

GENERAL PURCHASING CONDITIONS FOR OCEAN RIG

1. GENERAL PROVISIONS

These purchasing conditions, together with any special conditions included in the Purchase Order/Purchase Change Order hereafter PO, shall constitute the Agreements purchasing conditions. In case of conflict between these general conditions and special conditions in PO, special conditions shall prevail.

2. 1.2 DEFINITIONS

BUYER: General Purchasing Conditions for Ocean Rig Management Inc. (Athens licensed Shipping) 80 Kifissias Ave, GR-151 25 Amaroussion. Athens. Greece, or their nominees.

SELLER: Company or person stated as BUYERS counterpart in PO.

3. REQUEST FOR INQUIRY / TENDERS

3.1 SELLER shall by receipt of inquiry search for errors, discrepancies and inconsistencies in BUYERs documents and immediately notify BUYER of any error, discrepancies and inconsistencies discovered.

3.2 SELLER shall prepare and submit the tender free of charge. Any deviations from BUYERS request for inquiry, including these general purchasing conditions, shall be specified in writing in SELLERS tender.

4. PURCHASE ORDER

4.1 The PO, issued by authorized buyer, shall be in writing and constitutes the entire agreement between the parties and shall have precedence over the inquiry, tender and agreements previously made between the parties.

4.2 Changes to original PO are valid only if carried out according to § 4 above and § 5 herein.

4.3 Other terms and conditions than these General Purchasing Conditions for Ocean Rig, shall not apply, unless authorized BUYER has accepted these in writing.

4.4 Written PO, duly signed by authorized buyer and contra signed by SELLER only shall be considered as binding, unless otherwise agreed by both parties in writing.

5 PURCHASE ORDER CONFIRMATIONS

5.1 Unless otherwise is agreed in writing, SELLER shall confirm the PO by signature and return of BUYERS PO within 3 days, counted from the PO date. If BUYER does not receive SELLERS confirmation as requested, SELLER shall be deemed to have committed to the PO and the General Purchasing Conditions for OceanRig as contained herein, but BUYER may within 60 days, calculated from the PO date, cancel the PO at no cost to BUYER.

6 PRICE

6.1 Prices quoted in the PO are exclusive of Value Added Tax (VAT) or equivalent and shall be considered fixed and firm for the duration of the PO, unless expressly agreed to the contrary in writing. Prices quoted are inclusive of any withholding taxes related to the country where delivery takes place. It is SELLERs obligation to check with local tax authorities the actual tax rate and include this in the quoted prices. In the event of non-inclusion of relevant taxes in the quoted price, the SELLER shall bear the relevant cost.

6.2 In the case of deliveries charged for on a reimbursable basis, payment shall become due according to § 7, only when BUYER has had reasonable time to verify and accept all documentation on which the account is based.

6.3 BUYER does not accept invoice-fees, minimum order fee, dispatch- fees etc.

7 TERMS OF PAYMENT, TAXES

7.1 BUYER shall make payment within 60 days following receipt of correct invoice, provided that all SELLERS obligations according to the PO have been fulfilled and that a complete delivery has taken place. BUYER may however withhold disputed amounts. If SELLER delivers prior to agreed delivery date, payment will be calculated from either agreed delivery date or invoice date.

7.2 BUYER is entitled to deduct from SELLERs invoice any withholding taxes applicable from local tax authorities for the country where delivery has taken place. Any deducted withholding taxes will be transferred to local tax authorities by BUYER. If SELLER can produce evidence for SELLERs direct payment to local tax authorities, BUYER will credit the applicable deducted amount.

7.3 Interest on overdue payment shall be payable according to the English Law Late Payment of Commercial Debts (Interest) Act and the late Payment of Commercial Debts Regulations 2002.

8 TERMS OF DELIVERY / SHIPPING INSTRUCTIONS

8.1 The provisions of the last revision of FCA INCOTERMS shall apply to the delivery. In case delivery terms are not agreed, DDP BUYERS delivery address according to the PO shall apply and if SELLER is responsible for the transportation, he shall in good time prior to dispatch date request such dispatch instructions from BUYER.

9 PACKING LIST / INVOICE

9.1 Packing lists and advice notes shall only relate to one PO and shall be duly marked with PO number. All goods shall be marked in accordance with packing list and instructions in PO. Packing list shall contain PO number, number of parcels in consignment, items, weight and date of shipment. Each parcel shall contain a detailed list of content.

9.2 Certificates and/or other relevant documents which are a part of the delivery shall be issued to BUYER in hard copies together with the goods and electronically on a CD rom duly marked with SELLER name, and PO number. Delivery of other types of documentation prior to product delivery shall be electronically directed to the document control department; E – mail address and contact person will be provided by the buyer.

9.3 Each invoice shall contain one PO only, unless the contrary is agreed in writing. Invoiced amount shall correspond with PO or approved PO change order. Invoice shall be marked in accordance with PO. Invoicing may take place after complete delivery according to PO, unless the contrary is agreed in writing. Invoice of final account shall be received by BUYER not later than 60 days after final delivery. Invoices after this date will be rejected by BUYER. Invoices received by BUYER not in accordance with these instructions will be rejected and returned to SELLER.

9.4 Deliveries received by BUYER in violation of instructions in § 9.1–9.2 may be rejected and returned to SELLER at SELLERS account.

10 DELIVERY TIME / DELAYED DELIVERY

10.1 Delivery shall take place at the time agreed in the PO. SELLER shall be deemed to have fulfilled his obligations only when all items, including documentation specified in the PO, have been completely delivered. Partial deliveries shall not be accepted and cannot be considered partial fulfillment of SELLERS obligations, unless so accepted in writing in advance by BUYER.

10.2 Seller shall immediately notify BUYER in writing if there is reason to believe that the agreed delivery time cannot be met. Such notification shall state the cause of the delay and the likely overrun of the delivery time. SELLER shall also inform about his actions to

reduce the delay. SELLER is liable for direct, indirect and consequential losses suffered by BUYER which could have been avoided if SELLER had given such notification in due time.

10.3 If delivery is delayed, BUYER is entitled to liquidated damages amounting to 0,30% per commenced calendar day, limited to 12%, both calculated from total PO value or demand compensation for direct losses if such losses are higher.

10.4 If delivery is or seems to be delayed and the delay is of major importance to BUYER, BUYER may terminate the PO without liability to BUYER.

10.5 SELLER shall do his utmost to reduce the delay and damage resulting there from. If SELLER invokes Force Majeure, satisfactory documentation must be submitted to BUYER.

11 PURCHASE CHANGE ORDER / CANCELLATION

11.1 BUYER has the right at any time to require any changes to the PO.

11.2 Agreed changes shall be confirmed in writing by BUYER, by the issue of a Purchase Change Order. This Change Order shall thereafter be confirmed by SELLER according to § 4.1 above. SELLER shall as soon as possible and within 2 days inform BUYER in writing of the effects the Change Order will have on the price, time of delivery and technical specification. If SELLER fails to provide such information within the time limit, he shall loose his right to demand adjustment of price and /or delivery time resulting from the change. Purchase Change Orders shall be implemented immediately. SELLER's obligation to implement the changes shall apply regardless if a dispute of compensation or delivery schedule exists between the parties. Price level in original PO shall be used to calculate the prices for the changes, unless other arrangements in original PO are agreed. Disagreement as to compensation payable in respect of such Change Order shall not entitle SELLER to withhold its delivery.

11.3 BUYER has the right at any time to cancel the PO partial or in full, with immediate effect. BUYER shall pay the unpaid balance due to SELLER for goods already delivered. SELLER shall be compensated for documented and proved accrued necessary costs related to goods not yet delivered, provided that SELLER makes his best effort to minimize these or as otherwise agreed by the parties.

12 ASSIGNMENTS OF BUYERS RIGHTS AND OBLIGATIONS

12.1 BUYER has the right to assign his rights and obligations, partial or in full, according to the PO, regulated by these conditions to any third party, provided such third party can fulfill all BUYERS obligations towards SELLER.

12.2 Such third party has the rights to assign his rights and obligations under this PO on the same conditions.

13 LIABILITY FOR DEFAULT / INSOLVENCY

13.1 Seller shall ensure at a minimum that the goods comply with standards of good workmanship, the PO specifications and applicable laws and regulations and that they are fully fit for the purpose and use intended. SELLER undertakes free of charge to repair all defects caused by faults in construction, materials or production, during a period of at least 18 months from the date the goods are taken into use for their proper purpose. The maximum guarantee period is however limited to 24 months from the time of delivery. Parts which are replaced / repaired in accordance with the above guarantee provisions shall have a renewed guarantee period limited to 12 months from the date when the first repair of such part was completed, unless remaining part of original guarantee period is longer.

13.2 SELLER undertakes under the above guarantee that the goods shall be rectified to comply with the PO or replaced by new goods as soon as possible and free of charge. In addition, SELLER shall be responsible to pay for any and all applicable charges related to service personnel required to effect such rectification and replacement and logistics.

13.3 If SELLER fails to fulfill his obligations in accordance with the PO, or becomes insolvent, BUYER may choose one or more of the following alternatives:

A Demand that the SELLER immediately performs the necessary rectification work

B Retain an amount sufficient to ensure rectification of the goods

C Demand a new delivery for SELLERS account

D After informing SELLER in writing, rectify the defects at SELLER`S cost, either with own resources or by use of other suppliers

E Demand price reduction

If SELLER becomes insolvent or files for bankruptcy, BUYER may, at no cost to BUYER, terminate the PO.

13.4 Should the goods have major defects of a kind that cannot or will not be made good within reasonable time, BUYER has the right to terminate the PO and to be compensated by SELLER for his direct and indirect losses.

14 QUALITY ASSURANCE / HSE

14.1 SELLER shall have a certified quality system as defined in the ISO 9000 series of standards, or a system of equal standard pre – approved by BUYER, suitable for actual scope of delivery.

14.2 SELLER shall have a documented, implemented and auditable Health, Safety and Environment (HSE) system suitable for actual scope of delivery, in accordance with the latest applicable standards and codes of practice of the industry concerned. BUYER shall, at any time, have the right to audit SELLERS HSE management system. SELLER shall immediately and within 24 hours, notify BUYER of all fatal or severe incidents occurring, directly related to the performance or fulfillment of the PO.

14.3 In the case that the SELLER provides consumable items without a Company Stock Number (as defined in paragraph 4 of Ocean Rig procedure 7-02 PURCHASING) or support services at an onshore site, then SELLER may be exempted from the requirements of clauses 14.1 & 14.2.

15 CORRUPTION

15.1 Both SELLER and BUYER undertake that it and its group and it and its agents, and every other person acting on its or their behalf, has not in connection with the transactions contemplated by or related to this Purchase Order, made, offered or promised to make, received or promised to receive, and will not make or receive, offer or promise to make or receive, any payment or other transfer of anything of value, including without limitation the provision of any service, gift or entertainment, directly or indirectly to any person or entity for the purpose of obtaining or influencing the award of or carrying out this Purchase Order if and to the extent that to do so is or would be either in violation of or inconsistent in any material way with the anti-bribery or anti-money laundering laws of any relevant jurisdiction, and rules and regulations of the governmental or legal bodies having jurisdiction over the SELLERS business.

16 INDEMNITY

16.1 SELLER shall indemnify BUYER and BUYER`S customers from and against any claim concerning personal injury, sickness, and death to any employee of SELLER and to indemnify BUYER and BUYERS customers from and against any claim due to loss of or damage to property belonging to or used by SELLER.

16.2 SELLER shall indemnify BUYER and BUYER`S customers from and against any claim concerning any loss from any third party for which SELLER is liable.

17 FORCE MAJEURE

17.1 Neither of the parties shall be considered in breach of an obligation under the PO to the extent the party can establish that fulfillment of the obligation has been prevented by Force Majeure.

17.2 The affected party shall immediately notify in writing the other party of the Force Majeure situation. If a party fails to give such written notice, it shall be precluded from claiming the right to be relieved from its obligations.

17.3 In case of a Force Majeure situation, each party shall be responsible for its own costs resulting from the Force Majeure situation.

17.4 Force Majeure means an occurrence beyond the control of the party affected, provided that such party could not reasonably have foreseen such occurrence at the time of entering into the PO agreement and could not reasonably have avoided or overcome it or its consequences.

18 RIGHT TO INFORMATION

18.1 Upon request, BUYER shall be entitled to obtain all requested information from SELLER. BUYER and his clients shall have access to SELLER`S and his subcontractor`s premises to carry out inspections when BUYER deems this to be necessary. Inspections carried out by BUYER or his client shall not relieve SELLER from his contractual responsibilities.

19 OWNERSHIP

19.1 Title to the goods, or parts of the goods, together with the technical documentation to be supplied by SELLER according to the PO, passes to BUYER on payment.

19.2 All drawings, specifications, computer programs and other technical documentation transmitted by BUYER to SELLER or information disclosed by BUYER to SELLER in other ways, shall remain the property of BUYER and shall not be disclosed to any third party without the prior written consent of BUYER. Violation to this paragraph 18 will be treated as material breach of this agreement.

20 PATENTS

20.1 Inventions made by SELLER during the manufacture of the goods shall be the property of SELLER, provided that this is not in violation of any third party`s rights. Notwithstanding the above, inventions which are mainly based on technical information which SELLER has received from BUYER shall be the property of BUYER.

20.2 SELLER shall grant to BUYER an irrevocable, royalty-free, nonexclusive license to inventions now or hereafter controlled by SELLER to the extent necessary for the manufacture, operation, maintenance and repair of the goods.

20.3 It is SELLER`S responsibility that the goods and the use of these do not infringe any patent or other protected rights of any third party, and shall indemnify BUYER from any claims resulting from infringements of patents or other protected rights of any third party.

21 APPROVALS

As specified in PO or its enclosures.

22 BUYER`S RIGHTS TOWARDS THE SELLER`S SUBCONTRACTORS

SELLER shall secure BUYER`S rights according to these General Purchasing Conditions under this PO towards SELLER`S subcontractors.

23 DISPUTES

23.1 These General Purchasing Conditions shall be governed by and interpreted in accordance with English law.

23.2 Should any dispute arise between the parties, such dispute shall be resolved by arbitration in London, U.K., as per the LMAA Rules. In the event that the parties wish to contest the arbitration award, it is hereby agreed that the parties shall then refer relevant matter to the exclusive jurisdiction of the High Court in London, U.K.