

Terms and Conditions

Stream-Flo Industries Ltd. ("Stream-Flo") and the Buyer agree that these Terms and Conditions together with the applicable purchase order (collectively referred to as the "Contract") govern the purchase of Stream-Flo products ("Goods") or services ("Services") by the Buyer. The parties agree that any alternative terms or conditions proposed or provided by the Buyer are void and unenforceable.

Price: Quotations and prices are subject to change without notice and all shipments will be billed at Stream-Flo's prices in effect at time of shipment, unless otherwise agreed in writing by an authorized representative of Stream-Flo. Prices quoted are based on quantities quoted. Stream-Flo reserves the right to re-quote if quantities or delivery differ at the time the order is placed.

Schedule and Delivery: Quotations and sales, including transfer of risk to Goods sold, are on an Ex Works-basis (per current Incoterms) at Stream-Flo's facility, unless otherwise expressly stipulated, and all transportation, insurance, customs duties, and related charges are for the account of the Buyer or as otherwise agreed in writing. If published transportation rates are increased or decreased prior to shipment, prices of unshipped materials or Goods which may have been ordered on a "delivered price" basis, will be increased or decreased accordingly. Stream-Flo reserves the right to notify the Buyer and then charge for storage and administration costs incurred against Goods held for more than a reasonable period while awaiting delivery or other instructions, which the Buyer agrees to pay on demand.

Shipping: Stream-Flo will prepare shipments according to Stream-Flo's procedure and other applicable standards to minimize the possibility of rust, breakage, or other deterioration in transit; however, Stream-Flo accepts no responsibility for such damage. In the event of damage or loss in transit, the Buyer must give immediate notice to the carrier's agent at destination and to Stream-Flo. No claims for shortage or errors in charges or shipment shall be valid if not received in writing within thirty (30) days after receipt of Goods.

Force Majeure: Stream-Flo will endeavor to complete the Contract or deliver the Goods or Services within the time agreed but will not be liable for any loss or damage caused directly or indirectly by any delay. Stream-Flo is not responsible for any loss, damage or delay caused by changes to laws or regulations, or by fires, strikes, disputes with workers, extreme weather, accidents, embargos, transportation delays, shortage of railcars, fuel or other materials, shortage of labor, acts of God, or any other causes beyond the reasonable control of Stream-Flo ("Force Majeure"). Should such a Force Majeure event occur, Stream-Flo will have additional time to perform as reasonable; or may apportion its production among its customers in an equitable manner; or has the option of terminating the Contract by providing written notice to the Buyer.

Acceptance: Should the Buyer require inspection by its own representative, the request must be made when the purchase order is placed to allow for price and schedule adjustments. It is the Buyer's responsibility to request inspection by its own representative, at its own cost. Otherwise, Goods are deemed to be inspected and accepted before shipment is made. If a scheduled inspection is delayed by the Buyer, the delivery schedule will be extended accordingly. Buyer's representative(s) may be required to sign a Non-Disclosure Agreement before entering any of Stream-Flo's facilities or vendor's facilities. In the event Buyer desires physical access to any of Stream-Flo's facilities, Buyer agrees to release, indemnify, defend and hold harmless Stream-Flo, its affiliates and subsidiaries from and against any and all demands, liabilities, claims, causes of action, judgments, fines, suits, penalties, damages and expenses, including attorneys' fees and costs (collectively referred to as "Claims") for personal injury, death or property damage occurring on or to such property as a result of Buyer's entry onto the premises. In addition, Buyer shall comply fully with all rules, regulations and instructions issued by Stream-Flo regarding Buyer's actions while upon, entering or leaving any of Stream-Flo's facilities.

Payment: Buyer shall pay Stream-Flo invoices within twenty-eight (28) days of the date of receipt of invoice. If payment of an invoice is not received by Stream-Flo within twenty-eight (28) days of the date of receipt of invoice, Stream-Flo reserves the right to recover interest for late payment at a rate of 24% per annum.

IP Rights: "Intellectual Property" shall mean inventions and discoveries, patentable or not, trade secrets, trademarks, service marks, patent applications, patents, trademark applications, trademark registrations, copyrightable materials, copyright applications and copyright registrations, foreign or domestic. All Intellectual Property of Stream-Flo, or its affiliates, existing prior to the date of this Agreement remains the sole property of Stream-Flo, or its affiliates, and the Buyer acquires no rights in any kind in such Intellectual Property. Additionally, all developments, improvements, or enhancements to (i) Stream-Flo, or its affiliates, prior Intellectual Property, or (ii) Intellectual Property developed, created, or conceived during the performance of this Contract, shall be the sole property of Stream-Flo, or its affiliates, regardless of which party developed, created, or conceived the development, improvement, or enhancement. Stream-Flo shall grant Buyer a worldwide, royalty-free, non-exclusive, non-transferable, paid-up license to Stream-Flo, or its affiliates, Intellectual Property for the purpose of installation, operation, maintenance, and use of the Goods sold hereunder. Buyer hereby grants to Stream-Flo an irrevocable, worldwide, non-exclusive, paid-up license to use Buyer's Intellectual Property for the purpose of the manufacture of Goods for, or provision of, Services to Buyer under this Contract.

Taxes: All taxes, duties, or fees that are payable or may become payable under any laws or regulation with respect to the sale, purchase, shipment, delivery, storage, use, consumption, or transportation of the Goods may be added to the invoice and in any event will be paid by the Buyer.

Export Requirements: If requested by Stream-Flo, the Buyer will provide Stream-Flo with the identity of the end-user and country of end-use information with respect to the Goods or Services provided by Stream-Flo. The Buyer will comply with Canadian, U.S. or other applicable import/export control regulations and expressly assumes responsibility for determining any applicable export or re-export licensing requirements, obtaining any required export or re-export license authority, and complying with all applicable export clearance requirements associated with any export or re-export of the Goods or Services received from Stream-Flo. Buyer shall not export, re-export, sell, lease, transfer, transship or otherwise assign the rights to the Goods or Services provided by Stream-Flo to any person who is prohibited from receiving the Goods or Services under applicable law, including without limitation any individual or entity that is (i) blocked or otherwise the subject of sanctions under applicable law; or (ii) engaged in or likely to use the Goods or Services provided by Stream-Flo in the production of biological, nuclear or chemical weapons of any kind. **Buyer shall not otherwise take any action that will cause Stream-Flo to violate Canadian, U.S. or other applicable import or export control laws and regulations.**

Order Approval: All orders, shipments, and settlements are subject to approval by the Treasurer of Stream-Flo. Should the Buyer fail to fulfill the terms of payment for any order, Stream-Flo may defer further shipment until such payments are made or may cancel any or all orders unshipped. Stream-Flo reserves the right to require from the Buyer satisfactory security for performance of the Buyer's obligations under any order placed with Stream-Flo, and refusal or failure to furnish such security will entitle Stream-Flo to suspend shipment until such security is furnished or to cancel the order, or orders, or the unshipped portions thereof.

Cancellation and Returns: Buyer may not return or cancel any product order. Notwithstanding the foregoing, Stream-Flo may authorize the return or cancellation of product orders on a case-by-case basis with the prior written consent of a Stream-Flo Manager for the applicable product group. Products returned or cancelled without such prior written consent will not be accepted. Stream-Flo reserves the right, in its sole discretion, to refuse the return or cancellation of any product order. Product orders that are returned or cancelled with the consent of Stream-Flo will be subject to a restocking fee or cancellation charge in an

amount to be determined by Stream-Flo in its sole discretion.

Quality and Testing: Goods will be subject to Stream-Flo's standard manufacturing practices and classifications. Stream-Flo reserves the right to change specifications at any time without incurring obligation for Goods previously or subsequently sold.

Warranty: Stream-Flo warrants Goods of its own manufacture against defects in material and workmanship when Goods are used, operated, stored, and serviced in accordance with prudent oilfield practices and Stream-Flo's written instructions, for a period of 12 months from the date the Goods are installed or 18 months from the date of shipment, whichever comes first ("Goods Warranty Period"). Stream-Flo warrants all Services performed hereunder for a period of 12 months from the date of completion ("Services Warranty Period"). The Buyer will promptly notify Stream-Flo of any defect relating to the Goods or Services and Stream-Flo will promptly investigate the issue and direct the Buyer on how to proceed. If Buyer notifies Stream-Flo of any defects in the Goods during the Goods Warranty Period, Stream-Flo shall, at Stream-Flo's option, either carry out the work necessary to repair such defects or replace the defective Goods. If Buyer notifies Stream-Flo of any defects in the Services during the Services Warranty Period, Stream-Flo shall re-perform the defective Services at no additional cost to Buyer. Stream-Flo shall re-warrant any re-work or replacement parts for a further period of twelve (12) months from the date of re-work or replacement. Due to the unique nature of Stream-Flo's Goods, repair of defective Goods may only be done by Stream-Flo or by a Stream-Flo approved service representative. Goods which Stream-Flo determines have been subjected to abuse, improper installation, use, repair, modification, maintenance, or unsuitable environmental conditions will not be entitled to the benefits of any warranty by Stream-Flo. Under no circumstance shall Stream-Flo be responsible for costs to remove, retrieve or reinstall any defective Goods or any repaired or replacement Goods. **STREAM-FLO'S LIABILITY IS LIMITED AS ABOVE SET FORTH AND THE REMEDY PROVIDED HEREIN FOR THE BUYER IS THE SOLE REMEDY AND RECOURSE AVAILABLE TO THE BUYER AS AGAINST STREAM-FLO FOR DEFECTIVE GOODS OR SERVICES. THERE ARE NO OTHER WARRANTIES, STATUTORILY, AT LAW, EXPRESS OR IMPLIED IN RESPECT OF THE GOODS OR SERVICES, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.**

If a Stream-Flo service technician is dispatched to the Buyer's site to make warranty repairs, Stream-Flo will pay the costs of that service call unless Stream-Flo determines, in its sole discretion, that the service call was unnecessary or the services are not covered under warranty, in which case the entire cost of the service call will be paid by the Buyer. If Stream-Flo instructs the Buyer to return the Goods to Stream-Flo's facility for inspection or repair, the Buyer will send such Goods on a freight pre-paid and duty-paid basis and indemnify Stream-Flo for all costs in connection therewith. If Stream-Flo determines, in its sole discretion, that the repair is covered under warranty, Stream-Flo will reimburse the Buyer for the reasonable costs of returning the Goods to Stream-Flo's facility for repair. Stream-Flo will not be responsible for costs related to rig stand-by time, lifting, re-installation, or transportation of Goods requiring repair. Costs for providing any temporary equipment to replace defective Goods for testing, commissioning, or operating will be borne by the Buyer. If it is determined that Goods returned for warranty work are not eligible for coverage under warranty, the Buyer will be responsible for all costs of completed repairs. No Goods may be returned for repair or replacement pursuant to this warranty except by special arrangement, confirmed in writing by Stream-Flo. Goods returned for repair or replacement without permission will be placed into Stream-Flo's "Customer Property" division at Buyer's sole cost and risk.

Liability: The Buyer will release, hold harmless, defend, and indemnify Stream-Flo Group from, for and against any and all Claims, of any kind or character, including those brought by third parties, arising out of or relating to Goods or Services provided by Stream-Flo unless caused by the gross negligence or intentional misconduct of Stream-Flo Group. In no event shall any member of the Stream-Flo Group be liable to the Buyer in contract, tort, strict liability, equity, any other legal theory, or otherwise, either directly or under any indemnity, for any lost profits, punitive damages, economic damages, or for any indirect, special, incidental, or consequential loss or damage arising out of or related to this Contract. Notwithstanding any other provisions in the Contract, the Buyer agrees that the liability of the Stream-Flo Group, whether in contract, tort or any other legal theory, will be limited to a maximum of 100% of the value of the Goods or Services supplied by Stream-Flo and paid for under the applicable Contract and Buyer shall release and indemnify Stream-Flo Group from all amounts and liability in excess of the stated limitation. "Stream-Flo Group" is defined as Stream-Flo, its subsidiary and affiliated companies and insurers and its/their respective officers, directors, employees, and agents. Stream-Flo acts as agent of each other member of the Stream-Flo Group to extend to each the benefit of this paragraph.

General: Failure of Stream-Flo to enforce any of these Terms and Conditions or to exercise any right occurring through the default of the Buyer will not constitute a waiver or acceptance of other or future defaults of the Buyer. These Terms and Conditions are subject to change from time to time by Stream-Flo. All statements or recommendations made by Stream-Flo to the Buyer in relation to the purchase or use of Stream-Flo's Goods and Services are made based on information provided by the Buyer, and should such information be incorrect, incomplete, or otherwise deficient, Stream-Flo will not be liable for any claims of any kind by the Buyer.

The United Nations Convention on Contracts for the International Sale of Goods shall not apply to the Contract.

Arbitration: In the event of any dispute, or difference arising out of, or relating to this Contract, or the breach thereof, the Parties shall use reasonable endeavors to settle such dispute. In the event the parties cannot resolve such dispute, either Party may refer the dispute to binding arbitration. The arbitral tribunal shall consist of one (1) arbitrator mutually agreed to by the parties. If the parties cannot agree on an arbitrator within a reasonable amount of time, either may apply to the Court of King's Bench of Alberta to appoint an arbitrator. The arbitrator shall be independent and qualified by experience or training to decide the issues in dispute. All arbitral proceedings will be conducted in the English language and the seat of the arbitration shall be Edmonton, Alberta. An arbitral award shall be binding on the parties and enforceable before any Court of competent jurisdiction. Each party shall bear its own costs and expenses (including legal representation) in respect of the arbitration. Administrative fees and expenses shall be shared equally by the parties. All reasonable costs and reasonable legal fees associated with the arbitration, shall be paid by the Party against whom the award is rendered. Except as otherwise provided in this clause, the *Arbitration Act* (Alberta) shall apply to this arbitration. Notwithstanding the above, any (a) request by a party for interim or injunctive relief, (b) legal actions commenced by Stream-Flo as debt recovery for unpaid invoices, or (c) legal actions commenced by Stream-Flo related to a breach of IP Rights hereunder, may be brought before and decided by a Court of competent jurisdiction.

Conflict: In case of conflict or inconsistency between a Purchase Order and these Terms and Conditions, these Terms and Conditions shall prevail. In case of conflict or inconsistency between the provisions hereof and any applicable laws or regulations, the provisions hereof shall prevail, to the extent legally possible (and to the extent legally impossible, be amended accordingly), notwithstanding anything herein to the contrary.

Entire Agreement: This is the entire agreement between Stream-Flo and the Buyer and supersedes all prior negotiations, statements, proposals, inquiries, commitments, and agreements, whether written or

oral, pertaining to this Contract or its subject matter. There are no understandings or agreements between Stream-Flo and the Buyer relative hereto which are not fully expressed herein, and no change made herein shall be valid unless it is made in writing and signed by both parties.

Governing Law: The provisions herein contained will be interpreted and governed by and according to the laws of the Province of Alberta, Canada.