

"Glomar Supplies" Ltd S.A., acting on behalf of ASABA ASTILLERO S.A. enterprise as the trustee, hereinafter referred to as the "Customer" on one side,

and Private Limited Liability Company (PLLC) "Statega", hereinafter referred to as the "Contractor" on the other side, have entered into the present shipyard construction and reconstruction in the port of Malabo contract.

Article 1. Definitions

The terms used in the present Contract mean the following:

The "Parties": the customer and the contractor (hereinafter referred to as the "Contractor").

The "Customer": ASABA ASTILLERO SA enterprise as the Equatorial Guinea government enterprise, acting in compliance with Equatorial Guinea law.

The "Contractor": PLLC "Statega" registered and acting in compliance with the law of Lithuanian Republic.

The "Subject": the shipyard in the port of Malabo (Equatorial Guinea).

The "Contract", hereinafter referred to as the "Contract".

The present document, including all the guaranties and appendixes contained in it, signed by the customer and the contractor, additions and amendments to it that may be signed by the parties in the course of work execution.

The "Temporary facilities": all temporary facilities of any type, built by the Contractor on the construction site, necessary for the performing and completing the work.

The "Construction site": a piece of land, belonging to ASABA ASTILLERO SA provided by Customer to the Contractor for the period of construction work performance, specified in the present Contract.

The boundary of the construction site is to be marked by the fence or other signs, placed in accordance with the factory layout plan.

The "Work": work which is to be performed by the Contractor under conditions of the present Contract, including building, installation, commissioning and elimination of defects.

"Covered in works": a type of work, which is hidden by the following work and structures. It is impossible to evaluate the quality and precision of this work after the following work took place.

"Project documentation": the plan, work papers for the entire amount of work, technical conditions, and materials, equipment, structure and fitting certificates, documentation received from the manufacturers and other documentation necessary for the completion of the work and subject exploitation, elaborated in accordance with the draft proposal.

"Executive documentation": a set of working plans for the subject construction, including the inscriptions about the compliance of the completed in reality work with the working plans or amendments to the working plans made by the people responsible for performance of work; certificates, technical passports and other documents certifying the quality of materials, structures and elements used for the performance of work; documents certifying the covered-up works' examination and documents certifying the intermediate acceptance of the separate critical structures; documents certifying individual tests of the installed equipment; work performance journals and other documentation required by the construction regulations and rules.

"Approval": a confirmation in writing, made by the Customer or the Contractor.

Article 2. Subject of the Contract

The Contractor, according to the article 3 of the present Contract, will carry out the construction of the Subject work at his own risk, efforts and means in accordance with provisions of the present Contract for the cost agreed to, and the task of the Customer and project documentation, including the possible work, that are not mentioned in the Contract, but are necessary for the complete construction of the Subject and its proper exploitation.

Article 3. The Cost of the Work under the Contract

3.1. Under the present Contract, the preliminary cost of the Subject construction is 80 mln Euro.

3.2. In case the amount of work, in the course of construction, exceeds the project amount, both Parties will take appropriate actions for adjustment by issuing written instructions for amending the initial cost, construction time-frame or either of these terms of the project. Any verbal agreements are not valid in this case.

3.3. It is for the contractor to pay for the expenses' excess, that is not based on the written appendixes to the present contract, under the condition that the excess is not caused by the improper fulfillment of obligations by the customer.

3.4. In unforeseen circumstances (Force-majeure shall be classified as an exception, giving the right to increase the cost or extend the time-frame for the work execution, or either of these terms.

Article 4. The responsibilities of the Contractor

In order to perform the work under the present Contract, on account of the cost under Article 3, the Contractor will:

4.1. carry out all the work by his own efforts and/or with the help of the Subcontractors in accordance with the amount of work and time-frame, specified in the present Contract and its appendixes and will deliver the work to the Customer that allows the proper exploitation of the Subject.

4.2. supply the necessary materials, equipment, goods, structures, componentry, construction machinery to the construction site according to Appendix No. 1 of the present Contract, as well as will accept, unload and store those.

4.3. carry out the construction of the temporary facilities, necessary for storing materials and work execution, by his own efforts and means on the construction site according to the present Contract.

4.4. inform the Customer about entering into the contracts with the Subcontractors. The information shall state the subject of the contract, name and address of the Subcontractor.

4.5. be responsible for proper work performance by the Subcontractor under the present Contract.

4.6. make sure the necessary safety, environment protection trainings on the construction site are organized along with the protection of the landscaped areas and ground trainings during the period of work execution and will also take care of the lighting.

4.7. provide insurance of the property, insurance of his workers and subcontractors' workers from accidents within 24 hours and their medical services.

4.8. remove from the construction site all construction machinery and equipment, means of transportation, tools, devices, implements, construction materials, goods, structures, that belong to him will disassemble and remove all constructed temporary facilities and structures within one month after signing the document of the completed construction Subject acceptance, unless another agreement is reached.

4.9. ensure security of the construction site.

4.10. carry out all his contractual obligations specified further in the present Contract in full.

Article 5. The Responsibilities of the Customer

In order to execute the present Contract, the Customer will:

5.1. provide the Contractor with the construction site for the period of construction until it is completed, in a condition suitable for the construction work performance, according to the appendix N 1 of the present Contract, within three days after signing the present Contract under the document signed by the customer and the contractor.

5.2. within 30 days from the moment of signing the present contract, provide the Contractor with the project documentation in the amount, time-frame and composition according to appendix N 2.

The project documentation provided by the Customer must be made in accordance with the construction regulation requirements and rules.

Providing a poor or incomplete documentation by the Customer is equal to not providing any. The Contractor is not responsible for the quality of working plans and specifications, he only carries out work according to them. The Contractor will give a notice to the Customer if he finds the defects in them. Expenses occurred due to correction of the works will be covered by the Customer in addition to the value of the work, indicated in article 3 of the present Contract.

5.3. carry out the payment for the work the Contractor performed as specified in articles 3 and 7 of the present Contract.

5.4. within 10 months from the moment of signing the Contract, will provide the Contractor with the list of executive documentation necessary for the Subject acceptance.

5.5. carry out all his obligations as specified in other articles of this Contract in full.

In case the Customer fails to timely fulfill his obligations under the present Contract, and it leads to the delay in construction work performance, the Contractor has a right to extend the time-frame for the construction work completion for a corresponding period and is exempt from the penalty for the delay of transferring the subject into exploitation.

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In this case the Parties will take every measure necessary to prevent additional expenses. If the Contractor experiences additional expenses caused by the failure to fulfill or improper fulfillment of obligations by the Customer, he will inform the Customer in writing about the amount of the additional costs while adding confirmation documents, and further the Parties will agree about the time-frame and the form of additional costs compensation by the Contractor.

Article 6. Terms of the work performance

6.1. Construction duration period shall not exceed 46 months from the moment the Contractor signs the document of transferring the construction site until the date of accepting the completed construction subject.

6.2. Under the present Contract the work has to start, be completed and performed in accordance with the work progress schedule (appendix N 3) and subject to paragraph 6.1. of the present Article.

6.3. If in the course of work performance a necessity to amend the work progress schedule occurs, in a way that might affect the duration of construction and its cost, the change equipment and materials supply schedule by the Customer, such changes shall be made by mutual agreement of the parties in writing.

6.4. When amendment to the legislation and regulation documents are made, that make the state of the parties worse compared to their state at the time of entering into the present Contract, that would lead to the additional expenditure of time and money, the agreed time-frame will be put off proportionately. The construction cost, in this case, is to be specified by the Contractor by making provisional estimates of expenditure and agree on it with the Customer.

Article 7. Payments and Settlements

7.1. Within 6 months from the moment of construction site being transferred, the Customer must pay 15 percent of the total cost of the work by means of prepayment, and within a year another 35 percent of the total cost of the work.

7.2. The final payment for the completed work is to be made by the Customer no later than 30 days from the day the work has been completed, including the elimination of defects, detected on the acceptance of the construction subject.

7.3. Under the present Contract the Contractor keeps his property ownership rights to the Subject until putting it in commission. The Contractor accepts the risk for the accidental destruction and damage caused to the Subject until transferring it to the Customer, except for force majeure circumstances.

7.4. The Customer may use a part of the construction subject, that has not been completed by the Contractor, for his own and exploitation needs. The Contractor confirms the possibility of such exploitation.

The transfer of a construction subject part to the Customer for exploitation is to be made in accordance with the established order for the completed construction Subject acceptance. The Contractor acquires a right to receive the final payment for the transferred part of the construction Subject in accordance with paragraph 7.2. of the present Contract.

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Article 8. Performance of the work

8.1. The Customer will assign his representative on the construction site, who, on behalf of the Customer, together with the Contractor will draw documents for the completed work, fulfill work performance technical supervision and control, as well as inspect conformity of materials and equipment used by the Contractor for the construction with the conditions of the Contract and project documentation.

The Customer's authorized representative has the right to a free access to all types of work during the entire construction period and at any time of the performance.

8.2. Regular meetings will be held for the Customer's authorized representative and the Contractor in order to agree on the arising issues.

8.3. The Contractor personally organizes performance of work on the construction site according to his work plans and schedules, subject to the time-frames stipulated in article 6 of the present Contract.

8.4. The concurrence with the agencies of state surveillance of the work performance order at the subject and its maintenance is performed by the Contractor.

The general order on the construction site is to be ensured by the Contractor.

8.5. Under the progress schedule, the Contractor is to make the geodetic control network for construction. The composition and capacity of the geodetic control network has to correspond to the requirements of regulations on the construction. He is responsible for the correct and proper marking of the subject in relation to the primary points, lines and levels, correctness of the levels' location, sizes.

If in the course of the work performance mistakes in the generated demarcation or geodesic work is found, the Contractor is to correct the mistakes at his own expenses.

The Contractor saves the location schemes and catalogues of the coordinates and altitudes of the geodesic signs, established in the course of geodesic demarcation works and during the period of construction and by the date of its completion will transfer them to the Customer.

8.6. The Contractor provides temporary communication connections at the construction site and builds additional communication means at the points of connection for the period of work execution.

8.7. The Contractor guarantees that the quality of construction materials, equipment and componentry, structures and systems, used for the construction, will correspond to specifications, stipulated in project documentation, national standards, technical conditions and that they have the appropriate certificates, technical passports or other documents, certifying their quality.

8.8. The Contractor notifies the Customer in writing within two days before accepting separate critical structures and covered-up works when they are ready.

The completeness of the structures and work is to be confirmed by signing the documents of intermediate critical work acceptance and documents certifying the covered-up work examination by both the Customer and the Contractor.

The Contractor starts the following work after receiving the written permission from the Customer.

8.9 In case the covered-up work is performed without the Customer confirmation or if he was not informed about this or was informed with a delay, at the request of the Customer the Contractor must open any part of the covered-up works and then hide it again, at his own expenses, according to the instructions of the Customer.

8.10. In case the Customer finds the completed work to be of poor quality, the Contractor must by his effort and without increasing the cost of the construction remake these work at the agreed time and ensure its appropriate quality.

If the Contractor does not correct the poor quality of work within the shortest (technically possible) period of time, the Customer has the right to involve other Parties for correcting the work at the corresponding cost. All expenses related to the correction of such work by the other Parties will be covered by the Contractor.

8.11. The Contractor is responsible for cleaning and maintaining the construction site.

8.12. The Customer has the right to make any amendments to the amount of work, that, in his opinion are necessary. He may give a written instruction, necessary for the Contractor in order to perform the following work:

Increase or reduce the amount of any work, included in the Contract;

Eliminate any work;

Change the nature or quality or type of any part of the work;

Perform additional work of any nature, necessary for completing the construction.

In case these amendments cause the necessity to remake the work that was completed earlier or the change of equipment in place, the Contractor makes the estimate and submit it to the Customer.

In case these changes affect the cost or duration of the construction, the Contractor will start the work only after signing a corresponding additional agreement to the present Contract between the Contractor and the Customer.

8.13. From the moment of starting the work until its completion, the Contractor fills in the journal of the work performance, which reflects the entire progress of the work performance, as well as all the facts and circumstances, related to the performance of the work having importance in the relationship of the Customer and the Contractor (the work start and completion date, the date of the supply of materials, equipment, services, messages about accepting the work, messages about the examinations that were carried out, delays, related to the late material delivery, messages about the problems with the construction machinery, and everything else, that may affect the construction completion time-frame).

In case the Customer is not satisfied with the progress and quality of the work or with the Contractor's notes, he states his opinion in the performance of work journal.

The Contractor is under an obligation to take actions and eliminate the defects reasonably indicated by the Customer in the journal, within 3 days.

Article 9. The Work Security

9.1. It is for the Contractor to ensure the proper security of materials, equipment, construction machinery and other property on the fenced territory of the construction site from the time of starting the work until construction is completed and the completed construction subject is accepted by the Customer.

9.2. The Customer accepts the responsibility for security of the constructed buildings and facilities, as well as materials, equipment and other property after acceptance of the subject.

Article 10. Force-Majeure

10.1. Both Parties are exempt from their responsibility for the partial or complete failure to perform their obligation under the present Contract, if it is caused by the act of nature, act of war and other force majeure circumstances if these circumstances directly affected the execution of the present Contract.

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The time-frame for the fulfillment of obligations, under the present Contract, will be put off proportionately to the time of the force majeure circumstances taking place, as well as consequences caused by such circumstances.

10.2. If force majeure circumstances or their consequences will last for more than three months, the Contractor and the Customer will discuss what measures shall be taken in order to continue the construction of the Subject.

In case the parties fail to come to an agreement within two months, each of the Parties has a right to demand a termination of the Contract.

Article 11. Acceptance of completed construction subject

11.1. The acceptance of the completed construction subject is performed after both Parties have fulfilled their obligation under the present contract in accordance with the established order operating at the time of signing the contract.

11.2. The acceptance of the completed subject is to be performed within two weeks from the moment of the Customer receiving the written notice from the Contractor about its completion.

11.3. The Contractor will provide the Customer with two copies of executive documentation, consisting of documents identified by the Customer according to paragraph 5.5 of article 5 of the present contract within five days before the acceptance of the completed construction subject. The Contractor will provide the Customer with the written confirmation that the provided documentation is completely corresponding to the actual work.

11.4. From the moment of accepting the subject, it becomes the property of the Customer. The Customer accepts the risk of its possible destruction or damage.

The Contractor, after drawing a document certifying the acceptance of the subject, does not become exempt from the fulfillment of any of the obligations, stipulated by the construction contract, which were left outstanding or poorly performed at the point in time when the document of acceptance is signed. In this case, the document shall include the list of unfinished work with the time-frame of its completion.

Article 12. Guarantees

12.1. The Contractor guarantees:

Accomplishment of all the work in full and in the time-frame specified in the provisions of the present Contract;

Quality of the completed work in accordance with the project documentation and working rules;

Timely elimination of the drawbacks and defects, ascertained during the acceptance of the work during the period of guarantee maintenance;

The proper functioning of the engineering systems and equipment in the time of proper exploitation of the subject.

12.2. The guarantee period for the proper functioning of the Subject and the engineering systems as a part of it, equipment, materials and work is set to 12 months from the moment of signing the document affirming the acceptance of the completed subject construction, except for the cases of malicious damage of it by the third parties.

12.3. If during the guarantee period of exploitation the defects, that would not allow the proper exploitation of the subject until they are eliminated, will be found, the guarantee period is to be

extended until the defects are eliminated accordingly. It is for the Contractor to eliminate the defects at his own expenses, unless the defects are caused by the poor the project documentation.

The presence of defects and the time-frame for their elimination are registered by a bilateral agreement between the Contractor and the Customer.

In case the Contractor within the period specified in the document certifying detected defects will not eliminate the defects and drawbacks in the completed work, including equipment, the Customer has a right to eliminate defects and unfinished work by employing another contractor, at expense of the guaranteed sum specified in 7 article of this Contract, and saves his guarantee rights.

In case the amount of Customer's expenditure exceeds the amount that is a subject of payment to the Contractor, the Contractor is to pay the difference to the Customer, corresponding to his actual expenses in accordance with the account of the Customer.

2.4. In case the Contractor refuses to make or sign the document certifying the detected defects and unfinished work, the Customer will assign qualified experts to make a corresponding document certifying detected defects and unfinished work and their nature, which does not exempt the parties from the right to apply to the arbitration court.

Article 13. Licenses (certificates)

13.1. The parties are under an obligation to bear all expenses, related to obtaining permission, licenses (certificate) for materials, equipment, componentry, necessary for completing the work and subject exploitation.

Article 14. The Dissolution of the Contract

14.1. The Customer has the right to demand the contract termination in the following cases:

The Contractor delays the start of work for over 2 months for the reasons independent of the Customer;

The Contractor delays construction process at his own fault, when the completion of construction date, stated in the contract, is extended to more than two months;

The Contractor violates the conditions of the Contract, leading to the lower quality of work, stipulated by the project;

Cancellation of licenses allowing building activities, other documents, applied by the public authorities under the current legislation, that would deprive the Contractor from the right to perform the work.

14.2. The Contractor has the right to demand the contract termination in the following cases:

The Customer stops building and assembly work for the reasons independent of the Contractor, for the period of over 3 months;

The reduction of construction cost by more than 1/3, related to the amendments made to project documentation by the Customer;

The Customer loses the opportunity of further financing the construction.

14.3. At the time of dissolving the Contract, by mutual agreement of both the Customer and the Contractor, the unfinished construction passes to the Customer, who pays the Contractor for the completed work in extent decided by both of them.

14.4. The Party, that decided to dissolve the Contract under the provisions of the present Article, sends a notice in writing to the other Party.

The construction contract is to be dissolved in accordance with the established procedure.

14.5. At the time of dissolving the Contract, the guilty Party compensates the other Party for all losses, including the loss profit.

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Article 15. Financial liability of the Parties

15.1. In case the Customer violates his obligations (such as the time-frame for the project documentation transfer, equipment, materials and goods, specified in accordance with appendixes, for delay in payment according to article 7 of the present Contract and other obligations, stated in the contract), the Customer is under an obligation to pay the Contractor a fine at the rate of 0.01 % of the total cost of the Subject construction for every ten days within one month, on the expiry of the month, 0.03 % for each following ten days until the actual performance of obligations.

15.2. In case the Contractor violates his obligations (such as the time-frame for starting and completing the construction according to 6 article of the present Contract, as well as the time-frame for performance for separate types work, specified in Appendix N 3, the time-frame for defects and other unfinished work elimination, according to paragraph 8.8 of article 8 of the present Contract and other obligations, stated in the Contract), the Contractor is under an obligation to pay a fine to the Customer at the rate of 0.01 % of the total cost of the Subject construction, for every ten days within one month, on the expiry of the month 0.03% for each following ten days until the actual performance of obligations.

15.3. The fine indicated in paragraphs 15.1 and 15.2 of this article, is applied to every violation separately. The total amount of fine cannot exceed 5% of the total cost of the Subject.

15.4. Except for the penalties stipulated in the present article for violation of obligations under the construction contract, the Party that violated the Contract, is to pay the other Party an amount, not covered by the fine, for trading losses caused by the other Party, loss or damage to the property, including loss of profit.

The payment of fine or payment for other improper discharge of obligation under the Contract, as well as compensation for damage caused by improper discharge of obligations, does not exempt the parties from meeting these obligations in reality.

Article 16. Special provisions

16.1. From the moment of signing the present Contract, any verbal or agreements in writing made earlier, exchange of letters, negotiations between the parties having regard to the present Contract are deemed invalid if they contradict with the present Contract.

16.2. The Contractor cannot sell or pass the construction of subject project documentation or its separate parts to the third Party without the Customer's written permission.

16.3. The loss caused to the third Party in the course of construction at Contractor's fault, will have to be made up by the Contractor, and the loss caused at Customer's fault will have to be made up by the Customer accordingly.

In case of force majeure circumstances, the loss caused to the Third Party is to be made up by the Customer.

In all cases the Contractor must take immediate measures to eliminate the actual damage, including cases when it is for the Customer to make up for the expenses.

16.4. All amendments and additions to the present Contract are valid only when made in writing and signed by both parties.

16.7. In all other cases, not specified in the present Contract, the law of England and Wales is to be applied.

16.8. All appendixes form an integral part of the present Contract.

16.9. Any issues, occurring in the course of Contract execution, are to be solved in London arbitration court in accordance with the established procedure.

The present Contract is drawn in 2 copies: one for each Party.

Customer:
ASANA ASTILERO S.A.
Port of Malabo
Equatorial Guinea

CANCELED

Contractor:

CJSC "STATEGA"
Baltijos str.53A, Klaipeda.
Lithuania

Signatures of the parties:

