

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

THESE TERMS AND CONDITIONS OF SALE APPLY TO ALL SALES OF GOODS BY GB TUBULARS, INC., A TEXAS CORPORATION ("SELLER"). SELLER'S ACCEPTANCE OF ANY PURCHASE ORDER BY BUYER IS EXPRESSLY LIMITED TO THE TERMS AND CONDITIONS SET FORTH IN THESE TERMS AND CONDITIONS, AND ANY PROPOSAL FOR ADDITIONAL OR DIFFERENT TERMS OR ANY ATTEMPT BY BUYER 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 TO THE PURCHASER OF GOODS FROM SELLER.

1. Applicability:

- (a) Notwithstanding any prior quotations, correspondence, conversations or purchase orders relative to the products described in connection herewith ("goods"), these are the only Terms and Conditions of Sale applicable to the sale of the goods. If any writing constitutes an acceptance of an offer by Buyer, then such acceptance is expressly conditioned on Buyer's assent to these Terms and Conditions of Sale; any additional or different terms or conditions set forth in any communication(s) from Buyer are hereby objected to by Seller and shall not be effective unless assented to in writing by an authorized officer or agent of Seller. If any writing constitutes an offer by Seller, then acceptance of such offer by Buyer is expressly limited to the terms hereof, and any additional or different terms which are proposed by Buyer in any document, quotation, correspondence, conversation or purchase order relative to the goods shall not become a part of this agreement under any circumstances, unless assented to in writing by an authorized officer or agent of Seller. Any proposal by Buyer to expand the warranties or other terms set forth herein, unless agreed to in writing by an authorized officer or agent of Seller, shall be deemed a material alteration and shall not become part of this agreement.
- (b) If a written sales order has not been sent by Seller establishing the terms of an order placed by telephonic or other means by Buyer, then these Terms and Conditions of Sale attached to the invoice for the goods shall constitute the sole Terms and Conditions of Sale and agreement, between Seller and Buyer.
- (c) These Terms and Conditions are posted on the Seller's website at www.gbtubulars.com at the link entitled "Terms and Conditions" and always shall be deemed to be incorporated by reference in the agreement between Seller and Buyer.

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 contract 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 The Frost National 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 contract. 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 the goods or services, 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 specified by Buyer. 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 a storage and handling

charge for goods left in Seller's possession after notification to Buyer that the goods are available to ship. Title to the goods shall pass to Buyer upon Seller's receipt of full payment for the 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. Seller reserves the right to ship all or any part of the 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 the contract 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 the contract 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 consistent with practical testing and inspection methods; and (d) regular mill practice on over and under shipment.

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 contract 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 Section 7 upon delivery of such goods by Seller. Buyer shall have thirty (30) days after the date the 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 the goods or to raise objections to Seller that the 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 Section 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 the 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 Section 7, Buyer shall, prior to the end of the Inspection Period, supply Seller with reasonably detailed information stating the manner in which the goods are not conforming to the purchase order applicable thereto. The remedies of Buyer with respect to rejected goods are set forth in Section 10.

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 contract as may be reasonably necessary under the circumstances. However, the obligation of Buyer to pay for goods delivered is never suspended or delayed. This Section 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 Section 8 shall govern.

9. **Warranty; Disclaimers:** SELLER WARRANTS THAT THE GOODS FURNISHED HEREUNDER WILL BE FURNISHED IN ACCORDANCE WITH 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 THAT INCORPORATES THESE TERMS AND CONDITIONS OF SALE BY REFERENCE. 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 THAT INCORPORATES THESE TERMS AND CONDITIONS OF SALE BY EXPRESS REFERENCE. ANY TECHNICAL ADVICE PROVIDED BY SELLER WITH RESPECT TO THE USE OF GOODS SOLD HEREUNDER SHALL BE FOR INFORMATIONAL PURPOSES ONLY, AND SELLER MAKES NO REPRESENTATION OR WARRANTY NOR ASSUMES ANY OBLIGATION OR LIABILITY FOR ANY SUCH ADVICE. NOTWITHSTANDING ANYTHING TO THE CONTRARY, NO REPRESENTATION OR WARRANTY WHATSOEVER IS PROVIDED WITH RESPECT TO ANY GOODS SOLD ON AN 'AS IS' BASIS OR WITH RESPECT TO MATERIALS COMMONLY KNOWN AS 'NONPRIME', 'SECONDARY' OR 'DECLASSED' MATERIALS. SOME MATERIAL GRADES ARE KNOWN TO BE SUSCEPTIBLE TO EMBRITTEMENT UNDER CERTAIN ENVIRONMENTAL

AND/OR WELL CONDITIONS. NOTWITHSTANDING ANYTHING TO THE CONTRARY, BUYER ASSUMES ALL LIABILITY FOR GOODS SUPPLIED BY SELLER WHERE BUYER EXPRESSLY SPECIFIES THE MATERIAL GRADE FOR GOODS.

10. 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 CONTRACT, 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 THE 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 CONTRACT 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 THE GOODS.
- (b) NOTWITHSTANDING ANYTHING TO THE CONTRARY SET FORTH IN THIS CONTRACT OR ANY OTHER AGREEMENT BETWEEN THE BUYER AND SELLER, SELLER'S MAXIMUM LIABILITY FOR ANY AND ALL ALLEGED BREACHES OF THIS CONTRACT BY SELLER SHALL BE LIMITED TO THE LESSER OF (I) THE DIFFERENCE BETWEEN THE DELIVERED PRICE OF THE 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 SPECIAL, EXEMPLARY, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES WHETHER ARISING FROM CONTRACT, BREACH OF CONTRACT, TORT, SELLER'S 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.
- (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 REDRILLING, 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 THE GOODS TO THE BUYER. BUYER ACKNOWLEDGES THAT IT HAS A SUPERIOR KNOWLEDGE OF THE ULTIMATE USE OF THE 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 APPLIED 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 THE CASING AND WELLBORE, AND BUYER AGREES WITH SELLER AND REPRESENTS AND WARRANTS TO SELLER THAT BUYER HAS DETERMINED THAT THE 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 THE GOODS, OR BUYER'S NEGLIGENCE OR WILLFUL MISCONDUCT.

11. **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 the 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 contract) 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 that is the subject of this contract 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.

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

13. **Governing Law:** This contract 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 any legal proceeding seeking the enforcement or interpretation of this contract may 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.

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

- (a) ***Export Control.*** Any sale made under this contract 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 transshipment, re-export, diversion or otherwise of the 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 contract. Buyer will furnish, upon request, proof that the 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 contract 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 contract, and any other agreement contemplated by or entered into pursuant to this contract, 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 anticorruption 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 contract in its entirety, without liability to Seller, if Seller has a good faith basis for believing Buyer or any of its Related Parties has violated or intends to violate this paragraph.

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

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

17. **Assignment:** Buyer shall not assign its rights or obligations hereunder without the prior written consent of Seller, which consent shall not be unreasonably withheld or delayed. Any attempted assignment in contravention of the foregoing shall be void.

18. **Construction:** No provision of this contract 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 "Sections," "paragraphs," and other subdivisions shall refer to the corresponding provisions of this contract. 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 contract to dollars or \$ means lawful money of the United States of America.

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

- (a) Buyer fails to perform its obligations under or otherwise breaches any provisions of this contract or any other contract between the 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 the Buyer and Seller and such change in circumstances modifies Seller's obligations or impairs either party's ability to discharge its obligations under this contract;
- (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 contract or any other contract between the Buyer and Seller becomes invalid or illegal under any applicable law, rule or regulation; or
- (f) an event of Force Majeure listed in Section 8 of these Terms and Conditions continues for a period of more than thirty (30) days.

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

21. **Third Party Rights:** Other than rights of Seller's affiliates under this contract, no third parties will have any rights under this contract.

22. **Dispute Resolution:** THIS PARAGRAPH 21 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 contract, 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 contract 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 or 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