

TERMS AND CONDITIONS OF SALE

1. GENERAL. All sales and transactions will be governed by the following general terms and conditions except where inconsistent with the terms and conditions on the face hereof. The terms of this Contract express and constitute the entire agreement and understanding between the parties hereto and supercede all previous negotiations, agreements and understandings relating to the subject matter hereof, and no implied covenant or liability of any kind on the part of the Vendor is created or shall arise by reason of the contents of this Contract. Notwithstanding anything to the contrary express or implied no waiver, alteration or modification of any of the provisions of this Contract will be permitted unless in writing signed by a duly authorized representative of the Vendor.

2. PRICE. The price of the goods (herein referred to as the Purchase Price) shall be that stated on the face hereof except that the Vendor reserves the right to increase or decrease the Purchase Price prior to order confirmation. The amount of the Purchase Price, together with any other amounts to be paid by the Purchaser are expressed in the currency stated on the face of this Contract and must be paid in that currency unless expressly stated to be otherwise herein.

3. PAYMENT. The Purchase Price for the goods is due and payable upon issuance of the invoice for same. If payment is not received by the Vendor within thirty (30) days from the date of the invoice, then interest shall accrue on such invoice amounts at the rate of two and one-half (2 1/2 %) percent per month (thirty (30%) percent per annum) of the full outstanding balance as shown on the invoice from the date of the invoice until paid. The Vendor may impute or apportion any payments received from the Purchaser against any specific portion or portions of any amounts due or accruing due from the Purchaser under this Contract or any other indebtedness owed by the Purchaser to the Vendor.

4. PACKAGING. All costs of packaging goods or appropriating them to this Contract shall be for the account of the Purchaser.

5. DELIVERY. Delivery of the goods will be made F.O.B. Exshaw, Alberta upon transfer to the Purchaser's agent or a common carrier, except where other delivery terms are expressly agreed to herein. Title and all risk of loss to the goods shall pass to the Purchaser upon delivery irrespective of whether carriage-paid delivery is agreed to or not. In the absence of written shipping instructions from the Purchaser the Vendor may select a common carrier and deliver the goods to such carrier, but in no event shall such carrier be construed as the agent of the Vendor. The Purchaser is responsible for insuring his own losses and any insurance fees or shipping charges incurred by the Vendor shall be for the account of the Purchaser and are due and payable in the same manner as the Purchase Price. The Purchaser acknowledges and agrees that the price of the goods are exclusive of all sales, uses, excise, value added or other applicable tax or duties that arise or become payable following delivery and that if the Vendor pays any such amounts they shall be for the account of the Purchaser and shall be due and payable in the same manner as the Purchase Price.

6. LOSS. The loss, damage, confiscation, or destruction of any or all goods supplied herein at any time after title and risk is deemed to have passed to the Purchaser shall not operate in any manner to release the Purchaser from its responsibilities and liabilities for payments hereunder.

7. AUTHORIZATIONS. Whoever is the proper party under the applicable regulations shall, at his own cost, make prompt application for any Government or regulatory authorization which may be required to permit the export or import of the goods. The parties shall assist each other in every manner reasonably possible in securing such authorizations as may be required. The Vendor shall not be responsible if any authorization is delayed, denied, revoked, restricted or not renewed and the Purchaser shall not be relieved of his obligation to accept delivery of and pay the Vendor for the goods in like circumstance.

8. ACCEPTANCE. The goods purchased hereunder shall be deemed to have been accepted by the Purchaser when such goods are delivered. All goods delivered shall be deemed to conform in all material respects with a sample taken from the delivered goods by the Vendor at the time of delivery. The Purchaser's acceptance of the goods under this Contract shall constitute acceptance of all terms and conditions set forth herein and shall be sufficient acceptance without further communication thereof.

9. PURCHASE ORDER. Both parties agree that the terms and conditions contained herein shall prevail notwithstanding any variation on any purchase orders or documentations submitted by the Purchaser. In the event that the Purchaser issues a purchase order, memorandum or instrument respecting goods to be provided by the Vendor, it is hereby specifically agreed and understood that such documentation is for the Purchaser's internal purposes only and any and all terms and conditions contained therein, whether printed or written, shall be of no force or effect and that all terms and conditions contained herein shall be specifically incorporated into and made part of such purchase order, memorandum or instrument as if they were printed thereon and expressly acknowledged by the Purchaser.

10. QUANTITY. Invoices will be calculated on the basis of the weight recorded by the Vendor at the time of delivery and such invoice shall be deemed to be conclusive proof of the quantity of goods delivered. The Purchaser is deemed to have notice of the weight of the goods upon delivery of same.

11. LIEN. Notwithstanding that the property in the goods may have passed to the Purchaser, the Vendor has, so long as the Purchase Price remains unpaid, a lien on the goods or right to retain them for the price while the Vendor is in possession of the goods; and in the case of the insolvency of the Purchaser, a right of stopping the goods in transit after parting possession with them; and in any case the right of resale. The Vendor's right of lien or of stoppage in transit not affected by any sale or other disposition of the goods that the Purchaser may have made unless the Vendor has assented thereto.

12. BACK CHARGES. No claim for back charges relating to the performance of this Contract shall be submitted to the Vendor unless and until the Purchaser shall have given to the Vendor notice in writing of the details of such back charge claim, identifying the relationship thereof to this Contract, and allowing the Vendor to have a period of thirty (30) days following the receipt of such notice to investigate and correct, if warranted in the opinion of the Vendor, any deficiency alleged in such notice to exist. The Purchaser will only be entitled to offset or retain payments that are due on the basis of claims thereafter acknowledged by the Vendor in writing.

13. COMPLAINTS. Complaints in connection with weight, quantity, dimensions or composition of goods must be made in writing to the Vendor immediately after receipt of the goods, and in any event, within ten (10) days of such receipt and prior to use of the goods by the Purchaser. To the extent that defects can be shown to exist in the goods supplied the Vendor shall, at its sole option, reduce the amount of the Purchase Price due by the value of the undelivered goods or supply alternative goods to replace any defective goods. In the event that the parties are unable to agree whether goods provided pursuant to this Contract conform with the Contract or are defective goods then such parties shall submit to and agree to be bound by binding arbitration and the Arbitration Act (Alberta) shall apply thereto. Other than the foregoing, the Vendor shall not be liable for any direct or indirect loss or damage, compensation for costs, penalties or charges of any nature which may arise.

14. SAMPLES. The fact that any goods supplied under this Contract or any other contract have been inspected and approved by the Purchaser does not make this a "sale by sample" within the meaning of the SALE OF GOODS ACT. The Purchaser is responsible for seeing that the bulk of the goods corresponds with the sample, and for verifying their quality or sufficiency under the Contract. Any samples, descriptions, illustrations, drawings, weights or quotations provided at any time are only approximate and are for illustrative purposes only and are acknowledged by the parties not to be indicative of conformity of goods provided pursuant to this Contract. The goods are described in this Contract for the sake of identification only, and this Contract shall not be a "sale by description" within the meaning of the SALE OF GOODS ACT. There is no warranty, term or condition, express or implied that the goods will correspond exactly with any description or sample or as to the quality or fitness of the goods for any particular purpose. The Purchaser agrees and acknowledges that the goods sold pursuant to this Contract are purchased and sold under their patent or trade names and acknowledges his own expertise in that regard and does not rely on the Vendor to provide goods suitable for any particular purpose.

15. DOCUMENTS. The Vendor reserves ownership and copyright in drawings, estimates and other documents supplied at any time, all of which must be returned by the Purchaser immediately upon the request of the Vendor. Information, regardless of form, furnished by the Vendor shall be proprietary information of the Vendor and maintained confidentially by the Purchaser.

16. WARRANTY. The Vendor warrants that it has good and clear title to the goods sold hereunder. Save and except as aforesaid the Purchaser waives all right and entitlement to and the Vendor disclaims all warranties, representations or conditions, express or implied, statutory or otherwise, including, without limitation, all warranties of merchantability and fitness implied by law, with respect to goods to be supplied under this Contract. The express warranty given respecting title is in lieu of all other warranties and representations, obligations and liabilities on the part of the Vendor and the Vendor shall not be liable to the Purchaser for damages, including but not being limited to special, general, direct, indirect, exemplary or consequential damages, including costs, economic loss or loss of profits in connection with the supply, use or performance of the goods or as a result of any negligence of the Vendor arising out of or in connection with this Contract. The Vendor's liability to the Purchaser on any claim of any kind whatsoever, whether in contract or otherwise, for any loss or damage, including special, general or consequential damages, arising out of, in connection with, or resulting from this Contract or from the performance or breach thereof, or from negligence, is restricted solely to the replacement cost of any goods which, within ten (10) days of delivery, are proved to be non-conforming with this Contract. The Vendor may remedy any breach by it of this Contract by either refunding all or a portion of the Purchase Price paid by the Purchaser or by providing goods in addition to or in substitution for goods provided pursuant to this Contract. It is expressly acknowledged by the Purchaser that this exclusion clause shall survive termination of this Contract, whether for fundamental breach or otherwise.

17. INDEMNITY. The Vendor shall in no event be liable for any loss or injury to persons or property caused directly or indirectly by negligence or fault on the part of the Purchaser, its employees, agents, contractors, or material men whether acting under the instructions or directions of representatives of the Vendor or not, and the Purchaser shall indemnify and hold the Vendor harmless for any liability or damage whatsoever caused by such negligence or fault. The Purchaser acknowledges and agrees that it will not assist in, commence, maintain or grant subrogation rights or participate in any action against the Vendor, arising either directly or indirectly, out of the performance or non-performance of this Contract. The Purchaser shall be solely responsible for and shall indemnify and save harmless the Vendor from and against all actions, causes of action, losses, damages, liabilities, deficiencies, suits, claims, costs and demands by any person or persons whomsoever in respect of any loss, injury, damage, assessment, judgement, cost and expense, or obligation to compensate, including all reasonable solicitors' fees incidental thereto, whether arising out of tort, contract or otherwise, caused by reason of the ownership, use, employment or removal of the goods. Notwithstanding expiration or earlier termination of this Contract all obligations of the Purchaser to indemnify the Vendor shall continue in full force and effect.

18. FORCE MAJEURE. The obligations of the Vendor pursuant to this Contract shall be suspended if the Vendor is prevented from carrying out such obligations by force majeure including, but not being limited to, an act of God; war, revolution, insurrection, riot, blockade, or any other unlawful act against public order or authority; strike, lockout, or other industrial disturbance; storm, fire, flood, explosion or lightning; government restraint; shortages of fuel, power, materials or transportation; or any other event not reasonably within the full control of the Vendor. In the event of delay or cancellations in shipment due to force majeure the Purchaser will not be entitled to compensation or to withdraw from the Contract but will continue to be liable for payment of the Purchase Price and observance of the terms and conditions contained herein. The Vendor shall not be liable to the Purchaser for any loss, damage or penalty for delay in delivery or for failure to give notice of delay when such is due to force majeure.

19. DISCLOSURE. The Purchaser authorizes the Vendor to contact such banks, financial institutions, credit agencies, and any references the Vendor shall deem appropriate, from time to time, for credit purposes and for verification of the status and continuing accuracy of information supplied by the Purchaser. The Purchaser agrees promptly to notify the Vendor in writing of any change in the Purchaser's circumstances which affects the Purchaser's ability to perform its obligations hereunder, including payment of the Purchase Price.

20. TERMINATION. The Vendor is entitled at its option and without further liability to treat its obligations under this Contract to be at an end or to terminate this Contract where, in its opinion, there exists any risk that the Purchaser may default on its obligations hereunder or pursuant to any other contract with the Vendor including, but not being limited to, circumstances in which: (a) the Purchaser has failed to pay any amount due or payable under this or any other contract with the Vendor; or (b) the Purchaser fails to perform, observe or comply with any term, condition or obligation on its part to be performed, observed or complied with hereunder; or (c) the Vendor has permitted any goods provided pursuant to this Contract or any other contract to become subject to any lien, charge, incumbrance, levy, seizure, attachment or other judicial process prior to payment of the purchase price for such goods to the Vendor; or (d) the Purchaser makes any assignment for the benefit of its creditors, becomes insolvent, commits any act of bankruptcy or receivership, ceases or threatens to cease doing business as a going concern, or seeks any other arrangement or compromise with its creditors; or (e) any proceeding in bankruptcy, receivership, liquidation or insolvency be commenced against the Purchaser or its property.

21. WAIVER. The Vendor's lack of enforcement of any provision in this Contract, in the event of breach by the Purchaser, shall not be construed to be a waiver of any such provision and the Vendor may elect to enforce any such provision in that or any other instance.

22. CONTEXT. This Contract shall be read with all changes of gender or number required by the context thereof. All obligations of the Purchaser shall be the joint and several liability of each of the Purchasers in the event that there is more than one Purchaser.

23. SEVERABILITY. If any term or condition of this Contract or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Contract, or the application of such term or condition to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby and each term or conditions of this Contract shall be valid and enforceable to the fullest extent permitted by law.

24. TIME. Time is of the essence for all purposes hereof.

25. JURISDICTION. This Contract and any matter relating thereto shall be governed by and interpreted in accordance with the laws of the Province of Alberta, Canada.

26. BENEFIT. This Contract shall enure to the benefit of and be binding upon the heirs, executors, administrators, successors and permitted assigns of the Vendor and the Purchaser. The Purchaser shall not assign this Contract without the express prior written consent of the Vendor.