

Revision 96-09-05
Project Agreement Guideline Document

This Agreement, effective as of the ____ day of _____, 1996, is by and between _____
(name of R&D provider) _____, the R&D provider(s) and other
parties who execute this Agreement (hereinafter "Sponsors").

1. PURPOSE OF AGREEMENT

2. SCOPE OF PROJECT

3. DELIVERABLES AND OBJECTIVES

4. TECHNICAL REVIEW MEETINGS

4.2 The final technical review meeting will be held when the Project is completed.

4.3 Each Sponsor shall have the right to send up to two representatives to each technical review meeting.

5. RESPONSIBILITIES

5.1 _____ shall carry out all work necessary to perform the Project and provide to each Sponsor the Data listed in section 3 entitled "Deliverables" of this Agreement.

5.2 Sponsors shall be charged a flat fee for participation in the Project.

6. PROJECT PARTICIPATION COSTS

6.1 Sponsor Cost

6.1.1 The participation fee to each Sponsor hereunder shall be \$_____.

6.1.2 _____ will submit invoices to all Sponsors who execute this Agreement. All payments shall be made in Canadian dollars to _____ within 30 days of the invoice date unless otherwise agreed to by _____.

6.1.3 The foregoing shall not cover costs of attendance of meetings, which shall be for each Sponsors account.

6.1.4 Late Sponsors' cost will be determined by initial project sponsors by majority vote.

6.2 Project Cost

6.2.1 _____ shall account for all project costs. Manpower costs shall be accounted for at the contract rates of _____. Sub-contracted, purchased and manufactured items or services shall be accounted for at cost plus _____ margin. A \$_____ per day facility rental will be charged to the Project for each day testing is performed in the _____ facilities (or use fixed price for total cost of project).

6.2.2 Research or Work on the Project will continue until the sum of the participation costs are used according to the above accounting method or the project deliverables and objectives are achieved, whichever occurs first. Any unused funds will revert to _____

7. USE OF INFORMATION

7.1 Use of Information

7.1.1 All lab test reports and the final analysis reports are defined as "Reports".

7.1.2 Each Sponsor and each of its respective affiliates shall have an irrevocable royalty-free right to make use of the Data and Reports in any of its respective operations whether wholly or jointly owned.

7.1.3 The _____ staff and consultants are composed primarily of qualified professionals who shall act in good faith in their respective operations; however, _____ shall furnish the Data and Reports to the Sponsors hereunder without any representation, guaranty, or warranty concerning the completeness, accuracy, correctness, soundness and/or reliability thereof, and the use of such Data and Reports (including, but not limited to, any technique included therein) shall be solely at the risk of the Sponsor or affiliate receiving and using the Data and Reports. _____ shall not be liable for any damage resulting (I) from incompleteness, inaccuracy, incorrectness, unsoundness, and/or unreliability of any Data or Reports resulting from the Project, or (ii) from the use of such Data and Reports (including, but not limited to any technique included therein), and the provisions of this sentence and the immediately preceding sentence shall survive any termination of this Agreement.

7.2

Disclosure of Data

7.2.1 Sponsors shall not publish or release Data or Reports except as provided herein. _____ and each Sponsor shall protect Data from disclosure to third parties in the same manner as it protects its own confidential information and shall not (except in accordance with this section 7) release data to third parties.

7.2.2 The provisions of this section 7 shall survive any termination of this Agreement for a period of two (2) years following the termination of the Project for all Data and Reports. After these two (2) years _____ and/or any Sponsor are free to publish these Data and Reports.

7.2.3 Sponsors may use the software developed as part of this Project in the software products that the Sponsors market immediately upon development of the software. However, Sponsors may not disclose the calculation methods or any other Data which supports this software until the two year period discussed in section 7.2.2 is complete.

7.2.4 The restrictions of this section 7 shall not apply to Data and Reports which now is or hereafter becomes, through no fault of the receiving party, part of the public knowledge; or which is already in the possession of the Sponsor or any of its affiliates prior to receipt of same pursuant to this Agreement; or which is obtained from other sources without a secrecy obligation and without breach of this Agreement; or which at any time hereafter is independently developed by a Sponsor or any of its affiliates through personnel who did not use such Data.

7.2.5 All project data will be released to Petroleum Technology Alliance Canada two years after completion of this project or earlier upon approval by all project Sponsors who agree that the Data released is accessible to the public.

8.

COMMENCEMENT, DURATION AND TERMINATION

8.1 This Project shall commence when signed Agreements are received by _____ from at least _____ Sponsors.

8.2 The duration of the Project is expected to be _____ months, depending on the number of Sponsors and thus amount of work performed.

8.3 The Project can be terminated only if _____ and all Sponsors agree.

8.4 This Agreement shall terminate ninety (90) days after the completion of the Project and delivery of all Data and Reports to Sponsors. Additional Sponsors may sign this Agreement up to and until the date of termination. If additional Sponsors sign this Agreement the Project will be continued until their participation cost is used as per section 6 of this Agreement.

9.

OTHER PROVISIONS

9.1 Liability of Parties

9.1.1 Each party hereto assumes and shall be responsible for all losses, claims, damages, judgments, costs, expenses, and liabilities for injuries to or death of its personnel or third parties, or for damage to or destruction of its or third-party property arising out of its operations under this Agreement and in connection with the subject matter of this Agreement, and shall indemnify and hold all the other parties hereto harmless from such losses, claims damages, judgments, costs, expenses, and liabilities, regardless of the negligence or strict liability of the parties to be indemnified.

9.1.2 Nothing herein shall be construed to create a partnership or impose a partnership obligation or liabilities or an association for profit on _____ or any Sponsor. If, for Federal Income Tax purposes, this Agreement or any performance hereunder is regarded as a partnership, each of the parties hereto hereby elects under the authority of Section 76(a) of the Internal Revenue Code of 1954 to be excluded from the application of all the provisions of Subchapter K of Chapter 1 of Subtitle A of the Internal Revenue Code of 1954.

9.2 Patent Rights

9.2.1 Any patents or intellectual property arising from or developed as part of this Project shall be the property of the inventor.

9.2.2 The provisions of this section 9.2 shall survive any termination of this Agreement.

9.3 Agreement Interpretation

9.3.1 In performing under this Agreement, _____ shall at all times act as an independent contractor. Nothing herein shall be construed or applied so as to create the relationship of principal and agent, partnership, or employee between _____ and Sponsors. _____ shall not make any commitment or incur any charge or expense in the name of any Sponsor.

9.4 Agreement Interpretation

9.4.1 This Agreement shall be deemed to be made under and shall be governed by the laws of the Province of Alberta in all respects, including matters of construction, validity, and performance.

9.5 Assignment of Interests

9.5.1 The Sponsors shall not assign nor transfer their interest in this Agreement nor any part thereof without the written consent of _____, which will not be unreasonably withheld, and any such assignment or transfer made without such consent shall be void, and in order to be valid must be affirmatively recognized by _____, provided, however, such interest can be assigned or transferred to a successor of all or substantially all of the Sponsors' business to which this Agreement pertains.

9.6 Counterparts

9.6.1 This Agreement may be executed in counterparts and all such counter-

parts shall be construed together and shall constitute one instrument.

9.7 Entirety of Agreement

9.7.1 This Agreement sets forth the entire and only Agreement between _____ and Sponsors with respect to the subject matter hereof and supersedes and cancels all previous understandings, negotiations, commitments, representations, and agreements with respect hereto.

10. ARBITRATION

10.1 The Alberta Arbitration Act shall apply.

11. NOTICES

Any and all notices and correspondence required or permitted under this Agreement shall be delivered as follows:

If to _____,

If to any Sponsor, at the address specified by such Sponsor in this Agreement.

Sponsor

(Company Name)

by:

Date:

(Address)

by:
(Name)

(Title)

Date: