

Date: 31 – 03 – 2011

## **CONTRACTOR AGREEMENT WITH SUBCONTRACTOR**

This Agreement (the “Agreement between Contractor & Subcontractor”) is made and effective on this date 31st of March, 2011

BETWEEN: Mr. Donald A. Setimi (the “Contractor”), the President and General Counsel of Setim Royal Construction Inc,

AND: Mr. Thomas A. Wellborn (“Independent Subcontractor”), President & CEO Astra Energy, LLC

WHEREAS Contractor and Subcontractor has entered into, or will hereafter enter into, a general construction project, for the supply and installation of Hi-Tec Crude Oil Distillation Unit (CDU) on PETRONAS mini-refineries storage plants, henceforth the Main Contractor (Setim Royal Construction Inc), will perform in accordance with various contract documents and specifications certain work prepared by THE CLIENT, henceforth “Contractor & Subcontractor”, will furnish labor, materials, supplies, labor goods required to construct the following named and described construction project:

Henceforth, the supply and installation of Hi-Tec Crude Distillation Unit (CDU) Refinery, on the PETRONAS storage plant site located at PETRONAS **Miri** offshore facilities, and

WHEREAS (“the Contractor”) desires to partner with (“the Subcontractor”) in this lucrative joint venture mutual business and to perform certain contract work in accordance with various contract documents and specifications for the Project;

**NOW THEREFORE** Contractor and Subcontractor agree as follows:

### **1. SUBCONTRACTOR PRICE**

In consideration of Subcontractor’s performance of this Subcontract, and at the times and subject to the terms and conditions hereinafter set forth, Contractor shall pay to Subcontractor 40% of the total net profit upon completion and receipt of balance of Contracted fee funds from PETRONAS contract board, hereinafter “subcontract price.” subcontract price is dependent upon completion of the project and verification as required by PETRONAS. Should said conditions not be met, the agreed percentage amount shall be modified accordingly.

### **2. SPECIAL CONDITIONS**

The Special Conditions to Subcontractor are incorporated in this Subcontractor’s Agreement as though fully set forth herein. Subcontractor hereby acknowledges receipt of the Special Conditions.

### **3. COMMUNICATION AND NOTICE**

a. All communications between Subcontractor and PETRONAS Oil Company (the General Contractor) shall be via Contractor. Such other documents and instruments in writing of whatever kind and nature as may be necessary or proper in the premises, as fully as Client might do if done in its own capacity.

b. Contractor shall furnish subcontractor with periodic progress reports as required by subcontractor, including status of material, equipment, manpower and submittal.

c. Subcontractor shall be deemed to have received notice of a fact, request, order, or demand when its superintendent is notified, either orally or in writing, within 7 days after written notice is sent by registered or certified mail addressed to subcontractor's last known place of business, whichever is sooner.

**4. GOVERNING LAW AND RULES OF CONSTRUCTION**

a. The validity, interpretation, and performance of this Agreement between the Contractor & Subcontractor shall be governed by the laws of the jurisdiction where the project is located in Malaysia.

b. Titles, captions, or headings to any provision, article, etc., shall not limit the full contents of the same. these articles have the full force and effect as if no titles existed.

c. If any term or provision of this agreement is determined to be invalid, it shall not affect the validity and enforcement of the remaining terms and provisions of this agreement.

d. This contract shall be binding upon and inure to the benefit of the respective successors, assigns, representatives, and heirs of the parties herein.

**5. AMENDMENT**

This Agreement shall only be amended or modified by written document executed by authorized representatives of contractor and subcontractor. This Agreement supersedes all prior representations made by Contractor or Subcontractor.

**6. ARBITRATION**

Any and all disputes or claims between the Contractor and the Subcontractor arising out of this agreement will be to the maximum extent possible resolved amicably and reasonably. however, should any issue be unresolved in this manner, then either party may make by submission of the same to Mr. Henry Lee an attorney at law practicing with the prime law firm, for resolution by binding arbitration according to Malaysian's Rules of Arbitration, alternatively consider using the court by judge. in so agreeing the parties expressly waive their right to a jury trial, if any, on these issues and further agree that the award of the arbitrator shall be final and binding upon them as though rendered by a court of law and shall be enforceable in any court having jurisdiction over the same.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

Sign and Seal:



**CONTRACTOR**

**SUBCONTRACTOR**



*Subject to Approval of APCA's  
Board of Directors*  
*Thomas A. Wellborn*

**SETIMROYAL CONSTRUCTION INC**

**MR. THOMAS A. WELLBORN**