

AUCTION TERMS AND CONDITIONS

The following terms and conditions stated herein, along with any additional terms and conditions given prior to the start of the auction shall govern this auction (these terms and conditions and any such additional terms collectively referred to herein as the “Agreement”). Each Bidder (as defined below), by making a bid, agrees to fully comply with the terms and conditions as herein stated and as otherwise set forth. The failure of a Bidder (as defined below) to fully comply with the terms and conditions herein will be treated as an immediate breach.

1. DEFINITIONS

“BH” shall mean the Baker Hughes entity conducting the auction.

“Bidder” shall mean all the parties taking part in the bidding process of this auction.

“Equipment” shall mean all products, materials, tools and equipment that are sold as part of this auction.

2. CONDITION OF EQUIPMENT AND NO WARRANTY

All Equipment being sold through this auction by BH pursuant to this Agreement is offered for sale “as is”, “where is” and without recourse against BH, or Network International. The descriptions of the Equipment provided are based on the best available information, but BH **MAKES NO WARRANTY, GUARANTEE OR REPRESENTATION OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING NO IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, REGARDING ANY EQUIPMENT AUCTIONED AND SOLD BY BH UNDER THE TERMS OF THIS AGREEMENT HEREUNDER.**

Interpretations, descriptions, designs, analysis, recommendations, advice or interpretational data (specifically including, without limitation, any and all descriptions and data given for Equipment in this auction) (“Interpretations and/or Recommendations”) furnished by BH hereunder are based upon the best information available at the time, including inferences from rough measurements, assumptions, and industry practice, which information is not infallible, and with respect to which professional geologists, engineers, drilling consultants, and analysts may differ. Accordingly, BH does not warrant the accuracy, correctness, or completeness of any such Interpretations and/or Recommendations, or that Bidder’s reliance or any third party’s reliance on such Interpretations and/or Recommendations will accomplish any particular results. **BIDDER ASSUMES FULL RESPONSIBILITY FOR THE USE OF SUCH INTERPRETATIONS AND/OR RECOMMENDATIONS AND FOR ALL DECISIONS BASED THEREON (INCLUDING, WITHOUT LIMITATION, DECISIONS BASED ON ANY INFORMATION FURNISHED BY BH TO BIDDER HEREUNDER), AND BIDDER HEREBY AGREES TO RELEASE, DEFEND, INDEMNIFY AND HOLD BH HARMLESS FROM ANY CLAIMS ARISING OUT OF THE USE OF SUCH INTERPRETATIONS AND/OR RECOMMENDATIONS.**

3. PAYMENT TERMS

Payment in full (certified funds, or wire) by the successful Bidder shall be due immediately upon completion of the auction, and made payable to Sellers representative, Network International, for the lots contained in Appendix A. If the Bidder is in default of payment of bills in full within the time specified for payment for this auction, BH, in addition to all other remedies available at law, may retain monies received as a deposit or otherwise as liquidated damages. Equipment not paid for within the time specified herein may be resold without further notice or withdrawn from any sale. Any resulting deficiency, together with all expenses and costs of any re-sale will be the responsibility of the defaulting Bidder.

4. BIDS

It is acknowledged that Bidder is bidding in a live auction and Bidder agrees that each bid submitted is irrevocable and cannot be amended or corrected, even if submitted in error. Bidder accepts full liability for all bids submitted, including the liability to pay in full and on time in accordance with the Agreement for any Equipment that is the subject of a successful bid submitted by Bidder.

5. ADDITION OR WITHDRAWAL FROM AUCTION

BH reserves the right to withdraw any Equipment from the auction or to add any Equipment to the auction that was not previously listed.

6. TAXES

Sales, ad valorem and other applicable taxes will be charged and collected on all purchases as required by appropriate law. Bidder shall be responsible for and pay any other taxes or related assessments that may be applicable to transactions hereunder. Additionally, Bidder shall pay all applicable customs, excise, import, export and other duties.

7. DELIVERY AND REMOVAL OF EQUIPMENT

The successful Bidder must arrange for the pickup and have the Equipment removed from BH's facility no later than thirty (30) days after the completion of the auction. Removal shall be at the expense, liability and risk of the successful Bidder.

8. RISK OF LOSS AND TITLE, CONSIGNMENT, STORAGE

Title to the Equipment which is sold through this auction by BH shall vest in the Bidder only upon full payment being received by BH. Immediately following the auction, all risk of loss, damage, or destruction from any cause whatsoever to the Equipment shall be borne by the Bidder including any period of time the Equipment remains on or at a BH facility.

9. LIABILITIES, RELEASES AND INDEMNIFICATION:

BIDDER SHALL, TO THE MAXIMUM EXTENT PERMITTED UNDER LAW, RELEASE, INDEMNIFY, DEFEND AND HOLD BH, ITS PARENT, SUBSIDIARIES, NETWORK INTERNATIONAL, AND AFFILIATED OR RELATED COMPANIES, AND EACH OF ITS AND THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, CONSULTANTS, AGENTS AND INVITESS ("BH GROUP"), HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION, LIABILITIES, DAMAGES, JUDGMENTS, FINES, PENALTIES, AWARDS, LOSSES, COSTS,

EXPENSES (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES AND COSTS OF LITIGATION) OF ANY KIND OR CHARACTER ("CLAIMS"), ASSERTED BY OR IN FAVOR OF ANY PERSON, PARTY OR ENTITY, ARISING OUT OF OR RELATED TO THIS AUCTION OR ANY EQUIPMENT SOLD IN THIS AUCTION. THE LIABILITY, RELEASES AND INDEMNITIES SET FORTH IN THE INDEMNITY PROVISION OF THIS ARTICLE 9, AND IN ARTICLE 2, SHALL APPLY TO ANY CLAIM(S) WITHOUT REGARD TO THE CAUSE(S) THEREOF INCLUDING BUT NOT LIMITED TO PRE- EXISTING CONDITIONS, WHETHER SUCH CONDITIONS BE PATENT OR LATENT, IMPERFECTION OF MATERIAL, DEFECT OR FAILURE OF PRODUCTS OR EQUIPMENT, BREACH OF REPRESENTATION OR WARRANTY (EXPRESS OR IMPLIED), ULTRAHAZARDOUS ACTIVITY, STRICT LIABILITY, TORT, BREACH OF CONTRACT, BREACH OF DUTY (STATUTORY OR OTHERWISE), BREACH OF ANY SAFETY REQUIREMENT OR REGULATION, OR THE NEGLIGENCE, GROSS NEGLIGENCE, WILLFUL MISCONDUCT, OR OTHER LEGAL FAULT OR RESPONSIBILITY OF BH, ITS PARENTS, SUBSIDIARIES AND AFFILIATED OR RELATED COMPANIES, AND EACH OF ITS AND THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, CONSULTANTS, AGENTS AND, WHETHER SUCH FORM OF NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, ACTIVE OR PASSIVE.

10. CONFIDENTIALITY AND INTELLECTUAL PROPERTY

Each party shall maintain all data and information obtained from the other party as part of this auction in strict confidence, subject only to disclosure required by law or legal process.

The design, construction, application and operation of BH's Equipment embody proprietary and confidential information. Bidder shall maintain this information in strict confidence and shall not disclose it to others, subject only to disclosure required by law or legal process.

The sale of Equipment by BH to the successful Bidder through this auction does not convey to Bidder any intellectual property, including, but not limited to copyrights, patents, patent applications and trade secrets ("Intellectual Property") rights contained in or associated with the Equipment. The Bidder shall have no Intellectual Property rights in the Equipment and all Intellectual Property rights shall continue to be the property of BH. Bidder shall not resell the Equipment to others, reverse engineer, or permit others to reverse engineer, for any purpose, including the manufacturing of similar Equipment. Bidder shall be required to maintain the brand contained on the Equipment, including leaving intact all BH logos and color schemes.

11. LAWS, RULES, REGULATIONS, AND EXPORT CONTROL

BH and Bidder agree to be subject to all laws, rules, regulations and decrees of any governmental or regulatory body having jurisdiction over the Equipment to be auctioned by BH or that may otherwise be applicable to BH's or Bidder's performance under this Agreement.

Bidder represents and warrants that it is familiar with, and will comply in all respects with, U.S. trade control laws, regulations and administrative requirements applicable to this transaction, including but not limited to the International Traffic in Arms Regulations

("TIAR"), the Export Administration Regulations ("EAR"), and other regulations and orders administered by the U.S. Department of the Treasury Office of Foreign Assets Control ("OFAC"). Bidder also acknowledges that any Equipment purchased from BH is subject to U.S. export control laws and regulations and Bidder represents and warrants that it will not directly or indirectly, (i) sell, export, re-export, transfer, divert, or otherwise dispose of any Equipment (including products derived from or based on such Equipment) to any destination, entity, or person prohibited by the laws or regulations of the United States, or (ii) use the Equipment for any use prohibited by the laws or regulations of the United States and/or Bidder's local jurisdiction, without obtaining prior authorization from the competent government authorities as required by those laws and regulations. Bidder agrees to comply with all BH requests for trade compliance information, statements, and other assurances including, without limitation, requests for End-User and Routed Transaction certifications. Any breach of this provision shall be deemed a material breach of this Agreement and sufficient basis for BH to reject any or all sales to Bidder under the Agreement.

BH reserves the right to refuse any sale or otherwise perform under this Agreement if BH in its sole discretion determines that such action may violate any law or regulation or if Bidder refuses to sign an end-user statement. Bidder agrees that such refusal, cancellation, or termination of the Agreement by BH will not constitute a breach of BH's obligations under this Agreement and Bidder hereby waives any and all Claims against BH related to such refusal, cancellation, or termination. Bidder acknowledges that no sale will take place if the Bidder is listed on any denied or restricted party list maintained by the U.S. government.

12. GOVERNING LAW AND ARBITRATION

A. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, excluding in any case conflict of law rules.

B. Any dispute arising out of or in connection with this Agreement shall be referred to settlement proceedings under the International Chamber of Commerce ("ICC") mediation rules, without prejudice to either party's right to seek emergency, injunctive, or conservatory measures of protection at any time. If any such dispute has not been settled within 60 days following the filing of a request for mediation (or such other period of time as may be reasonable under the circumstances or agreed in writing), the dispute shall be finally settled in accordance with the ICC rules of arbitration by one or more arbitrators appointed under the said rules. The seat, or legal place, of arbitration shall be Houston, Texas. The Parties understand and agree that this confidentiality obligation extends to information concerning the fact of any request for arbitration, and any ongoing arbitration, as well as all matters discussed, discovered, or divulged, (whether voluntarily or by compulsion) during the course of such arbitration proceeding, except only to the extent disclosure may be required by law, or for the implementation, enforcement or challenge of an award, or otherwise for bona fide business purposes (provided that all such disclosures shall be subject to reasonable obligations of confidentiality).

C. For any arbitration conducted in accordance with Paragraph A or B. above, the following shall apply: No award shall be made for indirect, special, punitive, exemplary or consequential damages or losses (whether foreseeable or not at the date of this Agreement)

under applicable law and damages for lost production, lost revenue, lost product, lost profit, lost business, lost business opportunities, or charges for rig time, regardless of whether the same would be considered direct, indirect, special, punitive, exemplary or consequential damages or losses under applicable law. Judgment upon the award rendered by the Tribunal pursuant hereto may be entered in, and enforced by, any court of competent jurisdiction. All statutes of limitation that would otherwise be applicable shall apply to the arbitration proceeding. Any attorney-client privilege and other protection against disclosure of privileged or confidential information, including, without limitation, any protection afforded the work-product of any attorney, that could otherwise be claimed by any party shall be available to, and may be claimed by, any such party in any arbitration proceeding. The parties shall treat all matters relating to the arbitration as confidential. Subject to each party's right to cooperate fully with the United States authorities, the parties understand and agree that this confidentiality obligation extends to information concerning the fact of any request for arbitration, any ongoing arbitration, as well as all matters discussed, discovered, or divulged, (whether voluntarily or by compulsion) during the course of such arbitration proceeding. It is the desire of the parties that any Dispute is resolved efficiently and fairly and the Tribunal shall act in a manner consistent with these intentions

13. TITLE AND RISK OF LOSS.

Title, risk of loss and all other incidents of ownership shall pass to Bidder upon payment for the Equipment; where upon BH shall have no responsibility or liability of any nature with respect to the Equipment, notwithstanding the location of the Equipment, and Bidder assumes all risks and liabilities whatsoever, of any type or kind, whether relating indirectly or directly thereto, including, without limitation, all risk of loss, damage or destruction from any cause whatsoever. Bidder understands and accepts that this Agreement and any invoice provided by Network International shall be the sole documents by which transfer of title is accomplished. Bidder is responsible for obtaining any state certificates of title and BH shall have no further obligation to assist Bidder in obtaining subsequent title documents

14. GENERAL

Failure of BH to enforce any of the terms and conditions of this Agreement shall not prevent a subsequent enforcement of such terms and conditions or be deemed a waiver of any subsequent breach. Should any provision of this Agreement, or a portion thereof, be unenforceable or in conflict with governing country, state, province, or local laws, then the validity of the remaining provisions, and portions thereof, shall not be affected by such unenforceability or conflict, and this Agreement shall be construed as if such provisions, or portion thereof, were not contained herein. This Agreement contains all representations of the parties and supersedes all prior oral or written agreements or representations. Bidder acknowledges that it has not relied on any representations other than those contained in this Agreement. Any successor or assignee of Bidder, or any subsequent purchaser of Equipment, shall be obligated to the same terms herein.

Baker Hughes

Sign: _____

Print: _____

Title: _____

Date: _____

Purchaser: _____

Sign: _____

Print: _____

Title: _____

Date: _____

Global End-User Statement End-Use Certification

As part of our commitment to complying with applicable export and re-export controls laws and regulations of the countries in which we operate, we request that your company supplies end-use and end-user information with regard to the products, software, or technology being supplied to you. Please help us by cutting and pasting the language contained on page two onto your company's letterhead. Please insert your company name, where requested, and delete the highlighted instruction. Be specific when listing the End-Use and End-User. Please have a duly authorized individual sign on behalf of your company and legibly print his or her name, title, and the name of the company/subsidiary on whose behalf he or she is signing. Finally, please return the completed form to your Baker Hughes contact.

For shipments to end-users or for end-uses in Russia, please inquire about the [End-User Statement End-User Certification for Russia](#).

Validity period for this form is one year from date signed.

Please “cut and paste” the next page onto your company letterhead.

Global End-User Statement/End-Use Certification

1) **(Insert Company Name)** hereby certifies that the products, software, or technology acquired from Baker Hughes or its affiliates will not be used, exported, reexported, resold, transferred, diverted, or otherwise disposed of contrary to: (a) the U.S. Export Administration Regulations; (b) the U.S. International Traffic in Arms Regulations; (c) the provisions of the Chemical Weapons Convention; (d) sanctions and embargoes administered by the U.S. Department of Treasury’s Office of Foreign Assets Control; or (e) any other applicable U.S. or foreign laws and regulations, insofar as such foreign laws and regulations do not conflict with U.S. laws or regulations. Company further certifies that the products, software, or technology will be used solely for purposes described below and not for any other purposes, including purposes associated with chemical biological, or nuclear weapons/applications, or missiles capable of delivering such weapons, and that they will not be transferred with knowledge or reason to know that they are intended to be used for such purposes.

2) **(Insert Company Name)** hereby certifies that the products, software, or technology acquired from Baker Hughes will only be used by the following end-user(s) and for the following end-use(s).

<p>End Use of Product(s): (Describe purposes for which product(s) will be used)</p>	
<p>Indicate Commercial, Military or Nuclear End-Use</p>	
<p>End-User Company Full Name and Address</p>	
<p>List all countries where the product(s) will be used, exported, reexported, or otherwise transferred.</p>	

 Date

 Company Representative’s Signature

 Print Company Representative’s Name

 Print Company Representative’s Title