

**FLOTEK HYDRAULICS PTY LTD  
STANDARD TERMS AND CONDITIONS**

1) Definitions

For the purpose of this Agreement unless some other meaning is clearly intended:

"Agreement" means the terms and conditions herein contained and such prices, amounts, specifications and other information provided to the Customer by Flotek;

"Customer" means the person or company to whom this Agreement is provided and if more than one then jointly and severally together with its successors and permitted assigns;

"Goods" means equipment, material, components, services, processes and or chattels to be supplied to the Customer in accordance with the Agreement; and

"Flotek" means Flotek Pty Ltd (ABN 92 739 730 627) of 15 Macaulay Street, Williamstown North together with its successors and assigns.

2) General

a) The terms and conditions herein contained govern any quotation, contract, agreement or undertaking on behalf of Flotek either in whole or in part.

b) The variation or omission, by mutual consent in writing of the Customer and Flotek, or a finding of legal invalidity, of one or more clauses of the Agreement shall not render the Agreement invalid in its entirety and as such the applicable clause or clauses will be severed from the main to the extent of its invalidity or written mutual consent.

3) Time of Contract

Notwithstanding any quotations or preliminary undertakings made by Flotek, no contract exists between Flotek and the Customer until such time as Flotek accepts the Customer's order in writing.

4) Quotations

a) In formulating any quotation or entering into any undertaking with regard to the supply of Goods, the Customer acknowledges that Flotek has relied upon the accuracy and content of information provided by the Customer, including but not limited to quantum, material content, design specification, intended use, operating environment and expected life of the Goods provided.

b) Flotek is deemed to have no knowledge of the intended use or environment to which any Goods are to be applied without specific provision of such information to Flotek in writing by the Customer.

c) Should any subsequent variation arise in the information relied upon by Flotek in formulating a quotation or decision to undertake a course of action, Flotek reserves the right to amend the quotation and or delivery time of the Goods at Flotek's discretion and without penalty.

d) The Customer acknowledges and affirms that any and all specifications, drawings, calculations and associated data relevant to the provision of a quotation are considered approximate only and are to be applied solely for the purpose of providing the quotation and as such are not to be provided to third parties. Further, the Customer acknowledges that Flotek assumes no responsibility or liability whatsoever arising from the reliance upon such specifications, drawings, calculations and associated data by the Customer or the unauthorized provision of said specifications, drawings, calculations and associated data to third parties.

e) All quotations are valid for thirty (30) days from the date appearing on the quote and/or accompanying documents unless otherwise agreed to by Flotek and Customer.

f) All prices quoted regarding the provision of Goods are deemed to be in Australian dollars unless specifically stated otherwise in the quotation or accompanying documentation.

5) Payment

a) Flotek retains full ownership and title; both legal and equitable to all Goods supplied to the Customer until such time as all outstanding moneys are paid by the Customer, regardless of whether the Goods have been delivered to the Customer.

b) The Customer agrees to reimburse Flotek for all of Flotek's legal and other costs associated with the recovery or attempted recovery of Goods for non-payment and/or in relation to proceedings against the Customer for non-payment.

6) Payment Terms

a) Deposits

Where a deposit is required to be paid at the time of the order. Such deposit must be received by Flotek within 3 working days of Flotek's acceptance of such order. Failure to pay such deposits within the specified terms may extend the date of Flotek's acceptance or such orders without penalty to Flotek.

b) Progress Payments

Progress invoices submitted by Flotek to the customer are due and payable within 7 working days from the date appearing on the progress invoices. Failure to pay such progress payments within this specified time may lead to suspension of such contract without penalty to Flotek.

c) 30 Days

Where Flotek invoices refer to "30 days" the invoices are due and payable within 30 calendar days of the date appearing on the invoices.

d) Retention Payments

Invoices submitted by Flotek to the customer for "Retentions" are due and payable within 7 working days from the date appearing on such invoices.

7) GST

Unless otherwise indicated all prices are exclusive of GST and the Customer will be required to pay GST in addition to the price. Flotek shall provide the Customer with a valid tax invoice.

8) Warranties

a) Unless otherwise stated in the quotation attached to these terms and conditions, Flotek warrants that for a period of 12 (twelve) months from the date the Goods are delivered or 2000 operational hours from hand-over whichever is the lesser the Goods will, subject to the terms hereof, be free from manufacturing defect. Flotek will rectify any fault, which in the

opinion of Flotek requires rectification by reason of defective materials, workmanship or design for which Flotek was engaged.

b) The warranty does not include any damage or failure to operate, due to failure of the Customer to maintain the machinery or equipment within the parameter's of the manufacturers maintenance schedules, wear and tear, improper adjustments, dirt, mis-use, neglect or accident, work carried out by a third party without the knowledge or consent of Flotek, or operation by a second or subsequent owner user.

c) Propriety components used by Flotek will be warranted to the extent of the warranty available to Flotek by the supplier or manufacturer.

9) Risk Assessment and Hazard Notification

During the process of design and manufacture of machinery Flotek will carry out safety assessment's of risk and identification of potential hazards within the guidelines of the Occupational Health Safety and Welfare Act of South Australia.

It is the customer's responsibility to carry out a further risk assessment and hazard identification regarding to the machine or equipment in situ and prior to production use, such risk assessment and hazard identification process must comply with the governing Occupational Health & Safety laws and regulations existing in the state or territory in which the machine or equipment is housed and operated.

10) Unforeseen Delays (Force Majeure)

a) Flotek accepts no liability for any loss whatsoever to the Customer as a result of delays and disruption arising from the unsanctioned acts or omissions of third parties, industrial disputation, mechanical failure or acts of God. In the event of such an occurrence Flotek reserves the right to alter the delivery date of Goods at their discretion and with no penalty.

b) Intellectual Property

The Customer warrants that any design, drawing, concept or process furnished upon Flotek or any requests or instructions made of Flotek will not be such as to cause Flotek to infringe any registered design, patent or other intellectual property right. Further, the Customer agrees to indemnify Flotek and keep Flotek indemnified from and against any and all cost or associated loss that may be incurred by Flotek by reason of such infringement or alleged infringement.

Flotek in its capacity as designer and manufacturer retains any and all intellectual property rights associated with the design, manufacture and provision of Goods to the Customer which shall not be reproduced by the Customer or conveyed to third parties without the express written permission of the Flotek. Flotek specifically retains copyright in all drawings, designs and technical specifications and shall not be required to provide same to the Customer.

11) Support/Service

Flotek warrants that sufficient information will be provided to the Customer to ensure safe and efficient installation, operation and maintenance of Goods provided. Such information does not include detailed manufacturing drawings but may include component listings, maintenance, service and operating manuals.

12) Insurance

a) Flotek warrants to hold and keep current such insurance as is reasonably required to cover Goods designed, manufactured and supplied to the Customer, including, product insurance, public liability insurance and transit insurance. Flotek acknowledges the Customer's entitlement upon written request to be furnished with such proof as is reasonable to establish said cover.

b) The Customer acknowledges that Flotek assumes no responsibility for, nor does the Flotek's insurance cover any loss or damage whatsoever arising from the incorrect use or application of the Goods.

c) Flotek will consent to the Customer's reasonable request to have the Customer's interest noted on Flotek's insurance documents covering the relevant Goods to be supplied for the duration of the contract.

13) Dispute Resolution

a) In the event that a dispute arises between the parties, which cannot be resolved within fourteen (14) days of written notice of complaint being served upon the other party, the parties consent to undertake genuine good faith negotiations between authorised representatives from each organisation.

b) Any dispute not resolved to the satisfaction of both parties within twenty one (21) days of initial written notice of dispute must be submitted to mediation in accordance with the mediation and conciliation rules published by the Institute of Arbitrators and Mediators Australia.

14) Jurisdiction

The terms of this Agreement shall be governed and construed in accordance with the laws of Victoria.