

1. Standard Terms and Conditions

This purchase order is an offer by the company identified on the face of this purchase order (the "Buyer") for the purchase of the goods (the "Goods") or services (the "Services") specified, from the party to whom the purchase order is addressed (the "Seller") in accordance with and subject to these terms and conditions (the "Terms"; together with the terms and conditions on the face of the purchase order, the "Order"). Unless otherwise expressly agreed to in writing by the company that is issuing the purchase order (the "Buyer") and the Seller, these Standard Terms and Conditions (the "Standard Terms and Conditions") shall apply to the exclusion of any additional or different terms and conditions stipulated or referred to by the Seller in its pre-contract negotiations, authorization or purchase order or as otherwise implied by law, trade, custom, practice or course of dealing.

2. Acceptance

This Order will be deemed accepted by the Seller upon the first of the following to occur: (a) Seller making, signing, or delivering to Buyer any letter, form, or other writing or instrument acknowledging acceptance; (b) any performance by Seller under the Order; or (c) the passage of ten (10) days after Seller's receipt of the Order without written notice to Buyer that Seller does not accept. This Order, together with any documents incorporated herein by reference, constitutes the sole and entire agreement of the parties with respect to the Order and supersedes all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral, with respect to the subject matter of the Order, unless a separate overriding written contract has been entered into and signed by the parties. The Order expressly limits Seller's acceptance to the terms of the Order. These Terms expressly exclude any of Seller's terms and conditions of sale or any other document issued by Seller in connection with this Order.

3. Representations

Buyer may authorize the Seller to proceed with work either by issuance of a purchase order or other communication. Any contract made between Buyer and the Seller shall be subject to these Standard Terms and Conditions and, except as expressly set forth herein or as may be set forth in written Subcontractor Agreement, no representative or agent of the Buyer has authority to agree upon any terms or make any representations which are in addition to or inconsistent with these Standard Terms and Conditions or to enter any contract except on the basis of them. Any term, condition, representation or statement in addition to or inconsistent with these Standard Terms and Condition will not bind the Buyer unless the addition or modification is in writing and signed by a duly authorized representative of the Buyer. In the event Buyer and Seller enter into a written and executed Subcontractor Agreement and any term or condition herein conflicts with a term or condition specifically set forth in the Subcontractor Agreement, the term and/or condition in the Subcontractor shall control.

4. Precedence

In the event Buyer and Seller enter into a written and executed Master Services Agreement and any term or condition herein conflicts with a term or condition specifically set forth in the Agreement, the term and/or condition in the Subcontractor shall control.

5. Relationship of the Parties

Both the Buyer and Seller intend and specifically agree that these Standard Terms and Conditions do not create any partnership, joint venture, or Buyer relationship between them. Notwithstanding anything herein to the contrary, each party hereto shall be and remain an independent contractor and nothing herein shall be deemed to constitute the parties as partners; neither party will have the authority or hold itself out as having the authority to bind the other.

6. Hazardous Waste

If at any time Seller generates any hazardous waste(s) on Buyer's property or site, as defined in Alberta Regulation 192/1995 – Waste Control Regulation, Seller will immediately notify Buyer and Seller will comply with Buyer's policies and practices, and any applicable law, regarding management of hazardous wastes.

7. Controlled Material

The Seller confirms that any fittings supplied for construction of pressure piping systems shall be registered with ABSA (or Alberta installations only). Any welding rod supplied to be used for construction of pressure piping systems shall include all SFA #'s. All applicable CRN #'s and MTR's must accompany the packing slip and be included as part of the invoice package.

8. Inspection

Buyer reserves the right to inspect the Goods on or after the Delivery Date. Buyer, at its sole option, may reject all or any portion of the Goods if it determines the Goods are defective or nonconforming. If Buyer requires replacement of the Goods, pursuant to Section 4, Seller shall promptly replace the nonconforming Goods. If Seller fails to timely deliver replacement Goods, Buyer may replace them with goods from a third party and charge Seller the cost thereof and terminate this Order for cause pursuant to Section 8. Any inspection or

other action by Buyer under this Section shall not affect Seller's obligations under the Order, and Buyer shall have the right to further inspection after Seller takes remedial action.

9. Warranty

Seller warrants to Buyer that for a period of eighteen (18) months from the Delivery Date, all Goods, Services or Goods furnished in connection with Services will: (a) be new and free from any defects in workmanship, material and design; (b) conform to applicable specifications; (c) be fit for their intended purpose and operate as intended; (d) be free and clear of all liens, security interests or other encumbrances; and (e) not infringe or misappropriate any third party's intellectual property rights. These warranties survive any delivery, inspection, acceptance or payment. These warranties are cumulative and in addition to any other warranty provided by law or equity. Any applicable statute of limitations runs from the date of Buyer's discovery of the noncompliance. If Buyer gives Seller notice of noncompliance, Seller shall, at its own cost and expense, promptly replace or repair the nonconforming Goods or Services.

10. Quotations and Prices

Any order submitted to the Seller by the Buyer within sixty (60) days of quotation by the Seller shall be eligible for acceptance by the Seller provided that the order corresponds in all respects with the Seller's quotation. The quotation shall be incorporated herein by reference and be part of the contract of sale. In the event that an order does not state price or delivery, the Buyer shall not be bound to any prices or delivery to which it has not specifically agreed in writing.

11. Taxes

Unless an order specifies otherwise, the Seller is liable for and shall pay all taxes, impositions, changes and exactions imposed on or measured by an order except for applicable sales and use taxed that are separately stated on the Seller's invoice. Prices shall not include any taxes, impositions, charges or exactions for which the Buyer has furnished a valid exemption certificate or other evidence of exemption.

12. Shipping Instructions

Delivery shall be made in accordance with the Terms of this Order. The Order number must appear on all documents pertaining to the Order, invoices, packing lists, correspondence and all shipping documents. Seller shall not substitute material or ship more than the quantity ordered without prior written approval from the Buyer. The Seller shall be responsible for ensuring the proper packaging of goods. All goods shall be shipped prepaid, insured for the Seller's full price and F.O.B. to the Buyer's main office or other address provided to the Seller by the Buyer. No charges will be allowed for packing, crafting, freight and any other services unless so specified in the order. The Seller shall at all times comply with the Buyer's written shipping instructions. Unless otherwise directed, all items shipped on the same day from and to a single location must be consolidated on one bill of lading or air bill, as appropriate. The Seller shall submit all required shipping papers to the Buyer prior to final payment. Purchase order numbers shall appear on all correspondence, shipping labels, and shipping documents wherever possible.

13. Title and Risk of Loss

Unless otherwise specified in the Order, risk of loss of the Goods remains with Seller and title will not pass to Buyer until the Goods are delivered to and accepted by Buyer at the Delivery Location.

14. Invoicing and Payment

The price of the Goods or Services is the price stated on the face of this Order (the "Price"). Seller shall invoice Buyer for the Order as soon as possible and no later than thirty (30) days of delivery of goods or service. Unless otherwise stated in the Order, Buyer shall pay all properly invoiced amounts due to Seller within forty-five (45) days after receipt of such invoice, except for any amounts disputed by Buyer. If applicable, any discounts or rebates set out in the PO or for early payment shall be identified on the invoice. Buyer reserves the right to audit any invoices against the Seller's reports and perform independent verification. The parties shall seek to resolve all such disputes expeditiously and in good faith. Seller shall continue performing its obligations under the Order notwithstanding any such dispute without prejudice to any other right or remedy, Buyer reserves the right to set off any amount owing to it by Seller against any amount payable by Buyer to Seller. Payment of an invoice is not evidence or admission that the Goods or Services meet the requirements of the Order.

15. Time for Performance

Timely delivery is of the essence and failure to deliver goods or services in accordance with an order, if unexcused, shall be considered a material breach of any contract between the Seller and the Buyer. If no delivery date is specified, Seller shall deliver in full within a reasonable time of receipt of the Order. The Seller shall notify the Buyer in writing immediately of any actual or potential delay to performance. No acts of the Buyer, including, without limitation, modifications of an order or acceptance of late deliveries, shall constitute a waiver of this provision. The Buyer also reserves the right to refuse or return at the Seller's risk and expense shipments made in excess of the Buyer's orders or in advance of required schedules or to defer payment on advance deliveries until scheduled delivery dates.

16. Termination for Convenience

The Buyer may, by notice in writing, terminate an order or work under an order for convenience and without cause, in whole or in part, at any time, and such termination shall not constitute default. In the event of partial termination, the Seller is not excused from performance of the non-terminated balance of work under the order. The Seller shall be reimbursed for actual, reasonable, substantiated and allowable costs, plus a reasonable profit not to exceed twenty (20%) percent for work performed to date of termination. The Buyer may take immediate possession of all work so performed upon written notice of termination to the Seller.

17. Termination for Default

The Buyer may, by notice in writing, terminate an order in whole or part at any time: in the event of Seller's breach of any one or more of these Standard Terms and Conditions; in the event of Seller's breach of a Seller Agreement, if any; in the event Seller fails to make progress so as to endanger performance; in the event Seller fails to provide adequate assurance of future performance. In the event of partial termination, the Seller is not excused from performance of the non-terminated balance of work under the order. In the event of the Seller's default, the Buyer may exercise any or all rights accruing to it, both at law or in equity.

18. Force Majeure

Buyer shall not be responsible or liable for any delay or failure to perform its obligations to Vendor that directly or indirectly results from or is contributed to any cause beyond reasonable control and without their fault or negligence. Such causes include, but are not limited to, fire, floods, explosions, strikes, accidents, foreign or domestic embargos, seizures, acts of God, insurrection, war, the adoption or enactment of any law, ordinance, regulation, ruling or order directly or indirectly interfering with or rendering burdensome the delivery of performance hereunder, or the lack of usual means of transportation.

19. Ownership Rights

All of the Seller's specifications, information, data, drawings, software and other items supplied to the Buyer by the Seller shall be disclosed to the Buyer on a non-proprietary basis and may be used and disclosed by the Buyer without restriction, unless the Buyer has executed a separate agreement restricting the use and disclosure of such information, data, software and the like. All of the Buyer's specifications, information, data, drawings, software and the other items that are supplied by the Buyer to the Seller or are obtained or developed by the Seller in the performance of an order or paid for by the Buyer shall be proprietary to the Buyer and shall be used only for purposes of providing goods or the performance of a service paid for by the Buyer. The Seller additionally agrees to assign to the Buyer all copyrights and other intellectual property rights throughout the world in such work, including all derivative works and adaptations and all other works prepared by the Seller for the Buyer.

20. Proprietary and Confidential Information

All non-public, confidential or proprietary information of the Buyer, including, but not limited to, specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, pricing, discounts or rebates, disclosed by Buyer to Seller, whether disclosed orally or disclosed or accessed in written, electronic, or other form or media, and whether or not marked, designated or otherwise identified as "confidential," in connection with the Order is confidential, solely for the use of performing the Order and may not be disclosed or copied unless authorized by Buyer in writing. Upon Buyer's request, Seller shall promptly return all documents and other materials received from Buyer. Buyer shall be entitled to injunctive relief for any violation of this Section. This Section shall not apply to information that is: (a) in the public domain; (b) rightfully and legally known to the Seller at the time of disclosure; or (c) rightfully and legally obtained by the Seller on non-confidential basis from a third party.

21. Infringement

The Seller warrants that all work, materials, services, equipment, parts and other items provided by the Seller pursuant to an order, which are not of the Buyer's design, shall be free from claims of infringement (including misappropriation) of third party intellectual property rights and that any use or sale of such items by the Buyer or any

of the Buyer's Buyers shall be free from any claims of infringement. The Seller may replace or modify infringing items with comparable items acceptable to the Buyer of substantially the same form, fit and function so as to remove the source of infringement. If the use or sale of any of the above items is enjoined as a result of claims, suits, or actions alleging infringement, the Seller, at no expense to the Buyer, shall obtain for the Buyer and its Buyers the right to use and sell said items.

22. Compliance with Law

The Seller warrants that the materials to be furnished and/or the services to be rendered under an order shall be manufactured, sold, used and rendered in compliance with all relevant federal, provincial, local law, orders, rules, ordinances, and regulations.

23. Responsibility and Insurance

The Seller shall be responsible for the actions and failure to act of all parties retained by, though, or under the Seller in connection with performance of an order. The Seller shall maintain and cause its subcontractors to maintain such General Liability, Property Damage, Employer's Liability, Workers' Compensation, and Motor Vehicle Liability (Personal Injury and Property Damage) Insurance in such amounts as will protect the Seller (and its subcontractors) and the Buyer from said risks. The Seller shall provide the Buyer with certificates evidencing required insurance upon the Buyer's request.

24. Indemnification

The Seller shall defend, indemnify and hold the Buyer, its employees, officers, owners, directors, agents and assigns, harmless against all claims relating to, arising out of or in any way connected with the Seller's provision of goods or services or compliance with applicable laws and regulations. This indemnity provision extends to all claims and causes of action against Buyer including claims for Buyer's own negligence. In addition, the Seller shall reimburse the Buyer on demand for any payment made by the Buyer with respect to any claim, including, without limitation, actual attorney's fees, litigation expenses and all other expenses of the Buyer.

25. Dispute Resolution

In the event of any dispute regarding this Agreement, prior to instituting a lawsuit and as a condition precedent to the filing of a lawsuit, Seller agrees to mediate the dispute by use of any mediator on the approved-list of mediators in use by the Province of Alberta at that time. The cost of mediation shall be borne equally by the parties. If Seller initiates Court Proceedings based upon a dispute to which this conciliation paragraph applies without first attempting to resolve the matter through mediation, then at the discretion of the Judge, such action may be abated until mediation has been completed and the Seller shall not be entitled to recover attorneys' fees, even if fees would otherwise be recoverable by Seller in any such court proceeding.

26. Waiver and Release of Liens

Upon Seller receipt of amounts properly invoiced, Seller waives and releases its rights to, for itself and its subcontractors, and at its sole cost shall obtain prompt removal of any lien fixed against Buyer, for Goods or Services performed under this Order.

27. Entirety of Agreement, Applicable Law and Assignability

These terms and conditions, together with the terms of any Subcontractor Agreement executed by the parties, shall constitute the entire understanding between the Buyer and Seller relating to the goods or services provided by Seller. The parties agree that these Standard Terms and Conditions and any Subcontractor Agreement between Buyer and Seller shall be interpreted and construed in accordance with the laws of the Province of Alberta without reference to any conflict of law provisions. If any provision of these General Terms and Conditions is held to be invalid or unenforceable, these Standard Terms and Conditions shall be ineffective only to the extent of the invalidity, without affecting or impairing the validity or enforceability of the remainder of the provisions or the remaining provisions of any Subcontractor Agreement between Buyer and Seller. A failure of either party to enforce or strictly observe any provision of these Standard Terms and Conditions on one or more instances will not operate as a waiver of the provision as to the future. The Seller shall not assign its rights or obligations under these Standard Terms and Conditions or any Subcontractor Agreement between Buyer and Seller without the written authorization of the Buyer.