

TERMS AND CONDITIONS FOR PROFESSIONAL SERVICES

1. ACCEPTANCE – Orders or other requests, whether oral or written, for services (“Services”) to be provided by SGV Canada LTD. or any of its affiliates, divisions, and subsidiaries (each a “Seller”) to its customers (each a “Buyer”) are subject to Seller’s written acceptance by an authorized representative of Seller and any orders so accepted will be governed by (i) the terms and conditions stated in these Terms and Conditions of Sale (“Terms and Conditions”), (ii) the written proposal submitted by Seller to Buyer (“Proposal”), if any, (iii) the written order acknowledgment issued by Seller to Buyer (“Acknowledgment”), if any (iv) any change orders identified as such and agreed to in writing by Seller (the Order, Terms and Conditions, Proposal, Acknowledgment, and any such change order, and any such additional terms as agreed to in writing by an authorized representative of Seller being collectively referred to herein for all purposes as the “Agreement”). Buyer’s submission of a purchase order (or other similar document) shall be deemed to be an express acceptance of these Terms and Conditions, notwithstanding any language in Buyer’s purchase order (or other similar document) inconsistent herewith, and any inconsistent language in Buyer’s purchase order (or other similar document) is hereby rejected and shall not form a part of the Agreement. Buyer’s purchase order or other similar document is incorporated in this Agreement only to the extent of specifying the nature and description of the Services and then only to the extent consistent with the Proposal or Acknowledgment. In the event of any conflict between a Proposal and an Acknowledgment, the Acknowledgment shall prevail.

2. PRICES

Prices of Services shall be as stated in the Proposal or Acknowledgment, or if there is no Proposal or Acknowledgment, as otherwise agreed to in writing by Seller. All price quotations are Ex-works (INCOTERMS 2010) Seller’s premises or as agreed per quote and are subject to change without notice. All sales, use, import, excise and like taxes, whether foreign or domestic, shall be charged to and borne by Buyer.

3. PAYMENT TERMS

Unless alternate payment terms are specified or approved by Seller’s credit department, all charges, including applicable packing and transportation costs, billed by Seller are payable within thirty (30) days of the date of invoice. Seller reserves the right to modify or withdraw credit terms at any time without notice. Unless otherwise specified all payments are due in the currency specified in Seller’s Proposal, Acknowledgment and/or invoice. Interest shall be due from Buyer to Seller on overdue accounts at the maximum rate allowed by law. Services will be invoiced on a minimum of a monthly basis or when the Service is complete, whichever is sooner. Seller shall be entitled to recover all reasonable attorneys’ fees and other costs incurred in the collection of overdue accounts. Seller reserves the right where genuine doubts arise as to Buyer’s financial position or if Buyer is in default of any payment, to suspend delivery or performance of any order or any part thereof without liability or without prejudice to and without limitation of any other remedy until Buyer cures the default and payment or satisfactory security for payment has been provided. Seller shall have the option to extend the delivery date by a time at least equal to the period of suspension.

4. FORCE MAJUERE

If Seller is unable by reason of Force Majeure to carry out any of its obligations under this Agreement, then on Seller giving notice and particulars in writing to Buyer within a reasonable time after the occurrence of the cause relied upon, such obligations shall be suspended. “Force Majeure” shall include acts of God, laws and regulations, government action, war, civil disturbances, strikes and labor problems, delays of vendors, carriers, lightning, fire, flood, washout, storm, breakage or accident to equipment or machinery, shortage of raw materials, and any other causes that are not reasonably within the control of Seller or its suppliers, vendors, contractors, or subcontractors of any tier. Seller shall be paid its applicable standby rate, if any, during any such Force Majeure event.

5. LIMITED WARRANTY

A. Seller warrants that the Services to be provided pursuant to this Agreement shall conform to the material aspects of the specifications set forth in the relevant scope of work document as agreed to in writing by Seller and Buyer. Seller shall re-perform that part of the non-conforming Services, provided Seller is notified by Buyer prior to Seller’s departure from the worksite.

B. Seller’s warranty obligations under this Article 6 shall apply only if Buyer promptly gives Seller written notice of the claimed warranty defect and in any event within the applicable warranty period. Further, Seller’s warranty obligations under this Article 6 shall terminate immediately if i) Buyer fails to perform its obligations under this or any other Agreement between the parties, or ii) if Buyer fails to pay any charges due Seller.

C. THIS ARTICLE 6 SETS FORTH SELLER’S SOLE AND EXCLUSIVE OBLIGATION AND BUYER’S SOLE AND EXCLUSIVE REMEDY WITH RESPECT TO THE MATTERS WARRANTED HEREIN OR TO NON-CONFORMING SERVICES. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED PURSUANT TO THE PROVISIONS OF THIS ARTICLE 6, SELLER MAKES NO OTHER WARRANTIES OR REPRESENTATIONS OF ANY KIND, EXPRESS OR IMPLIED, AND SELLER HEREBY DISCLAIMS ANY EXPRESS OR IMPLIED WARRANTIES OF (I) MERCHANTABILITY, (II) FITNESS FOR A PARTICULAR PURPOSE, (III) CONFORMITY TO MODELS OR SAMPLES, (IV) DILIGENCE, (V) WORKMANLIKE PERFORMANCE, OR ANY OTHER LIABILITIES OF ANY KIND, WHETHER IN CONTRACT, TORT, OR OTHERWISE, INCLUDING NEGLIGENCE OR STRICT LIABILITY, WITH RESPECT TO THE SERVICES.

6. LIABILITIES, RELEASES AND INDEMNIFICATION

For purpose of this Article 7, the following definitions shall apply:

(1) “Seller Group” shall mean (i) Seller, its parent, subsidiary or related companies, (ii) its and their respective partners and joint venturers, if any, and the respective parents, subsidiary or related companies thereof, and (iii) the officers, directors, managers, members, employees, consultants, agents and invitees of each of the foregoing.

(2) “Buyer Group” shall mean (i) Buyer, its parent, subsidiary or related companies, (ii) its and their working interest owners, co-lessees, co-owners, partners, joint venturers, if any, and the respective parents, subsidiary or related companies thereof, and (iii) the officers, directors, managers, members, employees, consultants, agents and invitees of each of the foregoing.

(3) “Consequential Loss” shall mean:

(a) loss or delay/deferral or diminution of or the benefit of: revenue, profit, anticipated profit, production, product, productivity, contracts, business opportunities, business interruptions, delay, interference with, or non-performance of any other contract, contractual commitments, or deadlines, liquidated damages or penalties under any other contract, economic loss, additional project management or fabrication and completion costs, or extended overhead costs (in each case, whether actual or anticipated and whether deemed to be direct or indirect);

(b) any damage, loss or injury of whatsoever nature which does not flow directly from the act or omission in question but from a consequence or result of such act or omission including, without limitation: (i) loss of goodwill; (ii) special, exemplary or punitive damages; and

(c) to the extent not included in the foregoing, any special, consequential, incidental, or indirect losses (including costs, damages, liabilities and expenses in respect of such losses).

(4) "Arising out of this Agreement" means arising from, directly or indirectly, or connected with or related in any way to the subject matter of this Agreement or performance or breach of this Agreement, whether before or after completion.

(5) "Claims" shall mean any of the following: causes of action, demands, allegations, claims, suits, losses, liabilities, fines, penalties, costs, damages, judgments, awards and expenses, including court costs and attorneys' fees and expenses, and sums paid by way of settlement and compromise, of whatever kind or character, whether in contract, tort, or otherwise, of every type and character, regardless of when incurred, and except as otherwise expressly provided in this Agreement without limit or regard to the cause or causes thereof, including those asserted by a party or any member of its respective Group including an Indemnitor or any Third Party including dependents, heirs, claimants, executors, administrators, successors, survivors or assigns, (including, without limitation, property loss or damage, personal or bodily injury, sickness, disease or death, loss of services and/or wages, or loss of consortium or society).

(6) "Indemnify" shall mean release, protect, defend, indemnify and hold harmless; and terms such as "Indemnified", "Indemnifying", "Indemnification", "Indemnity", "Indemnitor", and "Indemnitee" shall have appropriately corresponding meanings and be construed accordingly.

(7) "Legal Fault" shall include negligence (whether sole, joint, or concurrent), gross negligence, willful misconduct, strict liability, breach of duty (statutory or otherwise), breach of contract, breach of any representation or warranty including but not limited to any warranty under this Agreement, and any other legal fault.

(8) "Third Party" shall mean any person who is not a member of Seller Group or Buyer Group.

A. Seller shall Indemnify Buyer Group from and against any and all Claims in respect of personal or bodily injury to, sickness, disease or death of any member of Seller Group and all Claims in respect of damage to or loss or destruction of property owned, leased, rented or hired by any member of Seller Group.

B. Buyer shall Indemnify Seller Group from and against any and all Claims in respect of personal or bodily injury to, sickness, disease or death of any member of Buyer Group and all Claims in respect of damage to or loss or destruction of property owned, leased, rented or hired by any member of Buyer Group.

C. In the event this Agreement is subject to the indemnity limitations in Chapter 127 of the Texas Civil Practices and Remedies Code (or any successor statute), and so long as such limitations are in force, each party covenants and agrees to support the mutual indemnity obligations contained in Paragraphs a and b above, by carrying equal amounts of insurance (or qualified self-insurance) in an amount not less than U.S. \$1,000,000.00.

D. Notwithstanding anything contained in this Agreement to the contrary, in all instances where Seller is providing Services at a wellsite, Buyer, to the maximum extent permitted under applicable law, shall Indemnify Seller Group from and against any and all Claims asserted by or in favor of any person or party, including Seller Group, Buyer Group, or any Third Party resulting from: (i) loss of or damage to any well or hole (including but not limited to the costs of re-drill), (ii) blowout, fire, explosion, cratering or any uncontrolled well condition (including but not limited to the costs to control a wild well and the removal of debris), (iii) damage to any reservoir, geological formation or underground strata or the loss of oil, water or gas therefrom, (iv) pollution or contamination of any kind (other than surface spillage of fuels, lubricants, rig sewage or garbage, to the extent attributable to the negligence of Seller Group), including but not limited to the cost of control, removal and clean-up, or (v) damage to, or escape of any substance from, any pipeline, vessel or storage facility.

E. Notwithstanding anything contained in this Agreement to the contrary, the Seller Group shall not be liable to the Buyer Group and Buyer shall Indemnify the Seller Group from and against any Consequential Losses of the Buyer Group (whether or not foreseeable at the date of this Agreement). Notwithstanding anything contained in this Agreement to the contrary, the Buyer Group shall not be liable to the Seller Group and Seller shall Indemnify the Buyer Group from and against any Consequential Losses of the Seller Group (whether or not foreseeable at the date of this Agreement); provided, however, in no event shall amounts payable by Buyer to Seller in respect of the Services be deemed to be excluded from Consequential Losses of the Seller Group.

F. Notwithstanding anything contained in this Agreement to the contrary, Seller's total liability for all Claims under this Agreement other than its Indemnity obligations under this Article 7 shall be limited to and shall not exceed the value of the Services purchased.

G. THE EXCLUSIONS OF LIABILITY, RELEASES AND INDEMNITIES SET FORTH IN PARAGRAPHS A. THROUGH F. OF THIS ARTICLE 7 SHALL APPLY WITHOUT REGARD TO THE CAUSE OR CAUSES THEREOF, INCLUDING BUT NOT LIMITED TO PRE-EXISTING CONDITIONS, WHETHER SUCH CONDITIONS BE PATENT OR LATENT, UNSEAWORTHINESS OF ANY VESSEL OR VESSELS, IMPERFECTION OF MATERIAL, DEFECT OR FAILURE OF GOODS OR SERVICES, BREACH OF REPRESENTATION OR WARRANTY (EXPRESS OR IMPLIED), ULTRAHAZARDOUS ACTIVITY, STRICT LIABILITY, TORT, BREACH OF CONTRACT, BREACH OF DUTY (STATUTORY OR OTHERWISE), BREACH OF ANY SAFETY REQUIREMENT OR REGULATION, OR THE NEGLIGENCE OR OTHER LEGAL FAULT OR RESPONSIBILITY OF ANY PERSON (INCLUDING THE INDEMNIFIED OR RELEASED PARTY), WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, ACTIVE OR PASSIVE.

H. Redress under the Indemnity provisions set forth in this Article 7 shall be the exclusive remedy(ies) available to the parties hereto for the matters, claims, damages and losses covered by such provisions.

7. INSURANCE

Upon written request, each party shall furnish to the other party certificates of insurance evidencing the fact that the adequate insurance to support each party's obligations hereunder has been secured. To the extent of each party's release and indemnity obligations expressly assumed by each party hereunder, each party agrees that all such insurance policies shall a) be primary to the other party's insurance; b) include the other party, its parent, subsidiary and affiliated or related companies, and its and their respective officers, directors, employees, consultants and agents as additional insured; and c) be endorsed to waive subrogation against the other party, its parent subsidiary and affiliated or related companies, and its and their respective officers, directors, employees, consultants and agents.

8. GOVERNING LAW/DISPUTE RESOLUTION

A. For Services provided, or to be provided, by Seller, this Agreement shall be governed by, construed, and interpreted in accordance with the laws of the Province of Alberta, excluding conflicts and choice of law principles which would refer to the laws of another jurisdiction, and any and all disputes which cannot be amicably between the parties shall be determined in the courts of Alberta, to whose exclusive jurisdiction and venue the parties hereto hereby irrevocably submit and agree that service of process may be had by any means permitted by law.

B. Seller retains the right to arbitrate any all disputes that may arise in connection with the sale of Services.

9. PATENT INDEMNITY

Seller does not warrant that Services: (a) will not infringe any such patent when not of Seller's origination, or specially made, in whole or in part, to the Buyer's design specifications; or (b) if used or sold in combination with other materials or apparatus or used in the practice of processes, will not, as a result of such combination or use, infringe any such patent, and Seller shall not be liable and does not indemnify Buyer for damages or losses of any nature whatsoever resulting from actual or alleged patent infringement arising pursuant to (a) and (b) above. THIS PARAGRAPH STATES THE ENTIRE RESPONSIBILITY OF SELLER CONCERNING PATENT INFRINGEMENT.

10. REGULATORY COMPLIANCE

By acceptance of delivery of this order, Buyer warrants it has complied with all applicable governmental, statutory and regulatory requirements and will furnish Seller with such documents as may be required. Seller warrants and certifies that in the performance of this contract, it will comply with all applicable statutes, rules, regulations and orders of the United States and of any state or political subdivision thereof, including laws and regulations pertaining to labor, wages, hours and other conditions of employment, applicable price ceilings if any, and that the articles delivered hereunder shall be produced in compliance with the Fair Labor Standards Act and the Equal Employment Opportunity provisions of pertinent Executive Orders and the regulations adopted thereunder. Seller will not provide any certification or other documentation nor agree to any contract provision or otherwise act in any manner which may cause Seller to be in violation of United States law, including but not limited to the Export Administration Act of 1979 and regulations issued pursuant thereto. All orders shall be conditional upon granting of Export Licenses or Import Permits which may be required. Buyer shall obtain at its own risk any required Export License and Import Permits and Buyer shall remain liable to accept and pay for material if licenses are not granted or are revoked.

11. CONFIDENTIAL INFORMATION

Each party recognizes and acknowledges that it shall maintain all data, information, disclosures, documents, drawings, specifications, patterns, calculations, technical information and other documents (collectively, "Confidential Information") obtained from the other party in strict confidence subject only to disclosure required by law, legal process or as authorized in writing by the party disclosing the information. In the event that Seller owns copyrights to patents to, or has filed patent applications on, any technology related to the Services furnished by Seller hereunder, and if Seller makes any improvements on such technology, then such improvements shall not fall within the confidentiality obligations included herein, and Seller shall own all such improvements, including drawings, specifications, patterns, calculations, technical information and other documents. However, nothing hereinabove contained shall deprive the party receiving the information (the "Receiving Party") of the right to use or disclose any information: a) which is, at the time of disclosure, known to the trade or public; or b) which becomes at a later date known to the trade or the public through no fault of the Receiving Party and then only after said later date; or c) which is possessed by the Receiving Party, as evidenced by the Receiving Party's written records, before receipt thereof from the party disclosing the information (the "Disclosing Party"); or d) which is disclosed to the Receiving Party in good faith by a third party who has an independent right to such information; e) which is developed by the Receiving Party as evidenced by documentation, independently of the Confidential Information, or (f) which is required to be disclosed by the Receiving Party pursuant to an order of a court of competent jurisdiction or other governmental agency having the power to order such disclosure, provided that the Receiving Party uses its best efforts to provide timely notice to the Disclosing party of such order to permit the Disclosing Party an opportunity to contest such order.

12. INDEPENDENT CONTRACTOR

It is expressly understood that Seller is an independent contractor, and that neither Seller nor its principles, partners, employees or subcontractors are servants, agents or employees of Buyer. In all cases where Seller's employees (defined to include Seller's and its subcontractors, direct, borrowed, special, or statutory employees) are covered by the Louisiana Worker's Compensation Act. La. R.S. 23:1021 et seq., Seller and Buyer agreed that all Services provided by Seller and Seller's employees pursuant to this Agreement are an integral part of and are essential to the ability of Seller to generate Seller's Services for the purpose of La. R.S. 23:1061(A). Furthermore, Seller and Buyer agree that Buyer is the statutory employer of all of Seller's employees for the purpose of La. R.S. 23:1061(A).

13. SURVIVAL

Notwithstanding the term of this Agreement or any future changes thereof, the provisions of Articles 5, 6, 7, 8, 9, 10, 11, 12, 13, 14 and 15 and any other rights and obligations of the parties which have accrued shall survive any expiration of this Agreement.

14. GENERAL

Failure of Buyer or Seller to enforce any of the terms and conditions of this Agreement shall not prevent a subsequent enforcement of such terms and conditions or be deemed a waiver of any subsequent breach. Should any provisions of this Agreement, or portion thereof, be unenforceable or in conflict with governing country, state, province, or local laws, then the validity of the remaining provisions, and portions thereof, shall not be affected by such unenforceability or conflict, and this Agreement shall be construed as if such provision supersedes all prior oral or written agreements or representations. Buyer acknowledges that it has not relied on any representations other than those contained in this Agreement. This Agreement constitutes the entire agreement of the parties concerning this subject matter and shall not be varied, supplemented, qualified, or interpreted by any prior course of dealing between the parties or by any usage of trade and may only be amended by an agreement executed by an authorized representative of each party. This Agreement shall inure solely for the benefit of the parties and their respective successors and assigns. This Agreement shall not be assigned by Buyer or Seller without prior written consent of the other party, such consent not to be unreasonably withheld.