

JOHN LAWRIE, INC.
TERMS AND CONDITIONS

All sales of either new or used drill pipe, drill collars, slick or spiral heavy weight drillpipe, scrap metals, steel products, tubulars, and any other goods (collectively, the “Products” and individually a “Product”) offered or sold by John Lawrie, Inc. (“Seller”) shall be subject to these terms and conditions (collectively, the “Terms and Conditions”), which shall be deemed incorporated into all Sales Orders (as defined below). As used herein, “Buyer” shall mean any individual or entity that purchases any Product. By executing and signing a Sales Order and accepting any Product pursuant thereto, Buyer expressly acknowledges and consents to these Terms and Conditions.

1. **SALES ORDERS.** Neither the Seller nor the Buyer shall have any obligation to purchase or sell any Product until such time as a contract or sales order (collectively, a “Sales Order”) has been signed by an officer of Seller. Sales Orders may not be accepted by distributors, representatives, or agents of Seller. Any attempted acceptance of a Sales Order in any manner other than as set forth in this paragraph shall be deemed void and of no force and effect.

2. **QUOTATIONS AND PRICE ADJUSTMENTS.** Seller may give a written quotation (“Quotation”) relating to the sales terms for Products including, but not limited to, the sale price for Products (“Sale Price”). Although not binding on Seller, the Quotation shall only remain valid for the period stated in the Quotation or where no period is stated, the Quotation shall remain valid for ten (10) days after the date of the issuance of the Quotation and thereafter shall be null and void. No Quotation shall be construed as an offer to Buyer and Buyer acknowledges that a Quotation is merely an invitation to the Buyer to submit an order for Products pursuant to the Quotation and neither party shall be bound until the execution of a Sales Order by an officer of Seller. Buyer further acknowledges that a Quotation is contingent on the price of materials, including but not limited to, steel, energy and freight, and currently prevailing rates, which prices and rates are subject to fluctuation and are outside of Seller’s control. Notwithstanding any Quotation made by Seller, Seller expressly reserves the right to revoke or adjust Quotations and Sale Prices prior to the Seller’s execution of a Sales Order.

3. **PRICES, TAXES AND TRANSPORTATION CHARGES.** Unless otherwise specified in writing, the Sale Price is exclusive of all customs, duties, charges or surcharges, consular fees, sales, use, excise, turnover, occupational or transportation taxes, or any other taxes imposed by any country or political subdivision thereof (collectively, “Surcharges”) which shall be the responsibility of Buyer. Buyer shall indemnify, defend, and hold the Seller harmless for any and all Surcharges that may arise in connection with a purchase by Buyer of Products and shall promptly reimburse Seller for any Surcharges paid by Seller, which reimbursement shall be independent of and in addition to the Sale Price.

4. **DELIVERY.** Unless otherwise specified in the Sales Order, delivery of Products shall be F.O.B. Seller's shipping yard in Houston, Texas and Buyer assumes responsibility at the F.O.B. point for transportation charges. Delivery and shipping dates are **approximate** and may be subject to current and anticipated manufacturing capabilities, receipt of all necessary raw materials to handle production, production scheduling, third-party contracts, and the accuracy of Sales Orders. Seller is not responsible for delivery or shipping delays. Delivery and shipping dates are triggered upon Seller's acceptance of a Sales Order. Seller reserves the right to make deliveries in batches (a "Batch Delivery"). A delay in delivery or shipping, or the receipt by Buyer of a Batch Delivery, shall not give the Buyer the right to reject any Product or relieve Buyer of any of its obligations including, but not limited to, payment.

5. **TERMS OF PAYMENT.** Unless otherwise agreed by Buyer and Seller and confirmed in the Sales Order, payment for Products is due and payable immediately upon Buyer being notified that the Products are ready for pick-up or delivery from the Seller, whichever is the earliest, and in any event prior to pick-up or delivery of any such Products. The Seller reserves the right in its sole and absolute discretion to set forth such other terms relating to the payment for Products which additional terms shall be set forth in the Sales Order. Without limiting the foregoing, Seller reserves the right to: (a) decline Buyer's request for credit; (b) require payment for Products in advance; or (c) in the case of Products for delivery to destinations outside of the continental U.S.A., require payment by satisfactory and irrevocable documentary letter of credit, confirmed by a bank or financial institution acceptable to Seller, or by documentary sight draft, as the Seller may elect. All payments shall be in U.S. DOLLARS unless otherwise set forth in the Sales Order. Acceptance and endorsement by Seller of a payment for less than the full amount shall not be deemed to be an admission of payment in full and any conditions to the contrary which may be noted on such payment shall not be binding on Seller. All past due amounts shall accrue interest at a rate of ***eighteen percent (18%) per annum***, or at the Maximum Lawful Rate, whichever is lower. As used herein, "Maximum Lawful Rate" shall mean the maximum lawful non-usurious contract rate of interest allowed by the applicable law of the State of Texas.

6. **CANCELLATION, COUNTERMAND, AND RETURN OF GOODS.** Sales Orders accepted hereunder may not be cancelled, countermanded or deferred (collectively a "Modification"), or Products returned by Buyer, except with Seller's prior written consent in its offices in Aberdeen, UK or Houston, Texas, USA, which consent may be withheld in the Seller's sole and absolute discretion. Notwithstanding any consent from the Seller on a Modification or the return of any Product, Buyer shall indemnify, defend and hold the Seller harmless against all losses resulting therefrom, including the profit lost on any part of the Sales Order involved, which profit amount shall be determined by Seller consistent with Seller's customary practices. Unless otherwise authorized in writing by Seller, prior to Buyer's return of any Product that may be authorized by Seller pursuant to this paragraph, Buyer shall prepay to Seller the shipment charges associated with the return of such Product. Without limiting the foregoing, in addition to all other amounts, a two percent (2%) charge shall be applied to any Modification or returned Product.

7. **TITLE AND RISK OF LOSS.** Notwithstanding anything herein to the contrary, Buyer shall be solely responsible for any loss of or damage to Products that occurs during a shipment made by the Buyer after the F.O.B. shipping point or by a carrier selected by Buyer. Seller shall be solely responsible for any loss of or damage to a Product that occurs during a shipment made by Seller, or by a carrier selected by Seller, subject to the Delivery provisions contained in these Terms and Conditions. Unless otherwise set forth in the Sales Order, the Products shall be stored at the F.O.B. shipping point unpacked and unprotected and the Buyer assumes the risk of loss associated with the same.

8. **SELLER'S LIMITED WARRANTY AND LIABILITY.** Seller warrants that Products furnished hereunder shall be free from all defects and faults in material, workmanship and manufacture and in conformity with the specifications of the Sales Order subject to the standard manufacturing variations and tolerances and customary practices in the industry. Notwithstanding the foregoing, Seller does not guarantee rapidly wearing parts, ordinary wear and tear, damage caused by the negligent act or omission of the Buyer or those acting on the Buyer's behalf, or operating conditions inconsistent with the intended use or design parameters, or improper use of the Products. This warranty shall survive inspection of, payment for and acceptance of a Product but shall expire twelve (12) months after the arrival of the Products at the F.O.B. shipping point ("Warranty Period"). Any warranty claims made by Buyer hereunder must be submitted to Seller in writing without undue delay after discovery of the alleged defect prior to the expiration of the Warranty Period and Buyer shall give Seller the opportunity without undue delay to examine the Product. For any Product determined by Seller to be defective, Seller may (i.) repair the Product or provide Buyer with a replacement Product, which replacement may be the same or substantially similar to the Product at issue, or (ii.) credit Buyer in an amount not to exceed the Sale Price for the Product at issue. The warranty set forth herein is solely for the benefit of the Buyer and no person or entity shall be deemed a third party beneficiary of the same.

BUYER ACKNOWLEDGES AND AGREES THAT SELLER'S ENTIRE LIABILITY UNDER THESE TERMS AND CONDITIONS SHALL BE LIMITED TO THE SALE PRICE. IN NO EVENT SHALL SELLER BE LIABLE TO THE BUYER OR ANY THIRD PARTY FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES, LOSS OF PROFITS, LOSS OF USE OR INTERRUPTION OF BUSINESS, COSTS OF SUBSTITUTE GOODS, WHETHER SUCH DAMAGES OR LOSSES ARE ALLEGED IN TORT (INCLUDING NEGLIGENCE), CONTRACT OR INDEMNITY, EVEN IF SELLER WAS ADVISED OR AWARE OF THE LIKELIHOOD OF SUCH DAMAGES OR LOSSES OCCURRING.

EXCEPT FOR THE EXPRESS WARRANTY SET FORTH HEREIN, SELLER MAKES NO, AND DISCLAIMS ALL, WARRANTIES, REPRESENTATIONS OR GUARANTEES OF ANY KIND OR NATURE, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY, TITLE, NON-INFRINGEMENT, FITNESS FOR A PARTICULAR PURPOSE OR USE, AND WARRANTIES OF UNINTERRUPTED OR ERROR FREE PERFORMANCE OF PRODUCTS.

Seller, directly or through its representatives or agents, may from time to time offer certain recommendations, comments, or advice (Collectively, “Seller’s Recommendations”) regarding usage, inspection, or repair, with respect to the Products. Seller shall not be responsible for any loss, damage, or expense incurred or sustained in connection with Seller’s Recommendations or occurring as a result of any actions taken by any person in reliance on Seller’s Recommendations and the Seller’s Recommendations shall be excluded from the limited warranty provided herein. Buyer shall indemnify, defend and hold the Seller harmless for any and all claims that may arise in connection with the Seller’s Recommendations. **THE INDEMNIFICATION SET FORTH HEREIN SHALL INCLUDE INDEMNIFICATION FOR THE SELLER’S OWN NEGLIGENCE.**

9. **BUYER SPECIFICATIONS.** The Buyer may request in connection with the purchase of a Product certain specifications, not customarily provided by Seller, to be applied or performed by Seller in connection with the purchase (collectively “Buyer Specifications”). Buyer Specifications must be requested in writing and submitted with the Sales Order. Buyer Specifications, or any portion thereof, may be accepted or rejected by Seller and upon such additional terms and conditions acceptable to the Seller, all in Seller’s discretion. **ANY PRODUCTS THAT INCORPORATE IN THE BUYER SPECIFICATIONS SHALL BE EXCLUDED FROM THE LIMITED WARRANTY SET FORTH IN SECTION 8 AND SHALL HAVE NO WARRANTY, EXPRESS OR IMPLIED.** Buyer shall indemnify, defend and hold the Seller harmless from any claim of infringement of any patent, copyright or other intellectual property right by a third party if such claim involves Products produced by the Seller with the Buyer Specifications and/or in agreement with Buyer or if such claim is based upon the use of the Product in combination with other items where such infringement or claim thereof would not have occurred from the normal use for which the Product alone.

10. **LICENSES AND PERMITS.** Buyer shall be solely responsible for obtaining all licenses or permits necessary to import or export Products, provided that at Buyer’s written request and Buyer’s sole expense, Seller will endeavor to assist Buyer in obtaining such licenses and permits.

11. **NON-DISCLOSURE OF CONFIDENTIAL OR PROPRIETARY INFORMATION.** Buyer agrees to not disclose, further distribute, copy or reproduce to or for any person all or any part of Seller’s Confidential Information. Seller’s Confidential Information shall at all times remain the sole and absolute property of Seller. As used herein, “Seller’s Confidential Information” includes (a) all information, data or material disclosed by Seller, its agents, or representatives, in connection with the sale of a Product which is not generally known by the public or by parties which are competitive with or otherwise in an industry, trade or business similar to Seller; (b) devices, secret inventions, processes, compilations of information, records, source codes, object codes, and specifications, that are owned by Seller and that are used in the operation of its business, also including, but not limited to, customer lists, financial, accounting, statistical, product design or manufacturing methods, and personnel information concerning Seller; and (c) any

information described above which Seller obtains from another party and which Seller treats as proprietary, whether or not owned or developed by Seller.

12. **FORCE MAJEURE.** In the event that performance by Seller of any of its obligations under the terms of this Agreement shall be interrupted by an act of God, by an act of war, riot, or a civil disturbance, by an act of state, by strikes, fire, flood, hurricane, tropical storm or by the occurrence of any other event beyond the reasonable control of the Seller, and which by the exercise of due diligence could not reasonably be prevented, Seller shall be excused from its obligations under the Sales Order upon written notice to the Buyer.

13. **GENERAL PROVISIONS.** These Terms and Conditions and any related Sales Order accepted by Seller (collectively, the “Agreement”), contain the entire understanding of the parties with respect to the transactions contemplated herein and supersede all prior agreements, understandings, negotiations, and discussions among the Buyer and Seller with respect to such transactions. The Agreement, in whole or in part, may not be amended, modified, supplemented, restated, discharged or waived except in writing and with Seller’s express written consent. No waiver of any of Seller’s rights under the Agreement shall be effective against Seller unless supported by consideration and expressly set forth in a writing signed by Seller. A failure by Seller to enforce any right pursuant to the Agreement shall not be construed as a waiver of such right or of any other rights thereunder. Seller acknowledges that notwithstanding any State’s conflicts of laws provisions, the laws of the State of Texas shall exclusively apply to claims arising from the Agreement. Venue for any proceeding under the Agreement shall lie exclusively in the state or federal courts located in Houston, Harris County, Texas. Buyer shall reimburse Seller for all fees, costs and expenses reasonably incurred in the enforcement of Seller’s rights under or with respect to the Agreement, including, without limitation, reasonable attorneys’ fees.