

GENERAL TERMS AND CONDITIONS

IN CONSIDERATION of the performance of services ("Services") and/or the supply of tools, equipment, products, goods and materials ("Products"), by Fluid Energy Group Ltd. or any of its affiliates and their respective directors, officers, employees, consultants, invitees and agents ("FLUID") to customer ("Customer") as contemplated or provided for in the FLUID® document to which these terms and conditions are attached or printed on the reverse, Customer agrees that such performance and/or supply is subject to the following terms and conditions (the "Terms and Conditions").

ENTIRE AGREEMENT (SUBJECT TO MSA)

Entire Agreement: Subject to the terms of any master service agreement ("MSA") in effect between FLUID and Customer from time to time, upon formation of a contract between FLUID and Customer to perform the Services and/or supply Products by acceptance of a quote, service order, work order, purchase order or otherwise (the "Order"), such Order and these Terms and Conditions constitute the entire agreement between FLUID and Customer with respect to the sale or rental of Products and the provision of Services (the "Agreement") and there are no other agreements, express or implied, with respect to the subject matter hereof. In the event these Terms and Conditions are on the reverse of a field ticket, such field ticket shall be deemed to be the Order for purposes hereof.

PRICING AND PAYMENT

Price: Customer shall pay for Services and/or Products in accordance with the prices established between the Customer and FLUID from time to time in standard proposals, quotation, other work order forms or the Order expressly set by or out by FLUID (the "Price Quote"), or in the absence thereof in accordance with FLUID's standard prices then in effect at such time.

Cancellation: In the event that Customer, upon written notice, cancels any part of the supply of Products and/or the performance of Services under this Agreement or in the event of termination (by either party) due to Force Majeure (as defined below), Customer will be charged for, and shall promptly reimburse to FLUID, all Products and Services delivered or provided hereunder until the termination date together with any actual costs resulting from such cancellation in accordance with the Price Quote or, in the absence thereof, in accordance with FLUID's standard prices then in effect at such time.

Credit: Unless FLUID agrees to extend credit to Customer pursuant to the "Warranties" section below, Customer shall pay for all Products and Services by way of cash in advance. If FLUID agrees to extend credit to Customer, Customer shall pay all invoices within 30 days of the date of any invoice from FLUID. All amounts unpaid at the end of such 30 day period shall bear interest at a rate of 1.5% per month (18% per annum) until paid in full. In addition, Customer shall be responsible for all costs incurred by FLUID related to enforcing payment of overdue amounts, including, without limitation, all legal fees (on a solicitor and client basis).

Taxes: All prices are exclusive of taxes imposed on the sale or use of the Products or Services. All invoices issued to Customer will identify applicable taxes (including GST, HST and provincial sales tax, as applicable) as a separate line item. Payment of all taxes shall be on the same terms and conditions as payment for all other Services and Products.

No set-off: Customer shall not set-off against any other amounts due to FLUID hereunder or with respect to any past or future claims of Customer against FLUID under any MSA, Agreement, these Terms and Conditions or otherwise.

SUPPLY OF PRODUCTS

Products will be supplied as specified in this Agreement. There are no other quality specifications, express or implied, applicable to the Product except as set out by FLUID. If Customer requires all or a portion of the quantity of the Product that it is committed to purchase under this Agreement in a form that is different than the form that is specified, then FLUID has the right, but not the obligation, to supply such different form(s) of the Product under terms and conditions substantially similar to those contained herein.

DELIVERY & TITLE

Incoterms® 2010 shall apply to this Agreement for determining the delivery and receipt obligations of the Parties in regard to the Product. The Product shall be delivered and received and title shall be transferred under this Agreement in the following manner: EXW (Ex Works) to the facilities designated by Customer pursuant to the Order.

CUSTOMER'S USE

FLUID's recommendations or instructions as to use of the Product, including its use alone or in combination with other products, or as to any apparatus or process or the use of any product in connection therewith, are based upon information believed to be reliable, but FLUID assumes no liability with respect thereto. ANY EXPRESS OR IMPLIED REPRESENTATION, CONDITION OR WARRANTY OF SUITABILITY, FITNESS OR MERCHANTABILITY, STATUTORY OR OTHERWISE, IS HEREBY EXCLUDED WITH RESPECT TO SUCH RECOMMENDATIONS OR INSTRUCTIONS AS TO THE USE OF THE PRODUCTS, INCLUDING ITS USE ALONE OR IN COMBINATION WITH OTHER PRODUCTS, OR AS TO ANY APPARATUS OR PROCESS OR THE USE OF ANY PRODUCTS IN CONNECTION THEREWITH. Such recommendations or instructions are not intended to suggest that Customer conduct operations which would infringe any patents or other intellectual property rights, and FLUID assumes no liability or responsibility for any such infringement.

No Resale: Customer may not resell all or any portion of the Products sold under this Agreement without the prior written consent of FLUID, which consent may be withheld in the sole and absolute discretion of FLUID.

ACCEPTANCE OF PRODUCT

Customer shall be deemed to have waived all claims as to (a) the quality of any Products failing to meet the specification set forth in the Order or (b) the quantity of any Products delivered hereunder failing to be in accordance with the quantity contracted for, except for those claims of which Customer gives notice to FLUID within 10 days after title to such Products has transferred to Customer. If Customer makes a claim to FLUID pursuant to (a) or (b) above within such 10 day time frame, and provided that FLUID does not dispute such claim, Customer may elect to receive from FLUID, and FLUID shall supply to Customer, within a reasonable period of time following the making of such claim, the Products that are in a quantity equal to either the quantity of off-spec Products delivered by FLUID or the quantity of the Products shortfall, as applicable. FLUID's liability in relation to any claims made by Customer pursuant to this Agreement shall under no circumstances exceed the cost of either the Products being replaced or supplemented hereunder plus transportation charges associated with the return and delivery of the non-conforming Products.

WARRANTIES

FLUID warrants that, at the time of its delivery, (a) the Products will conform to the specifications set forth in the Order and that (b) FLUID will convey to Customer good title to the Products, free from all encumbrances.

Limitations of Warranty: Except as expressly stated above, these warranties are FLUID's sole warranties with respect to the Products and FLUID makes no representations, warranties or conditions, express or implied, with respect to the Products or Services. In particular, but without limitation, (a) FLUID makes no warranty of merchantability of Products or that any Products will be fit for any particular purpose, even if FLUID is advised of such purpose; and (b) FLUID makes no representations or warranties in relation to interpreting well information or making recommendations, whether written or oral, as to the type of Products or Services to be furnished or the manner of performance, or in predicting results to be obtained therefrom.

Exclusive Remedy: FLUID'S sole liability to Customer and Customer's sole and exclusive remedy for breach of the foregoing Product Warranty is, at FLUID's option: (a) replacement of such Product upon its return to FLUID; or (b) credit to Customer of the costs paid by Customer for such Product. Any claim for a breach of a warranty provided herein must be commenced within 60 days from the date the Product was delivered to Customer.

PRODUCT PACKAGING AND SAFE HANDLING

FLUID shall properly package and label the Products pursuant to the DOT (USA) and Transport Canada (Canada) Hazardous Materials, TDG Regulations and WHMIS (Canada) OSHA (USA) Hazard Communication Standard or Globally Harmonised System (GHS) as applicable, and Customer acknowledges receipt of FLUID's Material Safety Data Sheet (SDS). Customer shall promptly and carefully inspect the Products upon its receipt thereof and will maintain appropriate safe handling and use procedures. Customer warrants that the Products will not be used, resold or combined for end uses intended to be toxic or lethal to human beings. In case of FLUID's approval of a resale of Products, Customer will apprise its employees and customers of the hazards, proper use and handling requirements of the Products and shall comply with all applicable laws, rules and regulations.

PRODUCT STEWARDSHIP

FLUID commits to manufacture, transport and dispose of the Products in a safe and environmentally responsible manner and comply with applicable regulations. FLUID also commits to assist its customers to handle the Products in the same manner. Customer commits to handle the Products in a safe and environmentally responsible manner and comply with applicable regulations.

If a Major Deficiency (as defined below) of the above principles is identified by either party, the discovering party, upon written notice to the defaulting party, may suspend delivery or receipt of the Products until the deficiency is corrected. If the defaulting party is unwilling or unable to correct the deficiency, the discovering party shall have the right to terminate this Agreement by serving written notice of termination on the defaulting party. A "Major Deficiency" is defined as being a condition which, if not corrected, has a high probability of leading to environmental damage or injury to people.

CUSTOMER'S LIABILITY AND INDEMNITY OBLIGATIONS

General Liability and Indemnity Obligations: The Customer shall, unless otherwise agreed to in writing between the parties:

(A) be liable to FLUID for all actions, claims (including third party claims), losses, costs, damages and expenses (collectively, "Losses") which may be brought against FLUID or which FLUID may suffer or incur; and,

(B) indemnify and save harmless FLUID from and against all Losses which may be brought against FLUID, or which FLUID may suffer or incur; arising out of or in conjunction with:

(a) Customer's negligence, willful misconduct or the breach by Customer of this Agreement, except to the extent caused by the gross negligence or willful misconduct of FLUID; and/or (b) a well blowout, fire, explosion, cratering, seepage or any uncontrolled well condition, including without limitation any Losses caused by or relating to: (i) pollution or contamination above or below the subsurface of the land, seabed or water, or any other uncontrolled flow of oil, gas, water, drilling fluid, oil emulsion, or other fluids from Customer's well; (ii) loss or damage to any geological formation, strata or oil or gas reservoir or minerals resource beneath the surface of the land or water; any holes or wells; (iii) costs and expenses incurred to bring Customer's well under control; (iv) loss or damage to any well or hole (including the cost to re-drill); or (v) downhole loss of Contractors equipment or instruments (at replacement value); in case of (b)(i) — (b)(v), even if caused, in whole or in part, by the negligence, willful misconduct, strict liability or other fault, whether active or passive, of any person or entity, including, but not limited to, FLUID.

FLUID shall have no liability to Customer for any Losses which may be brought against Customer, or which Customer may suffer or incur arising out of the performance by FLUID of this Agreement: (a) if caused by the negligence or willful misconduct of Customer or any other contractors of Customer located on any site where the Services are performed; or (b) to the extent FLUID's liability is expressly limited elsewhere in this Agreement or an indemnity is provided above in favour of FLUID.

Limitations of Liability: Except as otherwise set out herein, neither FLUID nor Customer shall be liable to the other for any special, indirect or consequential damages resulting from or arising out of this Agreement, including, without limitation, for loss of profit or business interruptions, however the same may be caused (including if caused by the negligence or gross negligence of a party).

The foregoing indemnity and limitation of liability in favour of FLUID shall survive the termination or expiration of this Agreement and shall extend to FLUID, its affiliates and their directors, officers, employees, consultants, sub-contractors and agents.

FORCE MAJEURE

Suspension of Obligations: If, as a result of any cause beyond the reasonable control of a party, which such party could not have avoided by the exercise of reasonable diligence and at reasonable cost and which does not result from such party's inability to pay or other financial circumstances (a "Force Majeure"), such party is prevented from carrying out any of its obligations hereunder, the obligations of such party that are affected shall be suspended insofar and for so long as they are affected by the Force Majeure.

Duty to Remedy: The party claiming Force Majeure shall immediately notify the other party of the event causing the Force Majeure and shall, if it is reasonably able to do so at a reasonable cost, promptly and diligently remedy the cause and effect of such event. The foregoing obligation shall not apply to a Force Majeure caused by a labour dispute. If a Force Majeure event continues for a period that is longer than two (2) months, either Customer or FLUID shall have the right to terminate this Agreement, provided that FLUID shall be reimbursed by Customer for all Products and Services delivered or provided hereunder until the termination date resulting from an event of Force Majeure.

GENERAL PROVISIONS

Independent Contractor: FLUID is an independent contractor with respect to the performance of the Services and is not an employee, agent or servant of Customer.

Amendments and Waiver: These Terms and Conditions may only be amended by written agreement between Customer and an executive officer of FLUID. All waivers must be in writing. The failure to enforce any act or omission contrary to these Terms and Conditions shall not constitute waiver of any right with respect to such act or omission or any subsequent act or omissions.

Governing Laws: This Agreement shall be governed by the laws of the Province of Alberta and the federal laws of Canada, without regard to conflicts of law principles that would require application of any other law. Any dispute that cannot be resolved between the parties shall be resolved by final and binding arbitration. The provisions of the *Arbitration Act* (Alberta) shall apply to any arbitration undertaken hereunder.

Assignment: Customer shall not assign or subcontract any part of its rights and obligations under this Agreement without prior written approval from FLUID. FLUID, however, may assign its rights and obligations under this Agreement to any of its subsidiaries or affiliates without Customer's consent. This Agreement shall be binding upon and shall inure to the benefit of the successors and permitted assigns of the parties hereto.

Confidentiality: Any specifications, compositions, designs, samples or other similar items or other technical, commercial or financial information relating to FLUID, the Products or the Services (the "Information") which Customer may obtain in connection with this Agreement will be deemed to be strictly confidential. All Information is proprietary and confidential to FLUID and will be used solely by Customer for the purposes of this Agreement. Any and all such FLUID Information shall be treated and protected by Customer as strictly confidential and shall not be disclosed to any third party without the prior written consent of FLUID. Upon termination of this Agreement, Customer will return all physical goods or intellectual property and Information to FLUID and shall reasonably cooperate with FLUID in the termination and transition of the Products and/or Services.

Non-waiver: Failure of FLUID to insist upon strict performance of any of the Terms and Conditions or failure or delay to exercise any rights, or remedies provided herein or by law, or to properly notify Customer in the event of breach, or the acceptance of or payment for any Products and/or Services shall not release Customer from any warranties or obligations of this Agreement and shall not be deemed a waiver of any right of FLUID to insist upon strict performance hereof.

Notice: All communications required or permitted to be given hereunder shall be deemed properly given if in writing and delivered personally or sent by registered mail or sent by electronic mail to the parties at their addresses as shown on the Order. A notice sent by registered mail shall be deemed received three (3) business days after such mailing. Notices under this Agreement may be given by way of faxed or electronic communications and shall be deemed to be received the business day transmitted. Fluid Energy Group, Copyright 2014