

**GB TUBULARS, INC.
TERMS AND CONDITIONS OF SALE**

THESE TERMS AND CONDITIONS OF SALE ("TERMS" OR "AGREEMENT") APPLY TO ALL SALES OF GOODS OR PRODUCTS AND/OR SERVICES (COLLECTIVELY "GOODS") BY GB TUBULARS, INC., A TEXAS CORPORATION ("SELLER") AND CONSTITUTE A LEGALLY BINDING AGREEMENT BETWEEN SELLER AND EACH BUYER (DEFINED BELOW). ANY ATTEMPT BY ANY BUYER (DEFINED BELOW) TO VARY IN ANY DEGREE ANY OF THESE TERMS AND CONDITIONS IS HEREBY OBJECTED TO AND REJECTED BY SELLER. ALL REFERENCES HEREIN TO "BUYER" REFER COLLECTIVELY TO THE PURCHASER OF GOODS FROM SELLER AND ANY AND ALL SUBSEQUENT PURCHASERS, POSSESSORS, AND USERS OF SUCH GOODS IN THE STREAM OF COMMERCE, INCLUDING BUT NOT LIMITED TO, THE ULTIMATE END-USER OF SUCH GOODS.

1. Applicability:

- (a) Notwithstanding any prior quotations, correspondence, conversations, purchase orders, or other information provided to Buyer relative to Goods, these are the only Terms and Conditions of Sale applicable to the sale of Goods.
- (b) These Terms and Conditions are posted on the Seller's website homepage at www.gbtubulars.com at the link entitled "Terms and Conditions" and always shall be deemed to be incorporated by reference in the agreement relating to the sale of Goods.

2. Payments: Payments shall be made in legal tender of the United States of America and directed to the payment address or other means specified in Seller's invoice. A summary of Seller's payment terms is set forth on Exhibit A which is made a part hereof for all purposes. Such payment terms apply to all Goods purchased from Seller. Buyer shall make such arrangements for payment as Seller shall from time to time require and Seller may suspend scheduling, shipment or delivery of Goods until such arrangements are made. If Seller reasonably believes that Buyer is or may become unable to perform its obligations hereunder, Seller may require that Buyer provide Seller with security for, or other assurance of performance, in either case acceptable to Seller. In the event that Buyer fails to do so or fails to make payment in full within the time period set forth on the invoice or expressly agreed upon in writing by the parties, such failure will constitute a material breach of contract by Buyer permitting Seller to suspend scheduling, shipment or delivery of Goods under this Agreement or any other contract between Buyer and Seller. Buyer shall pay to Seller interest on any unpaid amount at the maximum rate permitted by law or the Prime Rate in effect by Frost Bank (or any successor institution) on the first day of the month such amounts first become past due plus 5%, whichever is less. In addition Seller shall have all other remedies permitted to Seller by law, equity, or this Agreement. If Seller takes legal action to collect any amount due hereunder, Buyer shall pay all dispute resolution costs, including court costs plus reasonable legal fees incurred by Seller in pursuing such legal action.

3. Taxes: To the extent legally permissible, all present and future taxes imposed by any federal, state or local authority of any country which Seller may be required to pay or collect, upon or with reference to the sale, purchase, transportation, delivery, storage, use or consumption of Goods, including taxes upon or measured by the receipts therefrom (except net income and equity franchise taxes) shall be for the account of Buyer.

4. Risk of Loss; Incidental Transportation and Storage Charges; Title: Risk of loss shall pass to Buyer upon tender of delivery at the delivery point (which may be at load out) specified by Buyer or Seller. Any charges at the delivery point for spotting, switching, handling, storage yard imposed load charges, weekend and overtime call out charges, and all other accessorial services, and demurrage, shall be for Buyer's account. Seller shall have the right to assess storage and handling charges for Goods left in Seller's possession after notification to Buyer that Goods are available to ship. Title to Goods shall pass to Buyer when risk of loss passes to Buyer; provided however, Seller retains a contractual lien upon Goods until Seller's receipt of full payment for Goods.

5. **Time of Shipment and Shipping:** Except with respect to payment of amounts due by Buyer to Seller hereunder, time is not of the essence hereunder. Each shipment is a separate sale. When Seller agrees to handle shipping, Seller reserves the right to ship all or any part of Goods from any shipping point other than the shipping point or points specified herein. Shipment in installments is permitted. Buyer shall furnish shipping instructions to enable Seller to perform this Agreement in accordance with its terms. Failure by Buyer to do so shall entitle Seller, in addition to all other rights, to cancel such portion of this Agreement that has not been performed, or to make shipment in such manner as Seller may elect. Seller will use reasonable efforts to comply with Buyer's requests regarding transportation, but Seller reserves the right to make alternate transportation arrangements, even if at a higher cost to Buyer, if the transportation specified by Buyer is deemed by Seller to be unavailable or unsatisfactory. Seller shall notify Buyer of any such change within a reasonable time.

6. **Specification Variations:** All Goods, including those produced to meet an exact specification, shall be subject to mill tolerances and variations consistent with good mill practice in respect to (a) dimension, weight, straightness, section, composition and mechanical and/or physical properties, (b) normal variations in surface and internal conditions and in quality; (c) deviations from tolerances and variations allowed by specifications as verified by practical inspection and gauging methods; and (d) regular mill practice on over and under shipment quantity.

7. **Inspection:** Where mill inspection is made by Buyer, Buyer's inspector shall be deemed the agent of Buyer with authority to waive specified tests and details of test procedure and to accept Goods as conforming to this Agreement with respect to all characteristics of such Goods for which such inspection is made. Unless otherwise agreed to in writing by the parties hereto, all Goods delivered pursuant hereto must be inspected and accepted or rejected in accordance with this Paragraph 7 upon delivery of such Goods by Seller. Buyer shall have thirty (30) days after the date Goods are delivered pursuant to the shipping terms agreed to by the parties (the "Inspection Period") to, at its sole cost and expense, complete Buyer's inspection of and to accept Goods or to raise objections to Seller that Goods, in whole or in part, do not conform to the purchase order applicable thereto. Buyer and Seller hereby agree that the timeframes set forth in this Paragraph 7 for notice and inspection provide reasonable time and opportunity for inspection and acceptance or rejection by Buyer. If Buyer accepts Goods tendered under these Terms and Conditions of Sale, such acceptance shall be final and irrevocable. Buyer will be deemed to have inspected and accepted Goods if Buyer has not objected to or rejected such Goods prior to the expiration of the Inspection Period. In order to effectively reject any Goods in accordance with this Paragraph 7, Buyer shall, prior to the end of the Inspection Period, supply Seller with reasonably detailed information stating the manner in which Goods are not conforming to the purchase order applicable thereto. The remedies of Buyer with respect to rejected Goods are set forth in Paragraph 11.

8. **Force Majeure:** In the event either party's performance hereunder is delayed or made impossible or commercially impracticable due to causes including fire, explosion, war, terrorism, strike or other differences with workers, shortage of energy sources, facility, material or labor, delay in or lack of transportation, temporary or permanent plant shutdown, breakdown or accident, compliance with or other action taken to carry out the intent or purpose of any law, regulation, or other requirement of any governmental authority, or any cause beyond that party's reasonable control (each, a "force majeure" event), that party shall have such additional time in which to perform this Agreement as may be reasonably necessary under the circumstances. However, the obligation of Buyer to pay for Goods delivered is never suspended or delayed. This Paragraph 8 is to be applied in conjunction with UCC Section 2-615, Excuse by Failure of Presupposed Conditions, in the case of domestic U.S. sales; provided, however, that in the event of a conflict, this Paragraph 8 shall govern.

9. **Buyer's Other Agreements:** Buyer acknowledges and agrees that Buyer has thoroughly reviewed and understands all of Seller's notes for performance properties relating to Goods. BUYER SHALL SAVE, INDEMNIFY, DEFEND AND HOLD HARMLESS SELLER (AND ITS SUCCESSORS AND ASSIGNS) AND ITS DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS, FROM AND AGAINST ALL DEMANDS, CLAIMS, SUITS, DAMAGES, LOSSES, JUDGMENTS AND LIABILITIES OF WHATEVER KIND OR NATURE, INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEYS' FEES, EXPENSES AND OTHER COSTS OF LITIGATION, FINES, PENALTIES OR ASSESSMENTS ASSERTED AGAINST OR SUFFERED BY THE INDEMNITEE BY REASON OF, ARISING OUT OF, OR IN ANY WAY RELATED TO THE INFORMATION PROVIDED IN SUCH NOTES.

10. Warranty; Disclaimers: SELLER WARRANTS THAT GOODS FURNISHED HEREUNDER WILL BE FURNISHED IN ACCORDANCE WITH BUYER'S PURCHASER ORDER OR THE SPECIFICATIONS SET FORTH OR INCORPORATED BY EXPRESS REFERENCE ON THE FACE OF ANY OFFER, ACCEPTANCE OR ORDER ACKNOWLEDGEMENT (AS THE CASE MAY BE) ISSUED BY SELLER. HOWEVER, NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE NOR ANY OTHER REPRESENTATION OR WARRANTY, WHETHER EXPRESS OR IMPLIED, IS MADE RESPECTING SAID GOODS, AND THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE AFOREMENTIONED WARRANTY WITH RESPECT TO SPECIFICATIONS SET FORTH OR INCORPORATED BY EXPRESS REFERENCE ON THE FACE OF ANY OFFER, ACCEPTANCE OR ORDER ACKNOWLEDGEMENT (AS THE CASE MAY BE) ISSUED BY SELLER. ANY TECHNICAL OR OTHER INFORMATION PROVIDED BY SELLER WITH RESPECT TO GOODS SOLD HEREUNDER OR THE USE THEREOF (INCLUDING, BUT NOT LIMITED TO, INFORMATION PROVIDED ON SELLER'S CONNECTION PERFORMANCE PROPERTY SHEETS, SELLER'S WEBSITE, SELLER'S MARKETING MATERIALS, AND/OR SELLER'S RUNNING PROCEDURES) SHALL BE FOR INFORMATIONAL PURPOSES ONLY AND MAY NOT BE RELIED UPON BY BUYER, AND SELLER MAKES NO REPRESENTATION OR WARRANTY WITH RESPECT TO SUCH INFORMATION, NOR ASSUMES ANY OBLIGATION OR LIABILITY WITH RESPECT TO SUCH INFORMATION. NOTWITHSTANDING ANYTHING TO THE CONTRARY, IT IS UNDERSTOOD AND AGREED THAT, EXCEPT FOR THE EXPRESS WARRANTY SET FORTH IN THIS PARAGRAPH 10, GOODS ARE BEING SOLD TO BUYER AND BUYER ACCEPTS GOODS "AS IS", "WHERE IS" AND "WITH ALL FAULTS" AND SUBJECT TO ANY CONDITION WHICH MAY EXIST. BUYER HEREBY EXPRESSLY ACKNOWLEDGES AND AGREES THAT (i) BUYER HAS OR WILL THOROUGHLY EVALUATE THE PURCHASE OF GOODS; (ii) BUYER IS RELYING SOLELY UPON SUCH EVALUATION OF GOODS BY BUYER AND BUYER'S SUPERIOR KNOWLEDGE AND SOPHISTICATION REGARDING GOODS AND THE USE BUYER INTENDS FOR GOODS IN PURCHASING GOODS ON AN "AS IS", "WHERE IS" AND "WITH ALL FAULTS" BASIS, WITHOUT ANY REPRESENTATION OR WARRANTY; AND (iii) THAT BUYER IS PURCHASING GOODS WITHOUT RELYING UPON ANY STATEMENT, REPRESENTATION OR WARRANTY MADE BY SELLER, ITS OFFICERS, ATTORNEYS, AGENTS OR CONTRACTORS OR BY ANY OTHER PERSON OR ENTITY. EXCEPT FOR THE EXPRESS WARRANTY SET FORTH IN THIS PARAGRAPH 10, BUYER HEREBY ASSUMES THE RISK THAT ADVERSE CONDITIONS MAY EXIST ON OR WITH RESPECT TO GOODS AND/OR THE WELLSITE AND DOWNHOLE ENVIRONMENT WHERE GOODS ARE USED OR DEPLOYED, AND HEREBY RELEASES AND AGREES TO INDEMNIFY AND HOLD HARMLESS SELLER AND SELLER'S REPRESENTATIVES, AGENTS, SUCCESSORS, AND ASSIGNS OF AND FROM ANY AND ALL CLAIMS, ACTIONS, DEMANDS, RIGHTS, DAMAGES, COSTS OR EXPENSES WHICH MIGHT ARISE OUT OF OR IN CONNECTION WITH THE PURCHASE OR USE OF GOODS. FURTHER, BUYER ACKNOWLEDGES THAT SELLER IS MAKING NO REPRESENTATIONS OR WARRANTIES REGARDING THE COMPLIANCE OF ANY OF ANY GOODS WITH ANY FEDERAL OR STATE LAWS, REGULATIONS, RULES OR ORDINANCES AFFECTING THE SAME, DESIGN CODES AFFECTING SAME, RESULTS IN APPLICATION, OR USE OF GOODS.

IN CONNECTION WITH THE FOREGOING AGREEMENTS OF BUYER SET FORTH IN THIS PARAGRAPH 10, BUYER REPRESENTS AND WARRANTS TO SELLER THAT (i) BUYER HAS EXCLUSIVE, SUPERIOR, AND PROPRIETARY KNOWLEDGE ABOUT THE FIELD, LOCAL GEOLOGY, GEOPHYSICS, GEOCHEMISTRY, FORMATION PRESSURES, WATER TABLE AND QUALITY, WELLBORE ENVIRONMENT, AND ALL FLUIDS, CHEMICALS AND MATERIALS THAT WILL BE INTRODUCED INTO TUBULAR PRODUCTS THAT USER INSTALLS IN THE WELLBORE; (ii) CASING STRING DESIGN AND THE SELECTION OF MATERIALS AND CONNECTION(S) ARE THE SOLE RESPONSIBILITY OF BUYER AND THAT SELLER HAS NO RESPONSIBILITY FOR CASING STRING DESIGN OR THE SELECTION OF MATERIALS OR CONNECTIONS; (iii) BUYER HAS TOTAL CONTROL OVER ALL DESIGN AND OPERATIONAL ASPECTS OF THE WELL INCLUDING BUT NOT LIMITED TO: (A) DRILLING, WELLBORE WALL UNIFORMITY AND TRAJECTORY, (B) UNLOADING, STORAGE, MAINTENANCE, HANDLING, FIELD ASSEMBLY, AND DEPLOYMENT OF CASING AND CONNECTIONS, (C) CEMENTING; (D) PRESSURE TESTING; (E) STIMULATION AND PRODUCTION; AND (F) ENHANCED RECOVERY; (iv) BUYER UNDERSTANDS AND AGREES THAT ROTATING CASING FOR DRILLING-WITH-CASING OPERATIONS OR TO AID TARGET ACHIEVEMENT AND AGGRESSIVE, HIGH-VOLUME, MULTI-STAGE, HYDRAULIC FRACTURE STIMULATION OPERATIONS ARE *NON-STANDARD* USES FOR OILFIELD CASING, LINE PIPE, TUBING AND CORRESPONDING GB CONNECTIONS; AND (v) BUYER ASSUMES ALL RISKS AND LIABILITY FOR MATERIAL COMPATIBILITY WITH ALL ASPECTS OF THE WELL ENVIRONMENT.

11. Limitation of Remedies:

- (a) SELLER WILL REPLACE, AT THE DELIVERY POINT SPECIFIED HEREIN, ANY GOODS FURNISHED HEREUNDER THAT ARE CONFIRMED BY SELLER TO BE DEFECTIVE OR OTHERWISE FAIL TO CONFORM TO SELLER'S WARRANTY OR THIS AGREEMENT, OR, AT SELLER'S OPTION, SELLER WILL REPAY THE PRICE PAID FOR SUCH GOODS PLUS ANY TRANSPORTATION CHARGES PAID BY BUYER IN ADDITION TO SUCH PRICE AND LESS ANY SCRAP VALUE REALIZED BY BUYER FOR SUCH GOODS. CLAIMS FOR DAMAGED GOODS OR INCORRECT SIZE, GRADE OR QUANTITY OF GOODS MUST BE MADE IN WRITING, PROMPTLY, AND IN NO EVENT LATER THAN THIRTY (30) DAYS FOLLOWING DELIVERY OF GOODS TO BUYER, OR ALL SUCH CLAIMS SHALL BE DEEMED WAIVED. BUYER SHALL SET ASIDE, PROTECT, AND HOLD SUCH GOODS WITHOUT FURTHER PROCESSING UNTIL SELLER HAS AN OPPORTUNITY TO INSPECT AND ADVISE OF THE DISPOSITION, IF ANY, TO BE MADE OF SUCH GOODS. IN NO EVENT SHALL ANY GOODS BE RETURNED, REWORKED, OR SCRAPPED BY BUYER WITHOUT THE EXPRESS WRITTEN AUTHORIZATION OF SELLER. BUYER'S EXCLUSIVE REMEDIES WITH RESPECT TO ANY GOODS FURNISHED BY SELLER HEREUNDER THAT ARE FOUND TO BE DEFECTIVE OR OTHERWISE NOT IN CONFORMITY WITH SELLER'S WARRANTY OR THIS AGREEMENT SHALL BE LIMITED EXCLUSIVELY TO THE RIGHT TO REPLACEMENT THEREOF OR, AT SELLER'S OPTION, TO REPAYMENT OF THE PRICE, AS ABOVE PROVIDED. BUYER SHALL INDEMNIFY SELLER WITH RESPECT TO ANY AND ALL OTHER LOSS, INJURY (INCLUDING DEATH) OR DAMAGE TO PERSON OR PROPERTY, AND ALL CLAIMS AND EXPENSES RELATING THERETO, ARISING OUT OF OR RELATING IN ANY WAY TO GOODS.
- (b) NOTWITHSTANDING ANYTHING TO THE CONTRARY SET FORTH IN THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN BUYER AND SELLER, OTHER THAN SELLER'S OBLIGATIONS UNDER SUBPARAGRAPH (a) OF THIS PARAGRAPH 11, SELLER'S MAXIMUM LIABILITY FOR ANY AND ALL ALLEGED BREACHES OF THIS AGREEMENT BY SELLER SHALL BE LIMITED TO THE LESSER OF (i) THE DIFFERENCE BETWEEN THE DELIVERED PRICE OF GOODS COVERED HEREBY AND THE MARKET PRICE OF SUCH GOODS AT BUYER'S DESTINATION AT THE TIME OF SUCH BREACH; OR (ii) THE AGGREGATE AMOUNT OF U.S. \$50,000.
- (c) IN NO EVENT SHALL SELLER BE LIABLE FOR PERSONAL INJURY, PROPERTY DAMAGE, LOSS OF PROFIT, DELAY, OR ANY ACTUAL, SPECIAL, EXEMPLARY, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS, LOST PRODUCTION, LOST REVENUE, LOST PRODUCT, LOST BUSINESS OR BUSINESS INTERRUPTIONS), WHETHER OR NOT SUCH DAMAGES ARE FORESEEABLE OR SELLER WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, WHETHER ARISING FROM CONTRACT, BREACH OF CONTRACT, TORT, SELLER'S NEGLIGENCE, SELLER'S GROSS NEGLIGENCE, STRICT LIABILITY, OR ANY EXPRESS OR IMPLIED WARRANTY, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR ANY OTHER THEORY OF LAW.
- (d) IN NO EVENT SHALL SELLER BE RESPONSIBLE FOR (i) POLLUTION, CONTAMINATION OR RADIATION DAMAGE (INCLUDING THE COST OF CONTAINMENT, CLEANUP AND DISPOSAL), AND/OR (ii) SUBSURFACE LOSS OR DAMAGE, INCLUDING LOSS OR DAMAGE TO ANY RESERVOIR, FORMATION, STRATA, WELL, BOREHOLE OR IN-HOLE EQUIPMENT, OR IMPAIRMENT OF ANY PROPERTY RIGHT TO WATER OR GAS OR OTHER MINERAL SUBSTANCES, AND/OR (iii) DAMAGE, LOSS, DESTRUCTION, PERSONAL INJURY OR DEATH ARISING ON THE SURFACE AS A RESULT OF SUBSURFACE OCCURRENCE (INCLUDING DAMAGE TO OR LOSS OR DESTRUCTION OF ANY EQUIPMENT, DRILLING RIG, PLATFORM OR OTHER FIXED OR FLOATING STRUCTURE AT OR AROUND THE WELL SITE), AND/OR (iv) KILLING OR REGAINING CONTROL OF A WILD WELL OR RE-DRILLING,

REWORKING OR FISHING (INCLUDING THE COST THEREOF), EVEN IF THE DAMAGE, LOSS, COSTS OR EXPENSES RESULT FROM THE SOLE OR CONCURRENT NEGLIGENCE OF SELLER.

- (e) FURTHERMORE, IN NO EVENT SHALL SELLER BE RESPONSIBLE FOR RETRIEVING DAMAGED OR DEFECTIVE GOODS FROM ANY WELL, DELAY OR CURTAILMENT OF OPERATIONS, POLLUTION AND/OR THE COST OF DISMANTLING AND REMOVAL OF GOODS TO BE REPAIRED OR REPLACED RESULTING FROM DEFECTIVE MATERIAL, FAULTY WORKMANSHIP OR OTHERWISE.
- (f) NO CLAIMS OF ANY NATURE, WHETHER BASED ON CONTRACT OR OTHERWISE, MAY BE BROUGHT AGAINST THE SELLER AFTER TWELVE (12) MONTHS AFTER THE DELIVERY OF GOODS TO BUYER. BUYER ACKNOWLEDGES THAT IT HAS A SUPERIOR KNOWLEDGE OF THE ULTIMATE USE OF GOODS AND THAT BUYER ACTS AS A "LEARNED INTERMEDIARY" IN REGARD TO SUCH ULTIMATE USE. WITH RESPECT TO GOODS PURCHASED FROM SELLER, BUYER ASSUMES COMPLETE RESPONSIBILITY AND RISK WITH RESPECT TO WELL CONDITIONS, ON-SITE HANDLING AND STORAGE, FIELD ASSEMBLY, INSTALLATION, PLANNED AND ANTICIPATED OPERATIONS INCLUDING, BUT NOT LIMITED TO, ALL LOAD COMBINATIONS AND EXPOSURE TO GEOLOGIC FORMATION AND GROUNDWATER, TEMPERATURE CONDITIONS, DRILLING FLUIDS, CHEMICALS, FRESHWATER, AND ALL OTHER COMPOUNDS AND/OR FLUIDS INTRODUCED INTO TUBULAR PRODUCTS THAT USER INSTALLS IN THE WELLBORE, AND BUYER AGREES WITH SELLER AND REPRESENTS AND WARRANTS TO SELLER THAT BUYER HAS DETERMINED THAT GOODS PURCHASED FROM SELLER ARE FIT FOR THEIR INTENDED SERVICE, USE AND PURPOSE. BUYER SHALL SAVE, INDEMNIFY, DEFEND AND HOLD HARMLESS SELLER (AND ITS SUCCESSORS AND ASSIGNS) AND ITS DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS, FROM AND AGAINST ALL DEMANDS, CLAIMS, SUITS, DAMAGES, LOSSES, JUDGMENTS AND LIABILITIES OF WHATEVER KIND OR NATURE, INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEYS' FEES, EXPENSES AND OTHER COSTS OF LITIGATION, FINES, PENALTIES OR ASSESSMENTS ASSERTED AGAINST OR SUFFERED BY THE INDEMNITEE BY REASON OF, ARISING OUT OF, OR IN ANY WAY RELATED TO BUYER'S USE (OR ANY SUBSEQUENT END-USER'S USE) OF GOODS, OR BUYER'S NEGLIGENCE OR WILLFUL MISCONDUCT.

12. **Exclusive Terms and Conditions: Acceptance: Modification:** These Terms and Conditions of Sale constitute the complete, exclusive and fully integrated statement of terms and conditions between Buyer and Seller with regard to the matters contained herein. No terms or conditions (whether consistent or inconsistent) other than those stated herein and no agreement or understanding, oral or written, in any way purporting to modify these Terms and Conditions of Sale shall be binding on Seller unless expressly agreed upon in writing by authorized representatives of both Seller and Buyer. In the event of a conflict between these Terms and Conditions of Sale and any purchase order (or other document expressly made a part of this Agreement) signed by both parties, the terms of the signed document shall prevail. Buyer's placement of an order or release for, or taking delivery of, any product of Seller shall constitute acceptance of the Seller's offer under these terms and conditions and Seller hereby objects to and rejects any and all additional or different terms proposed by Buyer, whether contained in Buyer's purchase orders, production releases or shipping release forms, or related correspondence or any other documents including emails. All proposals, quotes, request for quotes, purchase orders, negotiations, representations and other communications, if any, made prior and with reference hereto are merged herein.

13. **Conditions Incorporated by Reference:** Any clause required to be included in an agreement of this type by any applicable law or regulation shall be deemed to be incorporated herein.

14. **Governing Law:** This Agreement shall be governed by the laws of Texas, U.S.A., exclusive of its conflicts of laws rules and of any principles therein that would require the application of The United Nations Convention on Contracts for the International Sale of Goods ("CISG"). CISG shall not apply to this or any other agreement between the parties. Seller and Buyer each irrevocably agrees that, subject

to the terms and provisions of Paragraph 23, any legal proceeding seeking the enforcement of this Agreement shall be brought in the state or federal courts located in Houston, Texas, U.S.A. Each Party hereby irrevocably submits itself to the jurisdiction of any such courts, and waives any objection it may now or hereafter have to the placing of venue in any such courts and any right to remove any such action or proceeding to another court.

15. **Export of Goods Sold:** In the event Goods sold hereunder are exported outside the United States, the following shall apply:

- (a) ***Export Control.*** Any sale made under this Agreement shall at all times be in strict conformity with all relevant export control laws and regulations. Buyer will not make any disposition by way of trans-shipment, re-export, diversion or otherwise of Goods, except as such laws and regulations may expressly permit (with Buyer bearing full responsibility for obtaining any required export licenses or other permits), and no such disposition or transfer will be made other than to the ultimate country of destination specified in this Agreement. Buyer will furnish, upon request, proof that Goods have been entered, and will remain in, the specified destination country. Buyer hereby agrees to indemnify, defend and hold harmless Seller and its employees from and against any and all claims, demands, damages, costs, penalties and fines arising in connection with any alleged breach by Buyer or its agents of this paragraph. Seller reserves the right to suspend or cancel any delivery of product to Buyer or cancel this Agreement in its entirety, without liability to Buyer, if Seller has a good faith basis for believing Buyer or its agent has violated or intends to violate this paragraph.

- (b) ***Anti-corruption Laws.*** Buyer represents and warrants, in connection with the transactions contemplated by this Agreement, and any other agreement contemplated by or entered into pursuant to this Agreement, that it shall take no action, directly or indirectly, that would constitute a violation of the United States Foreign Corrupt Practices Act, or any other applicable anti-bribery or anti-corruption law, convention or regulation (collectively, "anti-corruption laws"). Buyer acknowledges and confirms that it and its officers, directors, employees, agents, contractors, designees and/or any other party acting on its behalf (collectively, "Related Parties") are familiar with the provisions of the anti-corruption laws. Buyer hereby agrees to indemnify, defend and hold harmless Seller and its employees from and against any and all claims, demands, damages, costs, penalties and fines arising in connection with any alleged breach by Buyer or any of its Related Parties of this paragraph. Seller reserves the right to terminate this Agreement in its entirety, without liability to Buyer, if Seller has a good faith basis for believing Buyer or any of its Related Parties has violated or intends to violate this paragraph.

16. **Language:** The English language version of this document will control in the event of any disagreement over any translation.

17. **Waiver:** Waiver by Seller of any breach of these provisions shall not be construed as a waiver of any other breach.

18. **Subsequent Buyers:** Each Buyer hereby represents to Seller that such Buyer shall take all necessary steps to ensure that any subsequent Buyer will be legally bound and will cause all subsequent Buyers to be legally bound to Seller by the terms of this Agreement and that all rights and remedies of Seller under this Agreement are enforceable against each such subsequent Buyer.

19. **Construction:** No provision of this Agreement may be construed against the Seller as the drafting party. The term "including" means "including without limitation." The term "days" means calendar days unless otherwise stated. Unless the context otherwise requires, all references herein to "Paragraphs," and other subdivisions shall refer to the corresponding provisions of this Agreement. Any reference to any federal, state, local, or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder and successor laws, unless the context hereof requires otherwise. References in this Agreement to dollars or \$ means lawful money of the United States of America.

20. **Termination:** In addition to any other remedies available to Seller at law or under this Agreement, Seller may terminate any agreement with Buyer in the event that:

- (a) Buyer fails to perform its obligations under or otherwise breaches any provisions of this Agreement or any other contract between Buyer and Seller or any of Seller's affiliates;
- (b) Buyer ceases to carry on its business substantially as such business is conducted on the date of the contract between Buyer and Seller and such change in circumstances modifies Seller's obligations or impairs either party's ability to discharge its obligations under this Agreement;
- (c) Buyer institutes or suffers the institution against it of bankruptcy, reorganization, liquidation receivership or similar proceedings;
- (d) Buyer generally becomes unable to pay its debts as they become due;
- (e) any term, condition or provision of this Agreement or any other contract between Buyer and Seller becomes invalid or illegal under any applicable law, rule or regulation; or
- (f) an event of Force Majeure listed in Paragraph 8 of these Terms and Conditions continues for a period of more than thirty (30) days.

21. **Cancellation by Buyer:** Buyer may not cancel an order once placed with Seller.

22. **Successors:** This Agreement shall be binding upon each Buyer and its successors and assigns, and shall inure to the benefit of Seller and its successors and assigns.

23. **Dispute Resolution:** THIS PARAGRAPH 23 SHALL HAVE NO APPLICATION TO SELLER'S REMEDIES FOR BUYER'S NON-PAYMENT. The parties agree that in the event of a dispute or any allegation of breach concerning the parties' performance under the terms of this Agreement, other than payment by Buyer, the parties shall, for a period not to exceed fifteen (15) calendar days following notice by one party to the other party that a dispute exists, endeavor to resolve such dispute through good faith negotiations. In the event that the parties fail to resolve such dispute in the foregoing manner, the alleged breach or dispute shall be submitted to binding arbitration before an arbitral tribunal consisting of three (3) arbitrators, under the commercial arbitration rules of the American Arbitration Association. The arbitration shall be conducted in the English language. Arbitration shall be the sole and exclusive remedy with respect to any such dispute or alleged breach. These proceedings shall be private and confidential. The arbitration panel shall have no power to add to, detract from, or alter this Agreement in any way. Pending final decision by the arbitral tribunal, there shall be no action taken by either party to the controversy. All costs and expenses incidental to and arising out of the arbitration shall be borne by the losing party, including reasonable attorney fees. The award rendered shall be final and conclusive and judgment on the award rendered by the arbitral tribunal may be entered in any court having competent jurisdiction thereof. The place of arbitration shall be Houston, Texas, U.S.A. The arbitral tribunal shall not be authorized to decide any dispute, controversy or claim ex aequo et bono, but shall strictly apply the laws of the State of Texas, U.S.A., without regard to its conflicts of laws provisions.

EXHIBIT A
Summary of Payment Terms

Description	Invoice Initiation/Basis	Terms
Plain End Casing or Finished Casing	Load out/Tallies	Net 30 days from date of invoice; 2% discount if paid within 10 days from date of invoice
Plain End Casing or Finished Casing for delayed shipment	By Agreement/Flat Footage	Net 30 days from date of invoice; 2% discount if paid within 10 days from date of invoice
End finishing of customer supplied casing (full length casing, R ₃), cross-overs, subs, marker joints, float equipment, etc. Also, pass-through 3 rd party charges such as inspections, load out, installation of float equipment, etc.	Facility Work-Order Completion Report/Joint Count	Net 30 days from date of invoice
Loose Couplings	Load out/Bill of Lading	Net 30 days from date of invoice
Turn-Key fabrication of Accessories including cross-overs, subs, marker joints, float equipment, etc. (GB Tubulars supplied materials)	Facility Work-Order Completion Report/Units	Net 30 days from date of invoice; 2% discount if paid within 10 days from date of invoice
Materials released for inspection prior to customer acceptance	By Agreement <ol style="list-style-type: none"> 1. Flat footage with adjusting invoice or credit after shipment 2. Good footage only per inspection tally 	Net 30 days from date of invoice; 2% discount if paid within 10 days from date of invoice