly (return air ticket, free hotel accommodation and a daily allowance in lei at the level of 36 €/calendar day). The specialists coming from Spain shall receive "business class" air tickets (max. five tickets).

The overall dimensions per package suitably packed shall not exceed one of the following criteria:

- length 10,000 mm
- width 2,900 mm
- height 2,840 mm
- weight 22 ton

In case of larger dimensions, the SELLER will notify the BUYER in order that the BUYER may nominate the carrier to be used by SELLER. The transportation costs are to be paid by the SELLER according to the conditions negotiated by the BUYER.

The equipment price under item 6.1.b.1 includes a MATERIAL PORTION of Euro 1,000,000 (Euros one million) which is subject to a revision according to the following formula :

$$Pa = Po \{ (0.7 \times Nia / Nio) + (0.1 \times Cua / Cuo) + (0.2 \times Fea / Feo) \}$$

Po = Euros 1 000 000

Ta = date at eleven (11) months after Effective Date

Nia = price of Nickel at Ta € ***

Nio = price of Nickel as of Effective Date

Cua = price of Cu at Ta € ***

Cuo = price of Cu as of Effective Date

Fea = price of Fe at Ta € ***

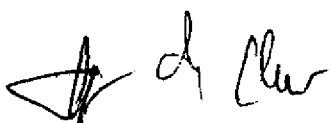
Feo = price after as of Effective Date

Article 7: Terms of payments

The BUYER shall pay the CONTRACT PRICE to the SELLER at the times, in the manner and in accordance with the following provisions.

Payments shall be effective only when they are received on the SELLER's account with its bank in France.

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7.1. Down Payment

Fifteen percent (15%) of the CONTRACT PRICE shall be paid through telegraphic transfer to the bank account designated by the SELLER as a condition of entry into force of the CONTRACT upon submission to the BUYER of the following documents:

- Commercial invoice signed by the SELLER in one original and three copies. This invoice shall bear the mention "down payment"; and
- Letter of Bank Guarantee for Good Performance of the CONTRACT, issued by a first class French bank designated by the SELLER in favour of the BUYER covering the 15 % (fifteen percent) of CONTRACT PRICE, in the form of APPENDIX 1 (Form of Bank Guarantee for Good Performance of the CONTRACT). This Guarantee shall become valid on the date on which the SELLER's account shall be credited with the amount of the down payment and shall be kept valid for a period exceeding by 30 days the date of expiration of the mechanical guarantee as provided in the CONTRACT. The value of this Letter of Bank Guarantee shall be reduced on a prorata basis in accordance with the delivery of licence/know-how, basic engineering and equipment according to the DELIVERY CONDITIONS to a limit of 10% (ten percent) of CONTRACT value upon completion of delivery of the SET OF EQUIPMENT in accordance with the CONTRACT, and, then, further reduced to 5% (five percent) upon ACCEPTANCE of PLANT.

The Bank Guarantee shall expire at the first of the following events to occur:

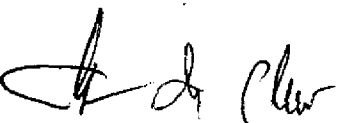
- (i) expiry of the mechanical guarantee, or
 - (ii) 34 months from EFFECTIVE DATE,
- SELLER's Certificate of Fiscal Residence, issued by an authorised body in France, confirming that SELLER is a fiscal resident of France and that the provisions of the Romania-France Tax Treaty applies to him.

7.2. Balance of the CONTRACT PRICE

Eighty per cent (85%) of the Contract Price shall be paid by the BUYER to the SELLER through an irrevocable documentary credit in the form of Appendix II to be issued by Banca Comerciala Romana, payable at sight, and to be advised by, negotiated with and confirmed by a bank to be designated by the SELLER.

All banking charges in connection with the issuance, notification, negotiation, modification and

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confirmation of the documentary credit shall be for the account of the BUYER.

This eighty five percent of the CONTRACT PRICE shall be paid as follows:

7.2.1. For LICENCE/KNOW-HOW:

85 % (Eighty five percent) of the CONTRACT PRICE for the LICENCE/KNOW-HOW as per Article 6.1a.1) shall be paid as follows:

(A) Fifty percent (50%) of the CONTRACT PRICE for the LICENCE/KNOW-HOW, upon delivery by SELLER of the BASIC DESIGN package (BD), five (5) calendar months after EFFECTIVE DATE), against presentation to the bank of

- the commercial invoice signed by the SELLER in one original and three copies. and
- the copy of the transport document confirming the delivery : one copy of the letter of acknowledgement of receipt of such documentation by the BUYER (if handcarried), or one copy of the voucher of the International Messenger Company (if delivered by such company : DHL or similar) or : one copy of the airway bill (if delivered by airmail)

This payment shall be effected at the same time with the corresponding payment for BASIC ENGINEERING ACTIVITIES and TRAINING:

(B) Twenty per cent (20%) of the CONTRACT PRICE for the LICENCE/KNOW-HOW on completion of delivery of the SET OF EQUIPMENT (fiveteen (15) months after EFFECTIVE DATE), against presentation to the bank of

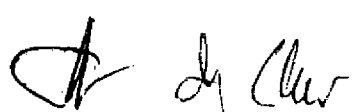
- the commercial invoice signed by the SELLER in one original and three copies. and
- a statement signed by SELLER confirming that the delivery of the SET OF EQUIPMENT as per the CONTRACT is complete and that the value of the Letter of Bank Guarantee for Good Performance of the CONTRACT may be reduced to 10% of total Contract value and.

(C) Fifteen per cent (15%) of the CONTACT PRICE for the LICENCE/KNOW-HOW shall be paid on plant acceptance, upon submission to the bank of the following documents:

- the commercial invoice signed by the SELLER in one original and three copies. and
- photocopy of the acceptance protocol.

7.2.2 For the BASIC ENGINEERING ACTIVITIES and TRAINING:

85 % (Eighty five percent) of the CONTRACT PRICE for the BASIC ENGINEERING ACTIVITIES and TRAINING as per Article 6.1a.2) and 6.2.a) shall be paid as follows:



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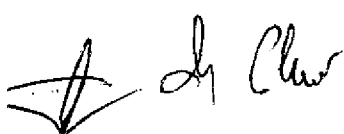
- (A) Thirty percent (30%) of the CONTRACT PRICE for the BASIC ENGINEERING ACTIVITIES and TRAINING: upon delivery by SELLER of the Process Flow Diagram (PFD) and Material Balances (MB), two (2) calendar months after the EFFECTIVE DATE, against presentation to the bank of
- the commercial invoice signed by the SELLER in one original and three copies. and
 - the copy of the transport document confirming the delivery : one copy of the letter of acknowledgement of receipt of such documentation by the BUYER (if handcarried), or one copy of the voucher of the International Messenger Company (if delivered by such company : DHL or similar) or : one copy of the airway bill (if delivered by airmail)
- (B) Forty percent (40%) of the CONTRACT PRICE for the BASIC ENGINEERING ACTIVITIES and TRAINING: upon delivery by SELLER of the BASIC DESIGN package (BD), five (5) calendar months after EFFECTIVE DATE, against presentation to the bank of
- the commercial invoice signed by the SELLER in one original and three copies. and
 - the copy of the transport document confirming the delivery : one copy of the letter of acknowledgement of receipt of such documentation by the BUYER (if handcarried), or one copy of the voucher of the International Messenger Company (if delivered by such company : DHL or similar) or : one copy of the airway bill (if delivered by airmail)
- (C) Fifteen percent (15%) of the CONTRACT PRICE for the BASIC ENGINEERING ACTIVITIES and TRAINING: upon completion of delivery by SELLER of Basic Operating Manuals and Basic Analytical Manuals, ten (10) calendar months after EFFECTIVE DATE, against presentation to the bank of
- the commercial invoice signed by the SELLER in one original and three copies. and
 - the copy of the transport document confirming the delivery : one copy of the letter of acknowledgement of receipt of such documentation by the BUYER (if handcarried), or one copy of the voucher of the International Messenger Company (if delivered by such company : DHL or similar) or : one copy of the airway bill (if delivered by airmail)

7.2.3 For the SET OF EQUIPMENT

85 % (Eighty five per cent) of the CONTRACT PRICE for the SET OF EQUIPMENT as per Article 6.1.b1) and 6.2.b1) shall be paid as follows:

- (A) Fifteen per cent (15%) of the CONTRACT PRICE for the SET OF EQUIPMENT six (6) months after the EFFECTIVE DATE upon submission to the bank of

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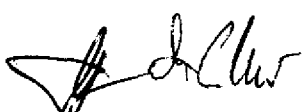
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- the commercial invoice signed by the SELLER in one original and three copies,
 - the copies of equipment procurement orders placed with sub-suppliers for HP Package
- (B) Fifteen per cent (15%) of the CONTRACT PRICE for the SET OF EQUIPMENT ten (10) months after the EFFECTIVE DATE upon submission to the bank of
- the commercial invoice signed by the SELLER in one original and three copies,
 - the copies of equipment procurement orders placed with sub-suppliers for Heat exchangers
- (C) Fifty-five percent (55%) of the CONTRACT PRICE for the SET OF EQUIPMENT shall be paid prorate to the invoiced value of SET OF EQUIPMENT according to the DELIVERY CONDITIONS upon submission to the bank of the following documents:
- one original + 3 copy of the commercial invoice signed by the SELLER, issued for 100% of equipment value and mentioning that 45% of the invoiced price has been already paid and 55% of the invoiced price shall be paid against this invoice, indicating the delivery condition and the HS code.
 - 2/3 originals of the Bill of Lading and/or copies of the Airway Bill and/or the CMR Consignment Note and/or the CIM Consignment Note and/or of the Fiata Ware house receipt and/or the Forwarder's certificate of receipt (only with BUYER's specific prior written consent to deliver goods to storage)
 - one copy of the packing list,
 - one copy of the Certificate of origin issued by the SELLER or SELLER's SUPPLIER as the case may be.
 - one copy of the Certificate of insurance. for 110% of goods value
 - copies of certificates of quality and conformity issued by the SELLER or SELLER's SUPPLIER as the case may be.

At same time with the delivery, SELLER shall send to BUYER, via express mail, one set of documents necessary for the customs clearance (two original invoices, two copies of packing lists, photocopy of the EUR1 certificate - the original thereof shall accompany the goods - and the original of certificates of quality and conformity, as well as any special documents required by the local customs law).

The program of deliveries of the SET OF EQUIPMENT shall be made in accordance with the contractual planning of erection mutually agreed upon at the kick-off meeting.

7.2.4 TECHNICAL ASSISTANCE shall be paid as per Article 6.1b2) and 6.2b2) on a monthly basis upon submission to the bank of the following documents:



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- Commercial invoice signed by SELLER covering the cost of the TECHNICAL ASSISTANCE in accordance with the conditions set forth in CHAPTER 9 of the TECHNICAL APPENDIX. and
- One photostat copy of a Monthly Work Attachment signed by BUYER and SELLER.

Daily allowances shall be paid directly to the SELLER's specialists, in local currency.

7.2.5 WITHHOLDING TAX

Should the BUYER prove unable to provide SELLER with the official documents issued by the Romanian tax authorities confirming the deduction of income tax according to Articles 6.1.a.1, 6.1.a.2 and 6.2.a, in accordance with the provisions of the ROMANIA-FRANCE DOUBLE TAX TREATY, made either directly by BUYER or by the negotiating bank of the BUYER, within the fiscal year when such deduction are made, or at latest within the end of January of the year following the payment, then BUYER shall compensate the SELLER the amounts so deducted.

- 7.3. In case of an increase of the Contract Price as a result of the revision formula set forth in Article 6.3. or a result of a Change Order according to Article 22, the BUYER shall forthwith increase the amount of the Documentary Credit accordingly.

Article 8: Taxes and Duties

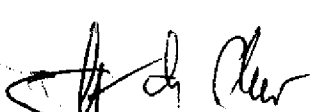
With the exception of the withholding tax ruled by the Romanian - France Tax Treaty as described in Article 6.3 above, all other taxes, duties, levies and charges assessed on the SELLER, its sub-contractors or their employees by all local, regional or state government authorities in Romania in connection with or arising out or in any way related to the performance of this CONTRACT shall be borne and paid by the BUYER in addition to CONTRACT PRICE.

The BUYER shall bear and pay, in particular, all customs and import duties imposed by the laws of Romanian on the SET OF EQUIPMENT.

All taxes, duties, levies and charges assessed on the SELLER, its sub-contractors or their employees by all local, regional or state government authorities outside Romania in connection with or arising out or in any way related to the performance of this CONTRACT shall be borne and paid by the SELLER.

Article 9: Rights to use Technical Information belonging to the SELLER

For the operation and maintenance of the PLANT and subject to the conditions therein contained (CHAPTER 6.2), the SELLER hereby grants non-exclusive and non-transferable rights (without the right to sub-licence) to the BUYER under the patents, know-how, utility models, or other industrial property rights either owned by the SELLER or owned by ARAGONESAS, from whom the SELLER



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has received the right to grant licences, to use the technical information disclosed to the BUYER under this CONTRACT.

The grant by the SELLER to the BUYER of such rights under the above paragraph is for the sole purpose of the operation and maintenance by the BUYER of the PLANT at its specified design capacity only.

Nothing herein contained shall be construed as transferring ownership of any patent, utility model, trademark, design, copyright, know-how or other intellectual property right from the SELLER or any third party to the BUYER.

The copyright in all drawings, documents and other materials containing data and information furnished to the BUYER by the SELLER hereunder shall remain vested in the SELLER or, if they are furnished to the BUYER directly or through the SELLER by any third party including sub-contractors, the copyright in such materials shall remain vested in such third party.

The SELLER grants the right to the BUYER to operate the PLANT and to produce and sell the products resulting from operation of the PLANT.

Article 10: Confidential information

The BUYER and the SELLER shall keep confidential and shall not without the written consent of the other PARTY hereto, divulge to any third party any documents, data or other information furnished directly or indirectly by the other PARTY hereto in connection with this CONTRACT, whether such information has been furnished prior to, during or following termination of this CONTRACT. Notwithstanding the above, the SELLER may furnish to its sub-contractors such documents, data and other information it receives from the BUYER to the extent required for the sub-contractors to perform their works under this CONTRACT.

The BUYER shall not use such documents, data and other information received from the SELLER for any purpose other than the operation and maintenance of the PLANT at its specified design capacity. Similarly, the SELLER shall not use such documents, data and other information received from the BUYER for any purpose other than the design, the procurement of SET OF EQUIPMENT or such other works and services as are required for the performance of this CONTRACT.

The obligations of a PARTY under this Article 10 (Confidential Information), however, shall not apply to that information which:

- (a) now or hereafter enters the public domain through no fault of that PARTY; or
- (b) can be proved to have been in the possession of that PARTY at the time of disclosure and which was not previously obtained, directly or indirectly, from the other PARTY; or

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- (c) otherwise lawfully becomes available to that PARTY from a third party under no obligation of confidentiality.

The above provision of this Article 10 (Confidential Information) shall not in any way modify any undertaking of confidentiality given by either of the PARTIES hereto prior to the date of the signature of this CONTRACT.

The provisions of this Article 10 (Confidential Information) shall survive termination for whatever reason of this CONTRACT during fifteen (15) years from its date of signature.

The PARTIES undertake to inform each other, free of charge within 15 years from the EFFECTIVE DATE of all technical innovation, improvements and technical complementary information regarding the processing, the operation and exploitation of the PLANT.

Article 11: Mechanical Completion

As soon as the PLANT or any part thereof has been completed mechanically and structurally by the BUYER and put in a tight and clean condition, excluding such minor items as finishing the insulation and painting, and other items not materially affecting the operation or safety of the PLANT, the BUYER shall notify the SELLER in writing that the PLANT or that part thereof has reached MECHANICAL COMPLETION. The MECHANICAL COMPLETION shall be established by the MECHANICAL COMPLETION CERTIFICATE which shall be signed by the representatives of both PARTIES on the SITE.

Before signing the MECHANICAL COMPLETION CERTIFICATE, the equipment, machinery and materials supplied by the SELLER and the BUYER shall be checked in order to establish:

- (a) Whether the SELLER has delivered all equipment according to Chapter 4 of the TECHNICAL APPENDIX,
- (b) Whether the BUYER has delivered all equipment and performed the works and services according to Chapter 5 of the TECHNICAL APPENDIX,
- (c) Whether the SET OF EQUIPMENT, including the control and measures devices meet the requirements of the Romanian regulations and rules like, for instance environment or operational safety, in force at the Kick off meeting and later modifications (if any) without prejudice to Article 20; and
- (d) Whether the equipment functions correctly from mechanical point of view.

The verifications provided above shall be made by the representatives of the SELLER and of the BUYER and the results obtained shall be mentioned in a protocol between the PARTIES specifying the parts found missing, the defects, the discrepancies and the respective reasons whether imputable to the SELLER or to the BUYER.

The BUYER and the SELLER shall, at their expense, remedy such defects and/or discrepancies

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attributable to each of them. In case of defects and/or discrepancies of the WORK attributable to the SELLER implying delivery of a piece of equipment, delivery shall be made DDU Borzesti, VAT excluded, at the SELLER's cost.

Minor defects or discrepancies shall not prevent the issue of the MECHANICAL COMPLETION CERTIFICATE.

If for reasons attributable exclusively to the BUYER, and/or third parties not in privity of contract with the SELLER, the MECHANICAL COMPLETION cannot be carried out within six (6) months from the LAST DELIVERY OF SET OF EQUIPMENT, the MECHANICAL COMPLETION shall be deemed to have been attained at such date and the BUYER and SELLER shall issue the MECHANICAL COMPLETION CERTIFICATE.

If the BUYER and the SELLER start the PRECOMMISSIONING of the PLANT the MECHANICAL COMPLETION of the PLANT shall be deemed to have been attained at such date of commencement of PRE-COMMISSIONING.

Article 12: Pre-commissioning

As soon as MECHANICAL COMPLETION has been attained, the BUYER shall commence PRE-COMMISSIONING of the PLANT.

The BUYER shall supply the operating and maintenance personnel and provide the utilities (power, water and steam), facilities, services, materials and products and other necessary matters.

As soon as all works in respect of PRE-COMMISSIONING of the PLANT are completed the BUYER shall so notify the SELLER in writing.

Article 13: Commissioning and Acceptance

13.1. Within three (3) days after the end of PRECOMMISSIONING of the PLANT or any part thereof, the BUYER shall with the assistance of the SELLER commence COMMISSIONING of the PLANT. For the purpose of Commissioning and Acceptance, the Chloromethanes Plant and the Incineration Package may be treated as separate entities, and GUARANTEE TEST may be carried out for both units at the same time or separately.

COMMISSIONING shall consist of putting the PLANT in working operation to ascertain that the PLANT is fit for the performance of the GUARANTEE TEST.

The BUYER shall supply the operating and maintenance personnel required and shall perform the COMMISSIONING under the supervision of the SELLER using preferably operating personnel trained by SELLER.

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The BUYER shall also provide the utilities, facilities, services, materials, raw materials and products and other necessary matters.

Without prejudice to Article 16, during this period, if some modifications or changes must be carried out in order to achieve the PERFORMANCE GUARANTEES and provided that such modifications or changes to the SET OF EQUIPMENT do result solely from SELLER's omissions or errors, then the SELLER shall proceed with such modifications or changes as the case may be at the SELLER's cost. Likewise, if some modifications or changes must be carried on the PLANT excluding the SET OF EQUIPMENT and to the extent that such modifications or changes do not result from SELLER's omissions or errors, then the BUYER shall proceed with such modifications or changes as the case may be at BUYER's cost.

- 13.2. When the SELLER considers that the PLANT is fit for a successful GUARANTEE TEST, SELLER shall notify the BUYER in writing at least five (5) days before the date on which the GUARANTEE TEST shall start.

The SELLER and the BUYER shall notify each other in respect of the names of the delegates who will attend the GUARANTEE TEST.

The GUARANTEE TEST shall then be conducted by the BUYER under the supervision of the SELLER to ascertain whether the PLANT can meet PERFORMANCE GUARANTEES specified in Article 16 (Performance Guarantees). Without prejudice to Article 16, the GUARANTEE TEST shall be carried out under the conditions provided in CHAPTER 8 of the TECHNICAL APPENDIX during a period of seventy-two (72 hours), at nominal capacity. All guaranteed parameters must be demonstrated simultaneously for consumption, quality and capacity, in accordance with Article 16.

In case that BUYER shall not be able to provide all the conditions required for the test (quantity and/or quality of the available materials etc), then the PARTIES may agree to carry out the test with the materials as available.

If the PARTIES do not agree to carry out the GUARANTEE TEST with the available materials or decide not to carry out such test then ACCEPTANCE shall be deemed to be achieved, the ACCEPTANCE CERTIFICATE shall be deemed to be issued and SELLER shall be released for the PERFORMANCE GUARANTEES. If BUYER and SELLER decide to carry out the GUARANTEE TEST the PARTIES shall agree on conversion formulas to determine if the PLANT actually meets the guaranteed performances as per the TECHNICAL APPENDIX, it being understood that if the PARTIES cannot agree on such conversion formulas or on the results thereof it proves finally impossible to use any conversion formulas then ACCEPTANCE shall be deemed to be achieved, the ACCEPTANCE CERTIFICATE shall be deemed to be issued and the SELLER shall be released from the PERFORMANCE GUARANTEES.

- 13.2.1 If the GUARANTEE TEST has been successfully completed and the PERFORMANCE GUARANTEES are met, BUYER and SELLER shall sign a protocol, stating the success, then the

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BUYER shall issue an ACCEPTANCE CERTIFICATE within two (2) days after the end of the GUARANTEE TEST. Should the protocol not be signed and/or the ACCEPTANCE CERTIFICATE not be issued within 2 days after the end of the GUARANTEE TEST, then such protocol and/or ACCEPTANCE CERTIFICATE as the case may be, shall be deemed to be issued.

13.2.2. If the PERFORMANCE GUARANTEES are not met, the BUYER and the SELLER will meet to assess the reason of the failure to meet the PERFORMANCE GUARANTEES and will agree upon the modifications to be made to the PLANT so that the PERFORMANCE GUARANTEES can be met. The parties shall also determine what party is responsible for the failure and must, therefore, bear the costs involved.

The BUYER shall then proceed under the technical assistance of the SELLER with a second test immediately after completion of the modifications or completions.

If the PERFORMANCE GUARANTEES are met, BUYER and SELLER shall sign a protocol, stating the success, then the BUYER shall issue an ACCEPTANCE CERTIFICATE within two (2) days after the end of the GUARANTEE TEST. Should the protocol not be signed and/or the ACCEPTANCE CERTIFICATE not be issued within 2 days after the end of the GUARANTEE TEST, then such protocol and/or ACCEPTANCE CERTIFICATE as the case may be, shall be deemed to be issued.

13.2.3. If for reasons solely attributable to the SELLER, the PERFORMANCE GUARANTEES are not met, the provision of Article 16 shall apply. It is understood by the PARTIES that if the SELLER decides to pay liquidated damages (if applicable), then ACCEPTANCE shall be deemed to be achieved.



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13.2.4. If for reasons attributable exclusively to the BUYER, and/or third parties not in privity of contract with the SELLER, the GUARANTEE TEST has not been successfully completed or has not been carried out within seventeen (17) months from the last delivery of equipment, then the BUYER shall issue an ACCEPTANCE CERTIFICATE within two (2) days after receipt of the SELLER's request to issue an ACCEPTANCE CERTIFICATE, failing which such ACCEPTANCE CERTIFICATE shall be deemed to be issued.

Upon signing of the ACCEPTANCE CERTIFICATE all contractual obligations of the SELLER are fulfilled without prejudice to the provisions of Article 15.3.

Article 14: Delivery Time Guarantee

The SELLER guarantees that it shall deliver the SET OF EQUIPMENT within the TIME FOR COMPLETION specified in Article 3 (Time for Completion) or within such extended time to which the SELLER shall be entitled under Article 23 (Extension of Time for Completion).

If the SELLER fails to deliver any part of the SET OF EQUIPMENT within the TIME FOR COMPLETION specified in Article 3 (Time for Completion) and CHAPTER 7 of the TECHNICAL APPENDIX hereof or within such extended time to which the SELLER shall be entitled under Article 23 (Extension of Time for Completion), then the SELLER shall pay liquidated damages to the BUYER in the amount of zero point five per cent (0.5%) of the value of the delayed SET OF EQUIPMENT or the invoice value of the delayed equipment, for each calendar week of delay, after a four (4) calendar weeks grace period, after such date as above mentioned.

The total aggregate amount of such liquidated damages shall in no event exceed two point five per cent (2.5%) of the value of the delayed SET OF EQUIPMENT.

The SELLER guarantees that it shall deliver the Technical Documents related to Civil Works and steel structure as listed in CHAPTER 6.3.3.1 of the TECHNICAL APPENDIX not later than six (6) months from EFFECTIVE DATE or within such extended time to which the SELLER shall be entitled under Article 23 (Extension of Time for Completion) hereof.

If the SELLER fails to deliver such above mentioned Technical Documents not later than six (6) months from EFFECTIVE DATE or within such extended time to which the SELLER shall be entitled under Article 23 (Extension of Time for Completion), then the SELLER shall pay liquidated damages to the BUYER in the amount of zero point one per cent (0.1%) of the price for ENGINEERING ACTIVITIES as per Article 6.1a) and 6.2.a) for each calendar week of delay, after a four (4) calendar weeks grace period, after such date as above mentioned.

The total aggregate amount of such liquidated damages shall in no event exceed zero point five per cent (0.5%) of the price for ENGINEERING ACTIVITIES as per Article 6.1.a) and 6.2.a).

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Liquidated Damages shall constitute the sole and exclusive remedy due by SELLER to BUYER with respect to the SELLER's obligation to perform the delivery of the SET OF EQUIPMENT and/or of the above-mentioned Technical Documents within the TIME FOR COMPLETION.

If the SELLER fails to deliver: (i) the SET OF EQUIPMENT within the TIME FOR COMPLETION or (ii) the Technical documents above mentioned, then the SELLER shall make his best efforts to mitigate the consequences on the construction planning of the PLANT of such delays.

Article 15: Overall Guarantees

15.1. Guarantee for Services

15.1.1. The SELLER guarantees that its services will be performed in accordance with due diligence and care according to the standards of the engineering profession. If, during the construction and commissioning of the PLANT it appears that the SELLER's documentation and TECHNICAL ASSISTANCE were defective or incomplete, then the SELLER shall, free of charge, correct or complete its documentation and provide the requested additional assistance.

15.1.2. If civil works or any other erection works carried out by or at the cost of the BUYER have to be altered as a result of the SELLER's defective documentation, the SELLER shall become liable to refund to the BUYER the provable and justified direct costs related to the modifications resulting from such a defective modification. This indemnification is limited to one (1%) percent of the CONTRACT PRICE.

15.2. Performance Guarantee

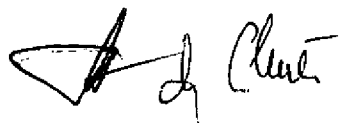
SELLER guarantees that the WORK will allow the PLANT to meet the PERFORMANCE GUARANTEES as specified in CHAPTER 8 of the TECHNICAL APPENDIX. Demonstration of the PERFORMANCE GUARANTEES will be made during the GUARANTEE TEST in accordance with the provisions of Article 13.

15.3. Mechanical Guarantee

SELLER guarantees that the SET OF EQUIPMENT supplied shall be brand new, of first class material and of sound workmanship.

The MECHANICAL GUARANTEE PERIOD for the WORK shall be 12 (twelve) months from the date of ACCEPTANCE or deemed ACCEPTANCE as set out under Articles 13.2.1 to 13.2.4 inclusive.

Without prejudice to the foregoing, if during the MECHANICAL GUARANTEE PERIOD:



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- (i) any part of the SET OF EQUIPMENT should fail or be found defective, excluding such minor items as finishing the insulation and painting and other items not materially affecting the operation or safety of the PLANT, the SELLER shall either repair such failed or defective part or replace it DDU Borzesti (VAT excluded). The parts replaced or repaired shall be subject to a new MECHANICAL GUARANTEE PERIOD of twelve (12) months from the day they were put into operation, which date shall be stated in a protocol signed by the representatives of both PARTIES or eight (8) months from their delivery, whichever is the shortest.
- (ii) any error, omission and/or discrepancy occurring in the ENGINEERING ACTIVITIES, or part thereof, for reason solely attributable to SELLER, then SELLER undertakes to carry out as soon as possible and free of charge to BUYER, the correction of the defective part of said ENGINEERING ACTIVITIES. In the event of any such corrective work, the corrected part of the ENGINEERING ACTIVITIES shall be subject to a new MECHANICAL GUARANTEE PERIOD of 12 months starting from the date of correction of such defective part.

FINAL ACCEPTANCE shall occur at the end of the initial MECHANICAL GUARANTEE PERIOD. The BUYER shall give the SELLER a written notice stating the nature of any such failure and/or defect together with all available evidence thereof promptly following the discovery thereof. For such above mentioned failure and/or defect, the liability of the SELLER shall be limited to the replacement of the failed or defective part DDU Borzesti (VAT excluded).

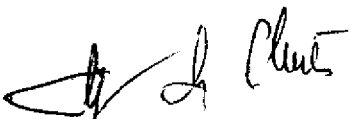
It is understood that, whatever the failure and/or defect, the SELLER shall not be responsible nor held liable for the repair or replacement or dispatch of its representatives concerning any failure and/or defect arising out of, or resulting from, any of the following causes:

- (a) improper operation or maintenance of the PLANT by the BUYER,
(b) operation of the PLANT outside specifications provided in the CONTACT,
(c) erosion and/or corrosion of the SET OF EQUIPMENT other than such erosion and/or corrosion which would be evidenced to be a consequence of a faulty choice of material by the SELLER for the SET OF EQUIPMENT,
(d) normal wear and tear,
(e) construction of the PLANT and/or the erection of the SET OF EQUIPMENT not in accordance with SELLER's technical documents.

If the SELLER fails within fourteen (14) days of receipt of a claim to make good a defect, or in the case such a defect cannot be remedied within fourteen (14) days the SELLER has not advised the BUYER what steps it has taken in order to remedy in the shortest possible time the defects claimed, the BUYER has the right to remedy the defects at the SELLER's cost, by its own means or through the means of a third person without diminishing hereby the guarantee of the SELLER.

Article 16 : Performance Guarantees

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Seller shall have at disposal a period of three (3) months from the MECHANICAL COMPLETION, to demonstrate the PERFORMANCE GUARANTEES.

The SELLER guarantees that, during the GUARANTEE TEST, the PLANT shall attain the PERFORMANCE GUARANTEES as specified in CHAPTER 8 of the TECHNICAL APPENDIX (Performance guarantees) subject to and upon the conditions therein specified.

If, after the first performance test, SELLER fails to demonstrate the guaranteed parameters, then SELLER is obliged to repeat, bearing the costs related to technical assistance, such performance test until such parameters are demonstrated.

If the parameters of capacity are reached up to a limit of minimum 98% of the guaranteed figures, BUYER shall accept the PLANT as such and sign the ACCEPTANCE CERTIFICATE.

If the parameters of capacity are reached up to a limit of minimum 95 % but less than 98% of the guaranteed figures, SELLER has the possibility, at its option, either or to continue to make all necessary modifications / completions to its WORK, in order to make PLANT able to reach at least the level of 98% of the guaranteed capacity parameters, or to pay liquidated damages in accordance with the provisions below.

If the parameters of product quality for Methylene chloride are reached up to a limit of minimum concentration of 99.9% but less than 99.95%, SELLER has the possibility, at its option, either or to continue to make all necessary modifications / completions to its WORK, in order to make PLANT able to reach at least the level of 99.95 % of the guaranteed product quality parameters, or to pay liquidated damages in accordance with the provisions below.


For chloroform, the quality parameters must be in accordance with Chapter 8, art. 8.4.3.2 of TECHNICAL APPENDIX. If these minimal parameters are not demonstrated, then the SELLER shall make the necessary modifications to its WORK in order to ensure that the PLANT reaches these quality parameters.

Should the SELLER fails to demonstrate the guaranteed parameters at a level of minimum 95% with respect to production capacity then the SELLER shall make the necessary improvements to its WORK in order to make the PLANT capable of reaching at least the parameters referred to above at its cost or expense and request BUYER to repeat the GUARANTEE TEST.

Should SELLER make any improvements to its WORK in order to make the PLANT able to reach the guaranteed capacity parameters and/or the guaranteed product quality parameters as set out in this Article 16 and should such improvements oblige BUYER's subcontractors to rectify or make good its own scope of work through no fault, error or omission of such subcontractors, then SELLER shall reimburse BUYER for any direct costs incurred by BUYER's subcontractors upon presentation of documents evidencing such costs.

Liquidated damages in respect of the failure to meet PROCESS GUARANTEES:

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(a) Production capacity:

Chloromethanes production:
for each full percentage loss below guarantee: EURO 45 735

Incineration capacity:
for each full percentage loss below guarantee: EURO 4 014

(b) Raw material and utility consumption:

for each full % methanol above guarantee : EURO 30 490
for each full chlorine % above guarantee : EURO 15 245
for each full steam consumption % above guarantee : EURO 1 525
for each full electric energy consumption % above guarantee : EURO 1 525

(c) Quality:

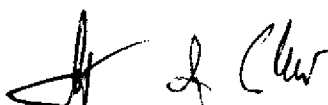
Chlor Chloromethanes production: *for methylene chloride 99.9%*
for each full 0,05% (WT.) less of concentration ~~between 99.95 and 99.0%~~ EURO 7 622
Chlor Other parameters must be in conformity with Chapter 8.4.3.1 of TECHNICAL APPENDIX
Chlor For chloroform the quality parameters must be in accordance with Chapter 8 art. 8.4.3.2 *Technical Appendix.*
Incineration:
If quality guarantee is not reached: EURO 40 140
figures as specified in Chapter 8.6 of TECHNICAL APPENDIX
The total aggregate amount of such liquidated damages shall in no event exceed five percent (5%) of the CONTRACT PRICE.
Upon payment of such liquidated damages by the SELLER, the BUYER shall issue the ACCEPTANCE CERTIFICATE for the PLANT and the SELLER shall have no further liabilities whatsoever towards the BUYER in respect of the PERFORMANCE GUARANTEES.

Article 17: Patent indemnity

The SELLER shall, subject to the BUYER's compliance with the obligations herein stated, indemnify and hold harmless the BUYER against any and all suits, actions or administrative proceedings which the BUYER may suffer as result of any infringement or alleged infringement of any patent, utility model, registered design, trademark, copyright or other intellectual property right registered or otherwise existing at the date of signature of this CONTRACT by reason of using the licensed process in accordance with the CONTRACT.

Provided that such indemnity shall not cover any use of the SET OF EQUIPMENT or any part thereof otherwise than for the purpose indicated by this CONTRACT or is due to the use of the SET OF EQUIPMENT in association or combination with any other equipment, plant or materials not supplied by the SELLER pursuant to this CONTRACT.

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If any proceedings are brought or any claim is made against the BUYER arising out of the matters referred to in above, the BUYER shall promptly give the SELLER a notice thereof and the SELLER may at its own expense and in the BUYER's name conduct such proceedings or claim and any negotiation for the settlement of any such proceedings or claim.

The BUYER shall make no admission which may be prejudicial to the defence of any such proceedings or claim.

The BUYER shall at the SELLER's request, afford all available assistance to the SELLER in conducting such proceedings or claim, and shall be reimbursed by the SELLER for all reasonable expenses incurred in so doing.

Article 18: Limitation of Liability

Notwithstanding anything to the contrary provided in this CONTRACT, the aggregate liability of the SELLER to the BUYER under this CONTRACT shall not exceed seven percent (7%) of the CONTRACT PRICE.

The SELLER shall in no event be liable to the BUYER by way of indemnity or by reason of any breach of this CONTRACT or any negligence or other act or omission for any financial loss or damage of use of the PLANT or any part thereof, such as but not limited to loss of production or facility downtime, loss of profit, loss of any contract, or for any indirect, special or consequential loss or damage that may be suffered by the BUYER or its employees, contractors, agents or servants in connection with this CONTRACT.

Article 19: Transfer of Ownership

Ownership of the SET OF EQUIPMENT to be imported into Romania shall be transferred to the BUYER at the moment of transfer of risks according to the DELIVERY CONDITIONS.

Article 20: Changes in Law and Regulations

If, after the date of signature of this CONTRACT, any law, regulation, ordinance, order or bylaw having the force of law is enacted, promulgated, abrogated or changed (which shall be deemed to include any change in interpretation or application by the competent authorities) in Romania which subsequently affects the costs and expenses of the SELLER and/or the TIME FOR COMPLETION, the CONTRACT PRICE shall be correspondingly increased or decreased and/or the TIME FOR COMPLETION shall be reasonably adjusted to the extent that the SELLER has thereby been affected in the performance of any of its obligations under this CONTRACT.

Article 21: Force Majeure

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"Force Majeure" shall mean any event beyond the reasonable control of the BUYER or the SELLER, as the case may be, and which is unavoidable notwithstanding the reasonable care of the PARTY affected, and shall include, without limitation, war, hostilities or warlike operations (whether a state of war be declared or not), invasion, act of foreign enemy, civil war, rebellion, revolution, insurrection, mutiny, usurpation of civil or military government, conspiracy, riot, civil commotion, terrorist acts, confiscation, nationalisation, mobilisation, commandeering or requisition, by or under the order of any government or de jure or de facto authority or ruler or any other act or failure to act of any local state or national government authority, strike, sabotage, lock-out, embargo, import restriction, port congestion, lack of usual means of public transportation and communication, industrial dispute, shipwreck, shortage or restriction of power supply, epidemics, quarantine, plague, earthquake, landslide, volcanic activity, fire, flood or inundation, tidal wave, typhoon or cyclone, hurricane, storm, lightning, or other inclement weather conditions, nuclear and pressure waves, or other natural or physical disaster, or shortage of labour, materials or utilities where caused by circumstances that are themselves Force Majeure.

If either PARTY is prevented, hindered or delayed from or in performing any of its obligations under this CONTRACT by an event of Force Majeure, then it shall notify the other in writing of the occurrence of such event and the circumstances thereof within fourteen (14) days after the occurrence of such event and send the supporting documents as soon as circumstances permit.

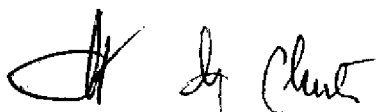
The PARTY who has given such notice shall be excused from the performance or punctual performance of its obligations under this CONTRACT for so long as the relevant event of Force Majeure continues and to the extent that such PARTY's performance is prevented, hindered or delayed. The TIME FOR COMPLETION shall be extended in accordance with Article 23 (Extension of Time for Completion).

Notwithstanding any other provision of this Article, Force Majeure shall not apply to obligations of either PARTY to make payment under the CONTRACT.

The PARTY or PARTIES affected by the event of Force Majeure shall use reasonable efforts to mitigate the effect thereof upon its or their performance of this CONTRACT and to fulfil its or their obligations under this CONTRACT.

If the performance of the WORK is substantially prevented, hindered or delayed for an aggregate period of more than one hundred and twenty (120) days on account of one or more events of Force Majeure during the performance of this CONTRACT, either PARTY may terminate this CONTRACT by giving a written notice to the other party.

For delays and/or non-fulfilment of obligations due to Force Majeure, no PARTY can claim any other penalties, interest, or any other compensation or participation in damages due to Force Majeure.



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Article 22: CHANGE in the WORK

The BUYER shall have the right to request the SELLER from time to time during the performance of this CONTRACT to make any change, modification, addition or deletion to, in or from the WORK (hereinafter called "CHANGE") provided that such CHANGE falls within the general scope of the WORK and does not constitute unrelated work and that it is technically practicable, taking into account both the state of advancement of the WORK and the technical compatibility of the CHANGE envisaged with the nature of the WORK as specified in this CONTRACT.

Similarly, the SELLER shall have the right to request the BUYER to order any CHANGE.

If either PARTY proposes a CHANGE, or should a CHANGE prove to be necessary or advisable during the Kick-Off Meeting or the Basic Engineering Meeting, the SELLER shall prepare and furnish to the BUYER as soon as reasonably practicable a written statement setting out full details of any such CHANGE, the work and/or materials required or no longer required, an estimate of the increase or decrease in the CONTRACT PRICE, any requisite adjustment to the TIME FOR COMPLETION, and any proposed modifications to this CONTRACT and/or any effect such CHANGE would have on the WORK and/or on any other provisions of this CONTRACT if the contemplated CHANGE is effected, as the case may be.

If the BUYER and the SELLER reach agreement on all matters identified in the written statement furnished by the SELLER within a reasonable time thereafter, then the BUYER shall issue a CHANGE ORDER giving effect thereto. Such CHANGE ORDER shall contain full particulars of the CHANGE, any adjustment of the CONTRACT PRICE and/or TIME FOR COMPLETION and all other modifications to this CONTRACT and shall be signed by the BUYER and the SELLER. Such CHANGE shall thereupon be deemed to form part of the WORK.

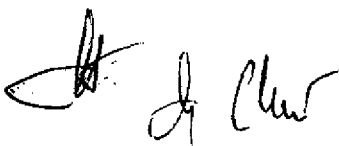
If the BUYER and the SELLER, after negotiation, do not agree within a reasonable period of time on all matters identified in the written statement furnished by the SELLER, then the CHANGE shall not be carried out by the SELLER.

Article 23: Extension of Time for Completion

The TIME FOR COMPLETION specified in Article 3 (Time for Completion) shall be extended if the SELLER shall be delayed or impeded in the performance of any of its obligations under this CONTRACT by reason of any of the following:

- a) any delivery schedule adjustment during the Basic Engineering phase.
- b) any CHANGE in the WORK as provided in Article 22 (Change in the WORK);
- c) any occurrence of Force Majeure as provided in Article 21 (Force Majeure);

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- d) any suspension under Article 24 (Suspension);
- e) any change in laws and regulations as provided in Article 20 (Change in Laws and Regulation);
- f) any delay, default or breach of this CONTRACT by the BUYER or any activity, act or omission of any other contractor employed by the BUYER or third party not in privity of contract with the SELLER;
- g) any other matter specially mentioned in this CONTRACT;
by such period as shall be fair and reasonable in all the circumstances and as shall fairly reflect the delay or impediment sustained by the SELLER.

Except where otherwise specifically provided elsewhere in this CONTRACT, the SELLER shall send to the BUYER a notice for the extension of the TIME FOR COMPLETION, together with particulars of the event or circumstances justifying such extension as soon as reasonably practicable after the commencement of such event or circumstance. The BUYER and the SELLER shall agree upon the period of such extension and the TIME FOR COMPLETION shall be extended accordingly and any and all additional direct costs or expenses with the exception of those costs referred to in Article 23 c) incurred by the SELLER as a result of such extension of the TIME FOR COMPLETION shall be paid by the BUYER to the SELLER in addition to the CONTRACT PRICE. SELLER shall extend the period of validity of the Bank Guarantee for Good Performance of the CONTRACT with a period of time commensurate to the extension granted.


Article 24 : Suspension

If the BUYER has failed to pay any sum under the CONTRACT within the specified period as set forth in the CONTRACT, or if the SELLER is unable to carry out any of its obligations under the CONTRACT for any reason not attributable to the SELLER, including but not limited to the BUYER's failure to obtain any governmental permit necessary for the execution and/or completion of the WORK, then the SELLER may by notice to the BUYER suspend the performance of all or part of its obligations under the CONTRACT.

If the SELLER's performance of its obligations is suspended pursuant to this Article 24 (Suspension), then the TIME FOR COMPLETION shall be extended in accordance with Article 23 (Extension of Time for Completion) and any and all additional direct costs or expenses incurred by the SELLER as a result of such suspension shall be paid by the BUYER to the SELLER in addition to the CONTRACT PRICE .

Article 25: Termination

Without prejudice to SELLER's rights under Articles 21 and 24, either PARTY shall have the right to terminate this CONTRACT if the other PARTY: (i) is in material breach of the CONTRACT, or (ii) becomes bankrupt or goes into receivership or liquidation. For the avoidance of doubt, material breach includes but is not limited to: (a) failure by the BUYER to pay any sum under the CONTACT and (b) additional direct costs and expenses incurred by the SELLER as the result of the suspension.



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Upon the occurrence of either (i) or (ii) above, the first PARTY shall notify the other PARTY in writing of the nature of the failure and of the first PARTY's intention to terminate the CONTACT for default. If the second PARTY fails or refuses to take the necessary steps to cure such failure within thirty (30) calendar days from receipt of notification, the first PARTY may, by written notice to the second PARTY terminate in whole or in part the second PARTY's right to proceed with the WORK.

If the SELLER's performance of any of its obligations is suspended for any reason other than a material breach by the BUYER for an aggregate period of more than one hundred and twenty (120) days, then at any time thereafter and provided that at that time such performance is still suspended, the SELLER may by a notice which refers to this Article 25 (Termination) terminate this CONTRACT.

In the event of termination for any reason other than SELLER's default, the SELLER shall be paid for all WORK performed until the effective date of termination and indemnified for all additional direct costs and expenses incurred by the SELLER as a consequence of such termination.

In the event of termination for SELLER's default, the SELLER shall be paid for all WORK performed until the effective date of termination, less the amount representing the direct additional cost incurred by BUYER to have a third party perform the part of the WORK still to be performed after the effective date of termination.

Article 26: Assignment and Subcontracting

Neither the BUYER nor the SELLER shall without the express prior written consent of the other (which consent shall not be unreasonably withheld) assign to any third party this CONTRACT or any part thereof, or any right, benefit, obligations or interest therein or hereunder.

SELLER shall present to BUYER a list of proposed sub-suppliers (a minimum of three nomination for each principal category of equipment). BUYER may make comments to this proposed name list, based on its previous experience with those companies, it being understood that the right to select, hire and co-ordinate such sub-suppliers remains exclusively with SELLER. This option on BUYER shall in no way influence SELLER's guarantee obligations in the CONTRACT.

Article 27: Language

This CONTRACT and all correspondence and communications to be given and all other documentation to be prepared and supplied under this CONTRACT shall be written in the English language. If this CONTRACT is translated into any other language, this English version shall remain the sole binding version of this CONTRACT.

Article 28: Incoterms

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The meaning of any shipping term and the rights and obligations of the PARTIES hereunder shall be as ascribed by the international rules for the interpretation of trade terms published by the International Chamber of Commerce ("Incoterms"), 2000 edition.

Article 29: Entire Agreement

This CONTRACT, including the Appendices hereto, constitutes the entire agreement between the PARTIES with respect to the matters contained herein and all prior contacts or arrangements between them with respect to such matters are superseded. This CONTRACT supersedes any oral or written representation or warranty made prior to the signing hereof including original contract dated 6 February 1998 between the PARTIES. No amendment, modification or change of any of the provisions of the CONTRACT, or any Appendices hereto shall be of any force or effect unless set forth in writing and duly executed by the PARTY against which its enforcement is sought.

Article 30: Amendment

No amendment or other variation of this CONTRACT shall be effective unless it is in writing, is dated, expressly refers to this CONTRACT and is signed by a duly authorised representative of each PARTY hereto.

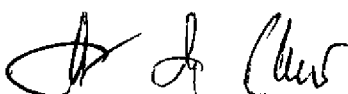
Article 31: Non-waiver

No relaxation, forbearance, delay or indulgence by either PARTY in enforcing any of the terms and conditions of this CONTRACT or the granting of time by either PARTY to the other shall prejudice, affect or restrict the rights of that PARTY under this CONTRACT, nor it shall any waiver by either PARTY of any breach of this CONTRACT operate as a waiver of any subsequent or continuing breach of this CONTRACT.

Any waiver of a PARTY's rights, powers or remedies under this CONTRACT must be in writing, dated and signed by an authorised representative of the PARTY granting such waiver, and must specify the right and the extent to which it is being waived.

Article 32: Severability

The invalidity or unenforceability of any portion or provision of this CONTRACT shall in no way affect the validity or enforceability or any other portion or provision thereof. Any invalid or unenforceable portion or provision shall be deemed severed from this CONTRACT and the PARTIES shall negotiate in good faith to agree to a similar portion or provision which legally sets forth the original intent of the PARTIES (to the fullest extent possible) and the balance of this CONTRACT shall be construed and enforced as if the CONTRACT did not contain such invalid or unenforceable portion or provision.



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Article 33: Notices

All notices to be given under this CONTRACT shall be in writing, and sent by registered airmail, special courier or facsimile to the address of the relevant PARTY as shown at the beginning of this CONTRACT, provided that:

- a) Any notice sent by facsimile shall be confirmed within two (2) days after dispatch by notices sent by airmail post or special courier
- b) Any notice sent by registered airmail or special courier shall be deemed, in absence of evidence of earlier receipt, to have been delivered ten (10) days after dispatch and in proving the fact of dispatch it shall be sufficient to show that the envelope containing such notice was properly addressed, stamped and conveyed to the postal authorities or courier service for transmission by registered airmail or special courier.
- c) Any notice sent by facsimile shall be deemed to have been delivered on the date of its dispatch.
- d) In this Article 33 (Notices) notices shall include any approvals, consents, instructions, orders and certificates to be given under this CONTRACT.
- e) Either PARTY may by a ten (10) days' notice to the other PARTY in writing change its postal, telex or facsimile address for receipt of such notices.
- f) Notwithstanding the foregoing, a PARTY can give a notice in writing to the other PARTY in own hands at SITE against an acknowledgement of receipt in writing.

Article 34: Governing law

This CONTRACT shall be interpreted under and governed by the Swiss Federal Code of Obligations.

Article 35: Settlement of disputes

All disputes arising in connection with this CONTRACT shall be finally settled under the Rules of Conciliation and Arbitration of the International Chamber of Commerce by three arbitrators appointed in accordance with the said Rules.

The venue of the arbitration shall be Lausanne, Switzerland and the language of the arbitration shall be English.

Article 36: Effective Date

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This CONTRACT shall enter into full force and effect on the date when all the following conditions have been fulfilled:

- a) This CONTRACT has been duly executed by authorised representatives of the BUYER and the SELLER ; and
- b) Fifteen percent (15%) of the CONTRACT PRICE has been received by the SELLER as down payment onto the SELLER's account with its bank in France pursuant to Article 7.1 (Down Payment of the CONTRACT PRICE); and
- c) The local and/or regional and/or state authorities in Romania and French Authorities have approved the present CONTRACT when required, and

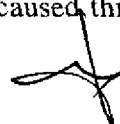
The EFFECTIVE DATE shall be the date when it is stated mutually that all these conditions have been fulfilled.

G. Clues

31 march 2005

If this CONTRACT (i) has not become effective pursuant to present Article 36 (Effective Date) and/or (ii) the SELLER has not received the documentary credit (date of confirmation to the SELLER by the advising, negotiating and confirming bank of the operative text of the documentary credit in terms satisfactory to the SELLER) before ~~28 February 2005~~, then both PARTIES shall meet to discuss the principles according which this CONTRACT could be performed including an equitable adjustment to the CONTRACT PRICE and the TIME FOR COMPLETION and/or other relevant conditions of this CONTRACT and SELLER shall have the right to suspend and/or terminate the CONTRACT pursuant to Articles 24 and 25.

IN WITNESS WHEREOF the BUYER and the SELLER have caused this CONTRACT to be duly executed by their duly authorised representatives on.



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Made in two original copies, one for the BUYER, one for the SELLER.

For the BUYER

Name : **BANCIU
VIRADIN**

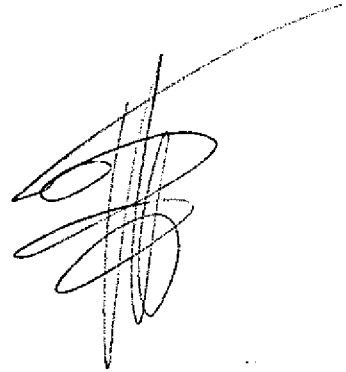
Signature :



For the SELLER

Name : **Daniel ARSAC**

Signature :




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