

TERMS AND CONDITION OF SALE

The Terms and Conditions of Sale below constitute an Agreement between Collicutt Energy Services Corp. ("Collicutt") and Customer. The provisions of this agreement supersedes all prior agreements, negotiations, understandings, representations and warranties, whether written, oral or otherwise, and no waiver, alteration, or modification of the provisions of this Agreement shall be binding unless agreed to in writing and signed by both Collicutt and Customer.

1. QUOTATIONS

All quotations are valid for thirty (30) days from the date of the quotation unless otherwise agreed to in writing by Collicutt. A quotation is not a valid acceptance of an offer to sell unless (1) a purchase order is received by Collicutt signed by a duly authorized representative of the Customer and (2) approved by Collicutt's Credit Department. Inadvertent error in either price or terms is subject to correction.

2. DELIVERY

The delivery dates in the supplied by Collicutt are approximate only, unless otherwise specified, and are subject to manufacturer's lead times. Unless otherwise stated, all parts will be shipped F.O.B. shipping point. Offloading and placement is the Customer's responsibility unless otherwise provided for. Storage and interest charges will result when equipment and parts are ready for shipment to the Customer are held in Collicutt's facilities due to Customer's refusal or inability to accept timely delivery.

3. RESERVATION OF TITLE

Title to, property in and ownership of the parts shall remain that of Collicutt's until all amounts due hereunder are paid.

4. CHANGES AND CANCELLATION

Customer agrees to pay for any changes in scope, design, or work plan for that ordered. Customer may cancel the order only upon written approval of Collicutt. Cancellation charges will apply in the amount of 10% of the total price of the purchase order plus any change orders, plus Collicutt's actual expenses to which Collicutt has paid, or has committed to pay.

5. PAYMENT TERMS

All billings are net 15 days from the date of the invoice, without set-off or holdbacks. Interest on accounts in arrears shall be paid by the Customer at the rate of one and one-half percent (1.5%) per month on the unpaid balance. If Collicutt commences an action to collect the amount due, the Customer agrees to reimburse Collicutt all collection costs and legal costs on a solicitor and own client basis.

6. CLAIMS FOR SHORTAGES

Any claims for shortages or deductions of erroneous charges must be promptly presented with full details within ten (10) days after receipt of the shipment, or such claims will not be allowed.

7. CORE CREDIT

Core credit will be issued for the value not exceeding the amount originally charged. Collicutt reserves the right not to refund the entire core charge based on the condition of the core. Cores requested to be returned to the Customer must be done within thirty (30) days upon notification to the Customer as to the condition of the core.

8. RETURN OF PARTS

Parts will not be accepted for return without the prior written authorization from Collicutt. Any products accepted for return will be subject to a 25% restocking fee. Non-stock or special order products are non-returnable.

9. WARRANTY

Any warranty, if applicable, will be set out in the warranty provided by the manufacturer of the parts. Parts manufactured or remanufactured by Collicutt will be warrantied for a period of twelve (12) months from the date of sale, unless otherwise specified. Warranty is only valid if the Customer has:

- (a) Complied with all service requirements and recommendations of the manufacturer and/or Collicutt relating to the parts or the equipment into which parts are installed;
- (b) Retained all alleged defective parts for inspection by Collicutt;
- (c) Notified Collicutt, in writing, of alleged part failures within the applicable warranty period.

10. REPAIRS NOT COVERED

The Warranty provided above shall not apply to a rebuilt engine or power unit and any rebuilt parts used therein which in the opinion of Collicutt have been damaged as a result of excessive loading, over or under speeding, heating, fire or abnormal combustion, ingestion of foreign materials, inadequate maintenance, misalignment, accident, improper installations, improper storage, improper use or any other condition or event not within the control of Collicutt.

11. LIMITATION OF LIABILITY

The liability of Collicutt is limited to the repair or replacement of defective parts to the extent provided in the applicable manufacturer's warranty. Collicutt shall not be liable for any personal injuries (including death) to any person or any other loss or damage, either direct, indirect or consequential, whether to the equipment into which parts are installed or to any other property, whether or not caused or contributed to by any defect in parts or by any other cause or reason whatsoever. In addition, in no case, shall Collicutt be liable for loss of use of the equipment into which parts are installed or loss of profits whether or not caused or contributed to by the negligence or default of Collicutt.

12. INDEMNIFICATION

Except for damages caused by the negligence of Collicutt, Customer shall defend, indemnify and hold Collicutt harmless from all claims, actions, demands, loss and cases of action arising from injury, including death, to any person, or damage to any property, when such injury or damage results in whole or in part from the acts or omissions of Customer.

13. FORCE MAJEURE

The obligations of each party hereto in any capacity shall be suspended and it shall not be liable for damages during the time and to the extent that such a party is prevented from complying with its obligations hereunder in part or in whole by strikes, lockouts, acts of God or the Queen's enemies, wars, laws, unavoidable accidents, delays in transportation, inability to obtain necessary material in the open market or any other cause, except financial, whether similar or dissimilar to those specifically enumerated and set forth above, beyond the reasonable control of the party affected.

14. GOVERNING LAW

This Sale shall be governed by the laws of the Province of Alberta.

Acceptance

Signature

Title

Date