

Standard Services Terms and Conditions

Offer; Acceptance. These terms and conditions ("Terms") are deemed to be a part of all quotations, acknowledgments, invoices, purchase orders, receiving and service reports and other documents, whether electronic or in writing (together, an "agreement"), relating to the Customer's goods and the sale of goods and/or services described therein (collectively, the "Services") by O.C.T.G., L.L.P. or any of its affiliated companies ("OCTG"). No other inconsistent terms or conditions of Customer's purchase order or other documents shall apply.

Financial Matters. Cash and other discounts, if any, will apply only on the net amount of invoices sent to Customer after deducting transportation charges, taxes and duties, and will be allowed only if (i) the invoice is paid according to OCTG's payment terms and (ii) Customer has no past due amounts owing to OCTG. OCTG, at its option, may charge Customer 1-1/2% interest per month or the maximum legal rate, whichever is less, on any balance not paid within the stated terms. All prices quoted are in U.S. dollars. Customer shall pay all invoiced amounts in U.S. dollars. Prices quoted for Services that include the provision of goods or materials manufactured or produced by any party other than OCTG shall be subject to change by OCTG at any time by the amount of any increase in the cost of such third party goods or materials applicable to the quoted Services.

Governmental Approvals. Customer shall be responsible for, and shall bear all costs involved in, obtaining any government approvals or permits required for the export or sale of the Services.

Taxes All taxes, duties and other governmental charges (other than general real property and income taxes), including any interest or penalties thereon, imposed directly or indirectly on OCTG or required to be collected directly or indirectly by OCTG for the manufacture, production, sale, delivery, importation, consumption or use of the Services sold hereunder (including customs duties and sales, excise, use, turnover and license taxes) shall be charged to and remitted by Customer to OCTG.

OCTG's Insecurity. If at any time the collectability of amounts payable or to become payable by Customer becomes unsatisfactory to OCTG, including any change in willingness or ability of Customer to pay, OCTG reserves the right to suspend services/shipments or require satisfactory security or payment in advance. Customer shall remain liable for all unpaid accounts. OCTG shall have a materialman's and warehouseman's lien against and Customer hereby grants a UCC contractual lien and security interest against all of Customer's goods in OCTG's possession, and in all proceeds thereof (after possession of goods reverts to Customer), to secure full payment and performance of Customer's obligations to OCTG hereunder.

Cancellation; Etc. Orders are not subject to rescheduling or cancellation unless Customer indemnifies OCTG fully against all costs or expenses arising in connection therewith.

Force Majeure. In the event OCTG's performance under an agreement with Customer 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, significant price increases in or availability of any inputs necessary for the provision by OCTG of any goods or services contracted for with Customer, or any other cause beyond OCTG's reasonable control (each, a "force majeure" event), in addition to any other rights OCTG may have under these terms, in contract, at law, or in equity, OCTG shall have such additional time in which to perform its obligations as may be reasonably necessary under the circumstances.

Shipping; Delivery. Unless otherwise expressly agreed in writing by OCTG: (i) Shipments shall be by carrier designated by Customer; (ii) Such carrier shall act as the agent of Customer and loading of goods by OCTG to such carrier shall constitute delivery to Customer; (iii) All sales and deliveries of Services shall be FOB OCTG facility (unless otherwise stated in writing by OCTG), at which point title to and all risk of loss of the Services and goods supplied with respect thereto shall pass from OCTG to Customer, provided that OCTG shall retain a security interest in the goods upon which Services have been performed until the full purchase price of the Services is paid by Customer; (iv) Completion, delivery and shipping dates are estimates only; and (v) Customer shall be responsible for all shipping, handling and transportation matters including securing goods transported for protection against accident in the course of shipment.

Claims. Any claim by Customer against OCTG for shortage or damage to goods occurring before pickup by Customer's carrier must be presented in writing to OCTG within 30 days of carrier pickup from OCTG and include the original transportation bill signed by the carrier noting that the carrier received such goods from OCTG in the condition claimed.

Warehouseman's Lien. Customer hereby acknowledges that OCTG shall be entitled to, and OCTG hereby claims, a lien on all goods received by OCTG from Customer, and all proceeds thereof, as provided in Section 7.209 of the Texas Uniform Commercial Code ("UCC") with the rights of enforcement as provided therein, including for all storage, transportation (including demurrage and terminal charges), insurance, labor, and other like charges in relation to the received goods, and for expenses reasonably incurred in the sale thereof pursuant to applicable law.

Warranties. (a) Exclusive Warranty. OCTG's exclusive warranty is that the Services will be performed in a good and workmanlike manner, in accordance with usual industry practices and standards and to Customer's explicit specifications (if any) set forth in OCTG's Order Confirmation. **SELLER DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED.** (b) Limitations. **SELLER MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE SERVICES. BUYER ACKNOWLEDGES THAT IT ALONE HAS DETERMINED THAT THE SERVICES WILL SUITABLY MEET THE REQUIREMENTS OF THEIR INTENDED USE.** (c) Customer's Remedy. OCTG's sole obligation hereunder shall be to furnish substitute equivalent Services on substitute goods or, at OCTG's election, to repay or credit Customer an amount equal to the purchase price of the Services; provided that in no event shall OCTG be responsible for warranty, repair, indemnity or any other claims or expenses regarding the Services unless OCTG's analysis confirms that the goods upon which Services were performed were properly handled, stored, installed and maintained by Customer and not damaged, abused, misused or inappropriately modified. All such claims by Customer must be given to OCTG in writing promptly upon Customer's becoming aware of the asserted non-conformity.

Damage Limits; Etc. SELLER SHALL NOT BE LIABLE FOR SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES, LOSS OF PROFITS OR PRODUCTION OR COMMERCIAL LOSS IN ANY WAY CONNECTED WITH THE USE OR APPLICATION OF GOODS UPON WHICH SERVICES ARE PERFORMED, WHETHER SUCH CLAIM IS BASED IN CONTRACT, WARRANTY, NEGLIGENCE OR STRICT LIABILITY. Further, in no event shall liability of OCTG exceed the individual price of the Services performed on the goods for which liability is asserted.

Indemnities. Customer shall indemnify and hold harmless OCTG, its affiliates and its employees from and against all liabilities, losses, claims, costs and expenses (including attorney's fees and expenses) related to any claim, investigation, litigation or proceeding (whether or not OCTG is a party) which arises or is alleged to arise from Customer's acts or omissions under these Terms or in any way with respect to the Services. Without limiting the foregoing, Customer (at its own expense) shall indemnify and hold harmless OCTG and defend or settle any action brought against OCTG to the extent that it is based on a claim that any Services provided in accordance with Customer specifications fails to perform to industry or other applicable standards.

Confidentiality. All information and materials supplied by OCTG to Customer relating to the Services are confidential and proprietary, and Customer shall limit distribution thereof to its trusted employees and strictly prevent disclosure to any third party.

Termination. In addition to any other remedies available to OCTG at law or under these terms, OCTG may terminate any agreement with the Customer in the event that: (a) Customer fails to perform its obligations under or otherwise breaches any provisions of these terms or any other agreement between the Customer and OCTG or any of OCTG's affiliates; (b) Customer ceases to carry on its business substantially as such business is conducted on the date of the contract between the Customer and OCTG and such change in circumstances modifies OCTG's obligations or impairs either party's ability to discharge its obligations under an agreement between OCTG and Customer; (c) Customer institutes or suffers the institution against it of bankruptcy, reorganization, liquidation receivership or similar proceedings; (d) Customer generally becomes unable to pay its debts as they become due; (e) any term, condition or provision of these terms or any other agreement between the Customer and OCTG becomes invalid or illegal under any applicable law, rule or regulation; or (f) an event of Force Majeure continues for a period of more than thirty (30) days.

Miscellaneous. (a) Waiver. No failure or delay by OCTG in exercising any right and no course of dealing between Customer and OCTG shall operate as a waiver of rights by OCTG. (b) Assignment. Customer may not assign its rights hereunder without OCTG's written consent. (c) Law. These Terms are governed by Texas law (without regard to conflict of law principles). Federal and state courts in Houston, Harris County, Texas shall have exclusive jurisdiction for any dispute hereunder. (d) Amendment. These Terms may be changed or waived only in writing signed by the parties. (e) Severability. If any provision hereof is rendered ineffective or invalid, such provision shall not invalidate any other provision. (f) Setoff. All claims hereunder by OCTG are subject to setoff by OCTG for any counterclaim arising out of any transaction with Customer. (g) Definitions. As used herein, "including" means "including without limitation." The term "days" means calendar days unless otherwise expressly stated. (h) No provision of these Terms shall be construed against OCTG as the drafting party.

(Rev.10-10)