

**PIONEER PETROTECH SERVICES INC. ("PPS")
GENERAL TERMS AND CONDITIONS**

1. **Acceptance.** By requesting equipment and products ("Products") or services ("Services") from PPS as specified on the purchase order ("Order"), the Customer accepts these General Terms and Conditions. The agreement for the supply of Products and Services by PPS includes these General Terms and Conditions, the Specifications and the Order (the "Contract"). This Contract is the entire agreement of the parties and no additional or different terms contained in any document issued by the Customer shall apply.
2. **Definitions.**
 - (a) "Customer" means the party requesting Products or Services as identified on the Order.
 - (b) "Delivery" means (a) for Products, written or verbal delivery notification by PPS that the Products are ready for shipment at the Point of Manufacture to either (i) the carrier; or (ii) Customer; and (b) for Services, upon completion.
 - (c) "Delivery Date" means the estimated date the Products are to be delivered or the Services completed as specified on the Order.
 - (d) "Gross Negligence" means wanton and reckless conduct, carelessness or omission as constitutes in effect an utter disregard for harmful, foreseeable and avoidable consequences.
 - (e) "Point of Manufacture" means the PPS facility located in Calgary, Alberta.
 - (f) "Price" means the rates or prices for the Products or Services identified on the Order.
 - (g) "Representatives" means directors, officers, employees, agents, contractors and others for whom a party is responsible at law.
 - (h) "Specifications" means the specifications in the documentation made generally available by PPS for the Products and Services.
3. **Price.** The Order states the Price for the Products or Services and is F.O.B. Point of Manufacture (excluding cost of packing, shipment and insurance unless otherwise stated on the Order), payable without offset, back charge, retention, holdback or withholding of any kind. Customer shall pay any and all taxes or other levies imposed by any government, governmental unit or similar authority. No additions, changes or modifications will be incorporated into this Contract unless a written change order is executed by both parties. Any changes Customer requests may result in an increase to the Price or a change in the Delivery Date.
4. **Payment.** Payment shall be cash in advance unless PPS has approved Customer's credit prior to execution of the Order. Terms of sale for credit-approved accounts are total invoice amount due 30 days from the date of invoice. Customer shall pay interest on past due balances at the lesser of 1.5% per month or the maximum allowed by applicable law. If Customer's account becomes delinquent, PPS has the right to revoke previously applied discounts and the full Price without discount will become immediately due and owing and subject to collection. Customer agrees to pay all fees directly or indirectly incurred in the collection of past due or delinquent accounts. Failure by Customer to provide payment shall entitle PPS to suspend delivery of the Products or Services and entitle PPS to terminate its obligations hereunder. Suspension of delivery shall not in any way limit PPS's recourse to any other legal or equitable remedies available to PPS in respect of such non-payment by Customer. In the event Products are delivered to Customer before payment, Customer grants PPS a Purchase Money Security Interest (a "PMSI") pursuant to applicable law in and to the Products including the right to register such PMSI and Customer waives the right to receive notice of registration.
5. **Delivery.** The Delivery Date may be subject to change due to change orders or delays caused by third party suppliers. PPS will not be liable for any late penalty, charges, or have any liability for special, indirect and consequential damages, such as economic loss, due to delays. The Products shall be and remain at the risk of Customer from and after Delivery to either Customer or its agent, or the carrier for transportation to Customer (in both cases F.O.B. Point of Manufacture), whichever occurs first.
6. **Title.** Title to the Products shall be transferred to Customer upon Delivery to either the carrier or Customer provided Customer has paid for such Products.
7. **Insurance Coverage and Risks.** PPS shall bear the risk of loss until Delivery (F.O.B. Point of Manufacture). PPS shall bear no responsibility for loss or damage after transferring title to Customer. After transferring the title to the Customer, Customer shall be the sole owner of the Products and shall acquire all property damage and liability risks connected therewith.
8. **Obligations of Customer.**
 - (i) **Chemicals and Dangerous Goods.** Handling and disposal of any chemical or dangerous goods, waste or by-product used or generated in the performance of the Services by PPS or while Customer uses the Products are the sole responsibility of Customer, who is the owner and generator thereof. Customer agrees that it will transport and dispose of any such waste or by-product in accordance with all applicable laws and regulations. Customer hereby waives, releases and agrees not to assert any claim or bring any cost recovery action against PPS in connection with the use, generation, storage, transportation or disposal of chemicals under any common law theories or federal, provincial, state or local environmental laws or regulations, now existing or hereinafter enacted, without regard to the cause or causes thereof or the negligence of any party.
 - (j) **Fishing Operations.** Customer shall assume the entire responsibility for operations in which Customer or its representatives attempt to fish for equipment but PPS will, without assuming liability and if so requested by Customer, render assistance for the recovery of such Products.
 - (k) **Proprietary Rights.** The Products and Services contain PPS' confidential and proprietary information and Customer does not acquire any intellectual property or other proprietary rights in or relating to the Products and Services and shall not modify or prepare derivative works from, or decompile, disassemble or reverse engineer the Products or Services.
9. **Limited Warranty for Products and Services**
 - (l) PPS warrants that Products will materially conform to the Specifications for a period of 12 months from the date of installation or 18 months from the date of manufacture of the Product, whichever occurs first ("Warranty Period"). This warranty does not apply to:
 - (i) products, services or equipment that have been modified and/or subjected to improper handling, storage, installation, operation or maintenance or to any product normally consumed in operation;
 - (ii) any item which is purchased by PPS on behalf of Customer or furnished by Customer as a component part of a Product, or any equipment that is not manufactured by PPS and is purchased by PPS on behalf of Customer;
 - (iii) the design where PPS prepares shop drawings, tracing drawings or lists from designs furnished by others;
 - (iv) models or samples which are furnished to Customer as illustrations only of the general properties of PPS products and workmanship;
 - (v) damage to a product caused by abrasive materials, corrosion due to aggressive fluids, lightning, improper voltage supply, mishandling or misapplication;
 - (vi) any third party component, machinery, equipment, parts or materials that are incorporated into, accompany or form a part of the Products; or
 - (vii) Services, for which the Warranty Period shall be 30 days from the date of completion.
 - (m) Products or Services which fail to conform to the foregoing warranty entitle Customer to report such non-conformities to PPS in writing during the Warranty Period. PPS' liability hereunder under is expressly limited to the repair or replacement of the non-conforming portion of the Products or Services or a refund of an equitable portion of the Price, as determined by PPS in its sole discretion. Warranty claims must be made immediately upon discovery by Customer and reported in writing within 30 days after discovery. Defective items must be held for inspection and returned to the original F.O.B. Point of Manufacture upon request by PPS. PPS shall have the right to inspect the Products claimed to be defective and shall have the right to determine the cause of such defect. Returned Products shall become the property of PPS.

10. **DISCLAIMER.** EXCEPT AS EXPRESSLY SET FORTH HEREIN, PPS EXPRESSLY DISCLAIMS ANY AND ALL REPRESENTATIONS, WARRANTIES, CONDITIONS, COVENANTS, GUARANTEES AND/OR ASSURANCES, WHETHER EXPRESS OR IMPLIED, RELATING TO OR ARISING OUT OF PRODUCTS OR SERVICES AND/OR THIS CONTRACT, INCLUDING WITHOUT LIMITATION, ANY IMPLIED REPRESENTATIONS, WARRANTIES, CONDITIONS, COVENANTS AND/OR GUARANTEES AS TO MERCHANTABILITY, MERCHANTABILITY, MERCHANTABILITY, NON-INFRINGEMENT, FITNESS FOR A PARTICULAR PURPOSE, THOSE ARISING BY STATUTE OR OTHERWISE, OR FROM A COURSE OF DEALING OR USAGE OR TRADE. TO THE EXTENT PERMITTED BY APPLICABLE LAW, ALL WARRANTIES, REPRESENTATIONS, TERMS AND CONDITIONS OTHER THAN AS EXPRESSLY CONTAINED HEREIN ARE EXCLUDED. EACH PARTY ACKNOWLEDGES THAT IT HAS NOT RELIED ON ANY OTHER TERM, CONDITION, REPRESENTATION, WARRANTY, MATTER, STATEMENT OR CONDUCT IN ENTERING INTO THIS CONTRACT. CUSTOMER'S SOLE REMEDY FOR A BREACH OF THIS LIMITED WARRANTY, FOR ANY OTHER LIABILITY UNDER THIS CONTRACT, OR FOR ANY LIABILITY THAT CANNOT BE EXCLUDED AS PROVIDED BY APPLICABLE LAW, SHALL BE LIMITED TO A REFUND OF THE AMOUNT PAID FOR THAT PORTION OF THE PRODUCTS OR SERVICES IN BREACH OF THE EXPRESS WARRANTIES PROVIDED HEREIN.
11. **INDEMNITIES**
- (A) **Personnel** PPS SHALL BE RESPONSIBLE FOR AND HEREBY AGREES TO PROTECT, DEFEND, INDEMNIFY AND HOLD HARMLESS CUSTOMER AND ITS INSURERS AGAINST ALL CLAIMS ARISING OUT OF OR IN CONNECTION WITH PERSONAL INJURY, ILLNESS OR DEATH OF ANY MEMBER OF PPS OR ITS SUBCONTRACTORS ARISING DIRECTLY FROM USE OF THE PRODUCTS OR SERVICES. CUSTOMER SHALL BE RESPONSIBLE FOR AND AGREES TO PROTECT, DEFEND, INDEMNIFY AND HOLD HARMLESS PPS, ITS AFFILIATES, REPRESENTATIVES AND INSURERS AGAINST ALL CLAIMS ARISING OUT OF OR IN CONNECTION WITH PERSONAL INJURY, ILLNESS OR DEATH OF ANY CUSTOMER PERSONNEL OR CONTRACTORS (OTHER THAN PPS) AND SUBCONTRACTORS IN CONNECTION WITH PERFORMANCE OF THIS CONTRACT OR ARISING DIRECTLY OR INDIRECTLY FROM USE OF PRODUCTS OR SERVICES.
- (B) **Property.** CUSTOMER ASSUMES ALL LIABILITY FOR, AND HEREBY AGREES TO PROTECT, DEFEND, INDEMNIFY AND HOLD PPS, ITS AFFILIATES, REPRESENTATIVES AND THEIR INSURERS HARMLESS FROM AND AGAINST ALL DAMAGE, LOSS, LIABILITY, CLAIMS, DEMANDS AND CAUSES OF ACTION OF EVERY KIND AND CHARACTER (INCLUDING ALL COSTS AND EXPENSES THEREOF AND REASONABLE ATTORNEY'S FEES) ARISING IN CONNECTION WITH PERFORMANCE OF THIS CONTRACT OR ARISING DIRECTLY OR INDIRECTLY FROM USE OF THE PRODUCTS OR SERVICES (A) ON ACCOUNT OF LOSS AND/OR DAMAGE TO THE CUSTOMER OR ITS CONTRACTORS' (OTHER THAN PPS) OR SUBCONTRACTORS' PROPERTY; OR (B) ON ACCOUNT OF LOSS OF OR DAMAGE TO PPS PROPERTY, EQUIPMENT, MATERIALS OR PRODUCTS, INCLUDING BUT NOT LIMITED TO, RECOVERY, REPAIR AND REPLACEMENT EXPENSES, WHEN SUCH LOSS OR DAMAGE OCCURS: (I) IN THE HOLE, (II) WHILE IN TRANSIT OR BEING MOVED ON ANY FORM OF TRANSPORTATION OWNED OR FURNISHED BY CUSTOMER, (III) WHILE LOCATED AT THE WELL SITE WHEN PPS PERSONNEL ARE NOT PRESENT, (IV) WHILE BEING USED BY OR WHILE UNDER THE CUSTODY OR CONTROL OF ANY PERSON OTHER THAN A PPS EMPLOYEE, WHETHER IN AN EMERGENCY OR OTHERWISE. WITH RESPECT TO SUBSECTION (I) ABOVE, PPS PROPERTY, EQUIPMENT, MATERIALS AND PRODUCTS WILL BE VALUED AT THEIR RESPECTIVE LANDED REPLACEMENT COST. RENTAL CHARGES ON THE EQUIPMENT LOST OR DAMAGED IN THE HOLE SHALL CONTINUE TO BE PAID UP TO AND INCLUDING THE DATE ON WHICH PPS RECEIVES NOTICE IN WRITING OF THE LOSS OR DAMAGE.
12. **SPECIAL INDEMNITY.** NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, CUSTOMER AGREES TO PROTECT, DEFEND, INDEMNIFY AND HOLD PPS, ITS AFFILIATES, REPRESENTATIVES AND THEIR INSURERS HARMLESS FROM AND AGAINST ALL LOSS, LIABILITY, CLAIMS, DEMANDS AND CAUSES OF ACTION (INCLUDING ALL COSTS, EXPENSES INCLUDING SOLICITOR AND OWN CLIENT'S FEES) OF EVERY KIND AND CHARACTER, WITHOUT REGARD TO THE CAUSE OR CAUSES THEREOF, WHETHER ARISING UNDER CONTRACT, TORT, INDEMNITY, STRICT LIABILITY, THE SOLE, CONCURRENT, ACTIVE OR PASSIVE NEGLIGENCE OF ANY PARTY (EXCLUDING THE GROSS NEGLIGENCE OF PPS), OR ANY OTHER THEORY OF LIABILITY ARISING FROM OR CONNECTED IN ANY WAY HEREWITH FOR: (I) PROPERTY DAMAGE, PERSONAL INJURY OR DEATH OR LOSS THAT RESULTS FROM BLOW-OUT WHILE PPS PRODUCTS OR EQUIPMENT ARE BEING UTILIZED IN THE WELL; (II) PROPERTY DAMAGE OR LOSS THAT RESULTS FROM POLLUTION, OR CONTAMINATION, WHETHER CAUSED BY CUSTOMER'S FAILURE TO PROPERLY HANDLE, TRANSPORT OR DISPOSE OF ANY CHEMICALS OR DANGEROUS GOODS AS REQUIRED HEREUNDER INCLUDING CONTAINMENT, CLEAN-UP AND REMEDIATION OF THE POLLUTANT AND CONTAMINATION, WHETHER OR NOT REQUIRED BY APPLICABLE LAW OR REGULATION.
13. **LIMITATION OF LIABILITY** ANYTHING TO THE CONTRARY HEREIN NOTWITHSTANDING, UNDER NO CIRCUMSTANCES SHALL PPS, ITS AFFILIATES OR REPRESENTATIVES BE LIABLE TO THE CUSTOMER OR ANY OTHER PERSON FOR AN AMOUNT OF DAMAGES IN EXCESS OF THE PRICE PAID FOR THE SPECIFIC PORTION OF THE PRODUCTS OR SERVICES TO WHICH SUCH LIABILITY IS ATTRIBUTABLE OR BE LIABLE FOR SPECIAL, INCIDENTAL, CONSEQUENTIAL, OR INDIRECT, PUNITIVE, EXEMPLARY DAMAGES OR THE LIKE (INCLUDING WITHOUT LIMITATION, LOST PROFITS, REVENUE, SALES, OR COSTS OF PROCUREMENT FOR SUBSTITUTE PRODUCTS OR SERVICES, INTERRUPTION OF BUSINESS, LOSS OF GOOD WILL, WORK STOPPAGE, OR ANY DAMAGES RELATING IN ANY WAY TO ANY NEW, EXISTING OR CONTINUING ENVIRONMENTAL CONTAMINATIONS IN ANY AMOUNT HOWEVER CAUSED AND WHETHER ARISING UNDER CONTRACT, TORT OR NEGLIGENCE, OR OTHER THEORY OF LIABILITY, ARISING IN ANY WAY OUT OF THE USE OF THE PRODUCTS OR SERVICES.
14. **Insurance.** Each party, as indemnitor, shall support the indemnity obligations it assumes hereunder by obtaining at its own cost, adequate insurance for the benefit of the other party as indemnitee, with contractual indemnity endorsements. To the extent each party assumes liability, such insurance shall waive subrogation against and name the indemnitee and its affiliates and Representatives, as applicable, as additional insured(s) and loss payee, and to the same extent such coverage shall be primary to that carried by the indemnitee. Customer shall not self-insure without the written consent of PPS.
15. **General.** PPS is and shall be an independent contractor with respect to the performance of the Services. PPS is not liable for any delay or non-performance due to governmental regulation, labor disputes, hostile action, weather, fire, acts of God or any other causes beyond the reasonable control of PPS. Any disputes arising between the parties shall be determined by binding arbitration be conducted in Calgary, Alberta. Any judgment upon the award rendered by the arbitrator(s) shall be final and conclusive. This Contract shall be governed by the laws of the Province of Alberta and the parties hereby attorn to the Alberta courts. This Contract shall enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns. Neither party shall have the right to assign this Contract to any third party without prior written consent of the other. If any provision or condition of this Contract is illegal or unenforceable, it shall be considered separate and severable and the remaining provisions and conditions of this Contract shall remain enforceable and be binding upon the parties. Notifications shall be deemed delivered to and received by the parties hereto, if they are sent by registered mail, courier or fax, at the address or number listed on the Order. The failure of PPS to exercise any of its rights hereunder shall not operate as a waiver of such rights.