Clerk's stamp:

COURT FILE NUMBER:	
COURT	Court of Queens Bench of Alberta
JUDICIAL CENTRE:	Calgary
PLAINTIFF(S):	HSBC Bank Canada
DEFENDANT(S):	Kinetex Multi-Component Services Inc.; and Kinetex Resources Corporation
DOCUMENT:	**AFFIDAVIT OF LEONARD VAN BETUW**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PERSON FILING THIS DOCUMENT:	Bryce McLean Field LLP Barristers and Solicitors 400, 604 – 1st Street S.W. Calgary, AB T2P 1M7 Ph: (403) 260-8500 Fax: (403) 264-7084 File No. 51362/3 FAC

AFFIDAVIT OF LEONARD VAN BETUW
SWORN (OR AFFIRMED) ON DECEMBER 7, 2010

I, **Leonard van Betuw**, of Calgary, in the Province of Alberta, SWEAR/AFFIRM AND SAY THAT:

1. I am director of Kinetex Resources Corporation ("**Resources**") and Kinetex Multi-Component Services Inc. ("**Services**"), the Respondents in the application herein. I am also the President of Services. I am authorized by the Respondents to swear this Affidavit.

2. Resources is a holding company that holds 100% of the shares of Services. Resources is a reporting issuer under the *BC Securities Act*, with its shares traded on the TSX:V exchange. As a result of Resources failing to complete its year-end audit and file its annual filings for the year end December 31, 2009, the British Columbia Securities Commission issued a cease trade order on July 22, 2010 and the Alberta Securities Commission issued a cease trade order on November 3, 2010. Attached hereto and marked as **Exhibit "A"** is a copy of the Cease Trade Order issued by the Alberta Securities Commission.

3. Services is a geophysical service company with its head office in Calgary and operations throughout Western Canada and the Republic of Colombia. Services operates a branch office in the Republic of Colombia, incorporated under the laws therein, as Kinetex Sucursal Colombia Inc. (the "**Colombia Branch**"). The Colombia Branch is managed from Services' head office Services in Calgary. Services has, and continues to operate its business in Canada and the Republic of Colombia in the normal course since 2007 at the latest.

4. Services has approximately 36 employees, split evenly between the Colombia Branch and the Western Canada operations, with up to 200 seasonal field labourors as contracts require.

5. Services has, and has had since at least 2007, bank accounts with BankColombia and Royal Bank primarily to administer payroll.

6. Services is current and up to date on all payrolls. not true.

7. While Services continues to carry on business in Canada and the Republic of Colombia in the normal course, the demand for seismic services has been lower in Western Canada in recent months. Services has taken the slowdown as an opportunity to perform maintenance on its equipment located it Canada. The Colombia Branch has been carrying on business on regular contracts throughout the slowdown in Western Canada. Because of the higher demand for seismic services in Colombia, certain equipment normally used by Services in Canada remains in Colombia to support the operations there (the "Loaned Equipment"). no working capital

8. Services' operations in Western Canada have tendered for 15 projects in Alberta and Saskatchewan for the first half of 2011, with a total value of $18,871,987.00 (the "**Tendered Projects**"). Attached hereto and marked as **Exhibit "B"** is a summary of these tendered projects.

Background

9. In or around March 2007, Services entered into borrowing arrangements with the Applicant, HSBC Bank Canada ("**HSBC**").

10. As a result of the recent downturn in oil and gas exploration in Western Canada, Services began to experience financial difficulties in 2008. To address these difficulties, Services reduced its overhead and hired a new Chief Financial Officer to oversee accounting. In late 2009, after the Chief Financial Officer abruptly resigned, it was later discovered that a significant amount of statutory remittances were owed to Canada Revenue Agency.

11. Services' debt to Canada Revenue Agency was disclosed to HSBC as soon as the directors of Kinetex became aware of it.

12. As a result of HSBC's concerns, on October 15, 2010 Ernst & Young was appointed as a consultant to review the operations of Services.

13. On November 24, 2010, Services provided to Ernst & Young a proposed workout plan containing various plans to correct the finances of Services (the "Kinetex Workout Plan"). Attached hereto and marked as **Exhibit "C"** is a copy of the Kinetex Workout Plan dated November 24, 2010.

14. The Kinetex Workout Plan is premised on HSBC agreeing to a short-term forbearance to allow Services and Resources to close three transactions, which transactions are more detailed below, that would allow them to pay out HSBC completely, within 6 months. I estimate that the appointment of a receiver would jeopardize $7,827,375 in unallocated capital to be realized in the first quarter of 2011, as is set out in the statements attached hereto and marked as **Exhibit "D"**.

15. Despite repeated requests, HSBC was not amenable to discuss a proposed forbearance agreement until November 30, 2010, when Ernst & Young provided a list of some of the information that HSBC would need to consider a 60-day forbearance.

Colombia Branch Sale

16. To address the financial pressure Services was experiencing in 2010, and to generate maximum benefit to the stakeholders of Services, in early October, 2010, I entered into discussions with a Panamanian company, Grupo Pegasus S.A.. ("Pegasus"), regarding the potential sale of the Colombia Branch. These discussions culminated in a binding letter of intent (the "**Pegasus LOI**") being executed on November 24, 2010 for the sale of the Colombia Branch (the "**Colombia Branch Sale**") including all of its assets, except for the Loaned Equipment, accounts payable, accounts receivable, employees, contracts and bids. Attached hereto and marked as **Exhibit "E"** is a copy of the Pegasus LOI.

17. The purchase price for the Colombia Branch Sale is USD$ 8,000,000 to be paid as follows:

    (a) USD$ 500,000 paid into trust of Field LLP;

    (b) USD$ 1,000,000 paid to Services on or before December 31, 2010;

    (c) USD$ 1,000,000 paid to Services on or before February 28, 2011;

    (d) USD$ 1,000,000 paid to Services on or before March 31, 2011; and

    (e) USD$ 500,000 paid to Services on or before April 30, 2010.

    With the remaining $4,000,000 to be set off against the accounts payable of the Colombia Branch at the time of executing the contract.

18. Pegasus advanced the USD$ 500,000 initial payment by wire transfer. Attached hereto and marked as **Exhibit "F"** is a copy of the wire receipt from Pegasus' bank in Panama. into trust

19. Pegasus is scheduled to advance an additional USD$ 195,000 to the Colombia Branch today, December 7, 2010, so the Colombia Branch can meet its liabilities, including its payroll.

nothing in writing

20. Pegasus' due diligence period on Colombia Branch Sale ends January 31, 2011.

21. The Colombia Branch was awarded several contracts (the "Colombian Contracts") to perform seismic services in the Republic of Colombia. One such contract, this particular contract with the Fonadé, the procurement office of the government of the Republic of Colombian, on behalf of the Colombian National Agency of Hydrocarbons.

no evidence

22. Another such contract is for the sale of an interest in exploration properties in Columbia, which has been awarded to Services. Services has agreed to assign its interest in the exploration properties to Cacique Petroleum Ltd. (an Alberta corporation which I am the 100% shareholder) (the "Cacique Sale") for $3,6000,000 of which $650,000 was paid to Services in June, 2010. The conclusion of the assignment is premised on certain conditions imposed by the Republic of Columbia's government, as stated in the next paragraph.

23. I am informed by Andreas Hernandez, general manager of the Columbia Branch, and Diana Silva, Services in-house lawyer in the Columbia Branch, that prior to entering into a contract with the Columbian National Agency of Hydrocarbons the contracting party must swear a declaration that it is solvent. Based on this information, and my past experiences in working with the Republic of Columbia's government that if a receiver is appointed over Services, Services will not be able to complete the Colombian Contracts or close the Caciquen Sale.

so it proposes to lie now.

Ubequity Financing

24. To further address the financial pressure Services was experiencing in 2010, Services entered into discussions with Ubequity Capital Partners Inc. ("Ubequity") for a $7,000,000 private placement (the "**Ubequity Financing**") in units of Resources. Attached hereto and marked as **Exhibit "G"** is a copy of the letter agreement with Ubequity.

due dil

25. The contemplated closing of the Ubequity Financing, as set out in the letter agreement with Ubequity, is between January 14, 2011 and February 15, 2011.

Other Bank Loans

26. On December 6, 2010 I met with National Bank to being the application process for an additional $4,000,000 loan (the "**National Bank Loan**") to complement the capital generated by the Colombia Branch Sale and the Ubequity Financing, so as to pay out HSBC entirely.

27. Attached hereto and marked as **Exhibit "H"** is a letter from our corporate solicitor, Scott Reeves of Tingle Merrett LLP, who has been retained to assist in the refinancing of Services and Resources and the payout of HSBC. Services has been in communication

short term forbearance

with a private group of investors interested in providing $2,000,000 in bridge financing through a structure Mr. Reeves is preparing.

28. Over the past two months, Services has been in communication with two private equity firms who have experience in seismic services, Bond Capital from Vancouver and another firm from Houston, who are quite interested in providing short term financing to allow Services to pay out HSBC and bridge the gap until closure of other financing can occur

General

29. I believe that the appointment of a receivership will not generate the best return for all stakeholders. Based on the proposed Ubequity financing and National Bank Loan, I believe that Services will be able to pay HSBC the entire amount of its indebtedness within 6 months, following which Services would again be a stable and profitable company, provided HSBC provides a short term forbearance or this application is adjourned until February 15, 2011 to allow the proposed Ubequity Financing, National Bank Loan and the Colombia Branch Sale to close, along with any short term financing, and to allow the Columbian Contracts, the Cacique Sale and the Tendered Projects to go ahead.

30. During the summer of 2010 I invested $200,000 of personal money into Services through Shareholders' loans. As the sole shareholder of Cacique Petroleum Ltd., I raised the $650,000 advanced to Services in June, 2010 as a deposit on the Cacique Sale. I believe the value of the assets of Services are far short of the value that can be realized by Services' continued operations in the next 6 months, resulting in a greater return for all stakeholders.

31. I swear this affidavit opposing the applicant to appoint a receiver and receiver-manager of the property, assets and undertaking of Services and the assets of Resources over which HSBC holds security.

SWORN (OR AFFIRMED) BEFORE ME at the City of Calgary, in the Province of Alberta, this 7th day of December, 2010.	)
A Commissioner for Oaths in and for the Province of Alberta	) **Leonard van Betuw**

Bryce McLean
Barrister & Solicitor

ALBERTA SECURITIES COMMISSION

CEASE TRADE ORDER

Citation: Kinetex Resources Corporation, Re, 2010 ABASC 511 **Date: 20101103**

Kinetex Resources Corporation

Background

Kinetex Resources Corporation (the **Issuer**) is a reporting issuer under the *Securities Act* (Alberta) (the **Act**) and has failed to file the following periodic disclosure pursuant to section 146 of the Act:

> Annual audited financial statements, annual management's discussion and analysis, and certification of annual filings for the year ended 31 December 2009, interim unaudited financial statements, interim management's discussion and analysis, and certification of interim filings for the interim periods ended 31 March 2010 and 30 June 2010.

Pursuant to subsection 17(2) of the Act, the Executive Director of the Alberta Securities Commission has made an Authorization Order dated 23 November 2009 (the **Authorization**) authorizing the undersigned to issue orders under section 33.1 of the Act.

Decision

The undersigned being of the opinion that it would not be prejudicial to the public interest to do so, orders under the Authorization that trading in or purchasing, directly or indirectly, cease in respect of the securities of the Issuer until this order has been revoked or varied.

3 November 2010

"original signed by"
Jonathan Taylor
Manager, CD Compliance & Market Analysis

This is Exhibit " A " referred to in the affidavit ~~/ statutory declaration~~ of Leonard Van Betuw
Sworn before me this 7 day of December
A.D., 20 10

A Commissioner for Oaths in and for the Province of Alberta

Bryce McLean
Barrister & Solicitor

KINETEX
MULTI-COMPONENT SERVICES

Tendered Project Summary 2010/2011

Client Name	Project Name	Project Location	Size	Total
Quattro Exploration and Production	Wood Mountain 3D 2010	Wood Mountain Region, Sask.	84.97 sq Km	$1,200,075.00
Quattro Exploration and Production	Maidstone 3D 2010	Maidstone Region, Sask.	23.24 sq Km	$1,240,500.00
Strategic Oil & Gas Ltd.	North Marlow 3D	Steen River Area, Alta.	23.31 sq Km	$1,242,553.00
Compara Energy Services Ltd.	Joffre 3D	Joffre Area, Alta.	10.28 sq Km	$134,550.00
Impact 2000 Inc.	2011 Dover South 2D	Fort Mac Murray Area, Alta.	45 km	$243,000.00
Impact 2000 Inc.	2011 Burgundy 3D	Fort Mac Murray Area, Alta.	15.54 sq Km	$1,274,900.00
Impact 2000 Inc.	2011 Dover West 3D	Fort Mac Murray Area, Alta.	12.40 sq Km	$1,015,740.00
Strategic Oil & Gas Ltd.	North West Marlow 3D	Steen River Area, Alta.	23.31 sq Km	$952,365.00
Strategic Oil & Gas Ltd.	Conrad 3D	Conrad Area, Alta.	20.50 sq Km	$531,766.00
Integrated Geophysical Consultants (Canada) Inc.	Wabasca Grand Rapids 3D	Wabasca Area, Alta.	23.31 sq Km	$1,598,778.00
University of Saskatchewan	Experimental 2D Study	Nunavut Area, Nunavut	80 Km	$1,516,800.00
Unity Energy Corp.	Waterbury Lake 2D	Athabasca Basin Area, N. Sask.	20 Km	$826,600.00
Unity Energy Corp.	McKenzie Lake 2D	Athabasca Basin Area, N. Sask.	52.27 Km	$1,582,500.00
Sundance Energy Corporation	Ochapowace 3D	Round Lake Area, Sask.	40.96 sq Km	$624,360.00
Ewing Geomatics	Fort Mac Murray 3D	Fort Mac Murray Area, Alta.	144.30 sq Km	$4,887,500.00
			Total Tendered	**$18,871,987.00**

This is Exhibit " B " referred to in the affidavit / ~~statutory declaration~~ of Leonard Van Betuw
Sworn before me this 7 day of December
A.D., 20 10

A Commissioner for Oaths in and for the Province of Alberta
Bryce McLean
Barrister & Solicitor

Kinetex Multi-Component Services
125 61st Avenue SE, Calgary, Alberta T2H 0R4
Tel: 403.263.3330 Fax: 403.263.3393
www.kinetex.ca

KINETEX

Kinetex Multi-Component Services Inc.

Workout Plan 2010-2011

November 24, 2010

"C" / B.M

This is Exhibit " A " referred to in the affidavit ~~/ statutory declaration~~ of Leonard Van Betuw

Sworn before me this 7 day of December

A.D., 20 10

A Commissioner for Oaths in and for the Province of Alberta

Bryce McLean
Barrister & Solicitor

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November 24th, 2010

KINETEX

Summary of Workout Plan

- The Workout Plan consists of the following steps:
  - Secure HSBC 6 months forbearance for restructuring efforts to be completed
  - Complete the audit, the audit is near completion however payment will have to be secured to the auditors
  - Obtain CRA agreement to payment plan based on this workout plan.
  - Remove the Cease Trade Order by issuing financials
  - Sell Kinetex's Colombian Operations to inject cash in the company and eliminate some key uncertainties
  - Secure Equity Financing by completing the Ubequity deal for $7MM for units consisting of $0.10 shares and warrants at $0.125.
  - Inject immediate cash to continue operations during through the transition period to complete the sale of Colombian Operations with a bridge loan from Ubequity

Workout Plan – Financial Course of Action

- The Sale of Kinetex's Colombian Operations results in the elimination of three key uncertainties that have been identified;
  - The elimination of the uncertainty associated with the completion of the Llanos contracts and the associated A/R collection
  - The elimination of the uncertainty associated with the securitization of equipment and on going accounts receivable
  - The assumption of all liabilities by the purchaser directly associated with the Colombian Operations

- The sale will result in the following reductions in debt;
  - $ 1.5 million cash payment to Kinetex to be assigned to priority and critical payables in Canada on or before Dec,31, 2010.
  - $ 1.0 million cash payment applied to the reduction of the HSBC Debt on or before Feb 28, 2011.
  - $ 4.0 million reduction of payables and accrued liabilities, that are assumed by the purchaser of the Colombian Operations
  - $ 1.5 million cash payment to be used as working capital to revitalize Kinetex's operations and the commercialization of its Wireless Reservoir Imaging and Monitoring Services , to be paid on or before March 31st, 2011.

- Equity investment of $7 million from Ubequity Capital Partners Inc. ("Ubequity") for a controlling interest in Kinetex Resources Corporation. Ubequity will provide a $1 million shareholder loan on November 30th with the remaining $6 million to be received by Kinetex and the shareholder loan to be converted to equity on January 31, 2011. The funds will be used for the following:
  - $ 1.0 million advanced to the company as a Shareholder Loan to restart of North American Operations
  - $ 4.5 million cash payment applied to the reduction of the HSBC Debt to $ 3.2 million on or before January 31st, 2010.
  - $ 2.5 million to be used as working capital to revitalize Kinetex's operations in Canada and the U.S. Midwest.

Workout Plan – continued, Operational Directives

- Kinetex will undertake a global executive search to hire a Chief Financial Officer by January 21st, 2010.
- Senior management to receive share based incentive compensation during F2011 and forgo cash bonuses
- Implementation of adequate internal controls, specifically focusing on contracting and credit controls to reduce credit risk exposure through the recruitment of a full-time controller and the improved administration and utilization of its EDC facilities were applicable
- Continued efforts to increase EBITDA through increased full-cycle reporting of budget vs. costs along with the continued focus on the reduction of SG&A costs and ceasing all non-essential capital expenditures
- Continued efforts focused on the expansion and development of business relationships in the mining sector which will allow for increased EBITDA growth.
- Increase our capacity in to allow for expansion of the Kinetex Geosciences' high margin Geological and Geophysical Services
- The commercialization of the company's Wireless technology which firstly will benefit Kinetex's crew s due the recording efficiencies reducing abour costs by 20%

KINETEX

Risks with Workout Plan

- To aggressively advance the Workout Plan of Kinetex with certainty the company is preparing to sell the Colombian operations of Kinetex Colombia to reduce its debt by $ 8 million. The debt reduction is being achieved through the cash proceeds of the sale totalling $3.5 million and the assumption of liabilities totalling $ 4.5 million, by the purchaser. This provides the company the added certainty of being able to reduce its debt materially and to aggressively improve its Working Capital Ratios to a level that provides a strong foundation for the further recapitalization of Kinetex's North American operations through the investment from Ubequity Capital Partners.
- The certainty of an asset sale eliminates a number of concerns, including the primary objective a material reduction in the amount owing to HSBC. Therefore upon reducing the company's debt to HSBC by a minimum of $ 2 million, Kinetex's request to HSBC is for a proposed forbearance agreement for 6 months ending May 31st, 2011 to allow firstly for the completion of the proposed capital investment by Ubequity which will result in a further reduction in the company's debt. While in the event for what ever reason there is further delay in this investment in Kinetex, with a forebearnace agreement in place the company has the immeditate potential to collect a combination of North American accounts receivable and advances to re-establish its North American operations without further delay and generate a significant level of Cash-flow in 2011.
- If the proposed deal with Ubequity is not completed and Kinetex does not collect sufficient working capital to continue operating. Kinetex's directors as part of their fiduciary continue do continue to seek other sources of capital to insure that a further $ 1 million dollars is injected into the company by January 31st, 2010, not only to support operations but to allow for the proper hiring of a CFO and expedited completion and filing of the 2009 and 2010 financial audits.
- Key employees with Kinetex Colombia have not been paid October or November wages, the sale of the Colombian operations eliminates any further burden on the North American operations.
- Kinetex is undertaking an executive search to hire a Chief Financial Officer to improve Kinetex's financial processes., with the goal being an aggressive improvement in cash flow monitoring.

KINETEX

Pro Forma Financial Position – December 2010

A) Financial Position October 31st , 2010 reflecting the current accounting of all amounts owing to HSBC and all current and accrued liabilities , current and future.

B) The adjustments to be entered as a result of the Sale of Kinetex's Colombian operations to a Grupo Pegasus S.A. And the assignment of all Colombian associate liabilities and accruals

C) Resulting Pro Forma balance sheet based on the closing date of December 15th for the Sale of

D) The resulting from cash collected as a result of new activities, aged A/R and a equity placement of $300,000 in combination with a Forbearance Agreement from HSBC for $ 5,000,000 which is combination of a proposed capital equipment lease totalling $ 3.6 million amortized over 48 months, along with an undrawn $1.500,000 operating facility to be drawn in support of new Accounts Receivable produced in 2011.

E) Resulting Pro Forma adjusted balance sheet based on the proposed Forbearance terms outlined in Section D.

See Attached

KINETEX

KINETEX MULTI-COMPONENT SERVICES INC.
INTERIM BALANCE SHEET
(internal)

	(A)	(B)	(C)	(D)	(E)
	As at Oct 31 2010	Sale of KTX Sucursal	**As at Dec 15 2010**	North American Operations	**As at December 2010**
ASSETS					
CURRENT					
Cash	28,174		28,174	174,973	203,147
Accounts receivable and accrued income (net of allowances)	6,285,468	(3,938,109)	2,347,359	(1,281,197)	1,066,162
Other receivables and unbilled revenue	2,527,730		2,527,730		2,527,730
Marketable securities	447,196		447,196	(360,000)	87,196
Parts and supplies	494,479	(494,479)	0		0
Prepaid expenses and deposits	400,353	(71,513)	328,840		328,840
Income Taxes Recoverable	1,038,552	(1,038,552)	(0)	-	(0)
Total current assets	11,221,953	(5,542,653)	5,679,299	(1,466,224)	4,213,075
OTHER					
Investments	1,676,175		1,676,175		1,676,175
Property and equipment	17,305,318	(4,041,324)	13,263,994		13,263,994
Seismic data library	1,790,011		1,790,011		1,790,011
	31,993,456	**(9,583,977)**	**22,409,479**	**(1,466,224)**	**20,943,255**
CURRENT					
Bank indebtedness	8,648,190	(4,000,000)	4,398,191	(4,398,191)	-
Accounts payable and accrued liabilities	5,884,107	(4,251,768)	1,882,338	(870,240)	1,012,098
Goods and Services Tax payable	41,245		41,245	(41,245)	-
Current portion of long-term debt	-		-	600,717	600,717
	14,573,542	(8,251,768)	6,321,774	(4,708,959)	1,612,815
Long-term debt, net of current portion included above	-		-	3,000,000	3,000,000
Shareholder Loan - Due to Parent	360,441		360,441		360,441
Future Income Tax	163,285		163,285	-	163,285
	15,097,268	(8,251,768)	6,845,500	(1,708,959)	5,136,541
SHAREHOLDERS' EQUITY					
Share capital	19,572,492		19,572,492	300,000	19,872,492
Accumulated other comprehensive income	(356,550)		(356,550)		(356,550)
Retained Earnings (Deficit)	(2,319,754)	(1,332,210)	(3,651,964)	(57,265)	(3,709,228)
	16,896,187	(1,332,210)	15,563,978	242,735	15,806,713
	$ 31,993,456	**$ (9,583,977)**	**$ 22,409,479**	**$ (1,466,224)**	**$ 20,943,255**
Working Capital Ratio	0.77		0.90		2.61

Corporate Re-Structuring

Upon the sale of the Colombian operations, Kinetex intends to focus the corporation on the remaining business as follows;

Kinetex Multi-Component Services Inc.

- North American - Oil and Gas Division
- Minerals and Mining Division

Kinetex Wireless and Reservoir Monitoring

- SRD Innovations, Joint Venture

Kinetex Geo Sciences

- Geology
- Geophysics

KINETEX

Marketing Strategy

- Initialized the development of services for Kinetex Geoscience
  - With over 160 3-component projects completed, Kinetex possess some of the most extensive experience within the industry
  - The benefits of this experience and the nominal capital requirements provide Kinetex a foundation to for the company to generate gross margins that are typically 40% or better, by leveraging this intellectual capacity.
- Initialize the Commercialization of Kinetex's Joint Venture with SRD Innovations
  - Kinetex and SRD have completed 90% of the field tests and less than $ 25,000 is required to complete the commercialization
  - Kinetex's exclusive agreements provided the Company significant opportunities for cost savings utilizing this patented technology
- Expand our foot print in the North American Oil and Gas industry through the acquisitions completed in 2009 and the addition of Brian Kozun, in the Calgary office of Kinetex Multi-Component Services
  - The company possess significant cost advantages that are not materially available to the industry at large.
  - This advantage and the acquisition were not fully realized in 2009 and 2010 due to the corporations working capital restrictions
- Expansion into the Alberta tar Sands and the expansion of our services products towards the resource plays in British Columbia, Saskatchewan and North America at large.
  - The company's technology are only now being specified within the industry on a regular basis, which are in a 'Poised Position"
  - The company possesses the critical capacity required by most clients and does not require significant capital.
- Continued Expansion within the Minerals and Mining Sector
  - In 2008-2010 the mining sector was still experiencing limited activities due to the strained capital markets, while in 2010 strong commodity prices continue to support a resurgence in activities, in 2011.

KINETEX

Corporate Governance

- Separation of CEO and Chairman roles
- Set dates for quarterly face to face board meetings tied to dates of quarterly and year-end financials
- Monthly reports from the CEO
- Board Search committee to identify additional board member with accounting background.
- Board Search committee to support the CEO in finding and hiring candidates for CFO position
- CFO to be tasked with improving internal financial reporting and accounting systems. CFO to report progress monthly directly to the board.
- Implement comprehensive review of internal processes to avoid future audit issues.

KINETEX

Executive Team

- Chairman – Gil Schneider

- CEO President – Leonard Van Betuw
  Graduate in Geophysics in 1987, over 20 years of Senior Management with the Oil and Gas Service Sector, including Veritas Geophysical, Western Geophysical (A Schlumberger Company) and NRG Services (currently operating as Eagle Geophysical).

- CFO – To be filled
  Kinetex is undertaking an executive search to identify a senior financial executive with experience in the construction industry

- **V.P. Operations, Kinetex North America, Oil and Gas – Brian Kozun**
  Over 25 years of experience, in North America from extend appoints to Arctic Operations to the Supervison of swamp work in southern Louisiana.

- **V.P. Operations, Kinetex North America, Minerals and Minings – Dale Harrison**
  15 years of experience with a regonized track record amonst some of the largest mining companies, Placer Dome, DeBeers, Cameco and Hudson Bay Mining Smelting

- **General Manager and Chief Technician , Kinetex North America, Wireless Services – Darryl Armstrong**
  Over 10 years as a Chief Technician in the Geophysical Industry, Darryl possess a diploma in electronics and background in data transmission systems

KINETEX

Financial Management

- The Company plans to undertake an executive search to hire a Chief Financial Officer by January 15th, 2011.

- In the meantime, the Company has identified engaged Myers Norris Penny to assist in the identification of a number of candidates to provide financial consulting in anticipation that will be considered for the position on a permanent basis.

- The Company plans to have the audit completed of its December 31, 2009 financial statements by Dec. 6th, 2010 and will immediately continue with the preparations for the expedited completion of the 2010 audit.

KINETEX

Summary of Financial Forecast

Kinetex Multi-Component Services Summary of Financial Forecast (in '000's)	F2010	F2011
EBITDA	$ 3,967,779	$ 5,263,196
Interest Expense	590,196	350,000
Taxes Payable	-	-
Term Loan	$ 2,859,878	$ 3,000,000
Operating Margin	5,788,312	2,000,000
Sale of Redundant Assets	3,500,000	150,000
Consolidated Leverage Ratio (Total Debt / EBITDA)	**2.18**	**0.95**

Key Assumptions:

1. Sale Agreement for Kinetex Colombia is executed before Dec 7, 2010.
2. Equity deal is signed Dec. 23, 2010, closing to occur Jan. 31, 2011
3. $0.5 million bridge loan received from Ubequity Capital on Nov. 30
4. $1.0 million bridge loan received from Ubequity Capital on Dec. 14
5. Kinetex Multi-Component Services restarts North American Operations
6. Kinetex initiates its Wireless Recording Services in 1st Qtr 2011
7. Kinetex retrenches in North America
8. Kinetex Geosciences does not become a material supplemental revenue to Kinetex Multi-Component Services until the 4th Qtr of 2011.

KINETEX

September 30th - Financial Position

- As at September 30th, 2010, Kinetex held working capital of approximately \$ 8.813 million, comprised primarily of \$ 6.285 million of accounts receivable and \$ 4.042 million of accounts payable and accrued liabilities.

- Revenue and EBITDA for the 9 months ending September 30th approximates \$ 17.829 million and \$ 3.529 million, respectively.

Balance Sheet	Sept 30, 2010
Assets	
Current	
Cash	28,174
Accounts Receivable	6,285,468
Other Receivables	2,527,730
Inventory	941,675
Prepaid Deposits	400,353
Income Taxes Recoverable	1,038,552
	11,221,952
Other	
Investments	1,676,175
Property and Equipment	15,722,873
Seismic data library	1,790,011
	30,411,011
Liabilities	
Current	
Bank indebtness	5,103,781
Accounts payable and accurals	4,042,302
Goods and Services Tax payable	41,245
Current Portion of long-term debt	1,021,628
	10,208,956
Long-term debt (net of current portionn)	2,120,047
Shareholder Loan (due to parent)	360,441
Future Income Tax	163,285
	12,852,729
Shareholders Equity	
Share Capital	19,572,492
Accumualated other income	-356,550
Retained Earnings (deficit)	-1,657,659
	17,558,283
	30,411,012

KINETEX

Accounts Receivable and Bad Debt Recovery

The company will have both a prudent controller assigned to the management of cash-flow, A/R and collections, the Corporation shall be hiring a CFO that will be reside in Calgary, Alberta.

In 2008 and 2009 the CFO resided in Vancouver and was not capable of appreciating the detailed operational monitoring that is necessary to allow for the efficient collection of accounts receivable.

The company continues to make progress on the collection of the following aged accounts;

Coal Corp	-	$ 450,000
Nordic Oil and Gas	-	$ 174.460
Hathor Exploration	-	$ 20,338
Subsurface Exploration Company	-	$ 167,099
Thor Geophysical	-	$ 23,465
	-	$ 835,362

While the recommencement of operations and the achieving the necessary milestones will result in the following collections;

Quattro Exploration and Production	-	$ 802,533
The total collection net collection being	-	** $ 1,637,895 , representing 70% recovery of the remaining A/R

**** Assumes Sale of Colombian Operations**

KINETEX

Capital Expenditures

Operational Efficiencies

Kinetex North America will continues to reduce its debt through the rental or sale of one of its camps situated in Northern Saskatchewan and the elimination of marginal high maintenance equipment.

- Sale of Camp in Northern Saskatchewan - $ 150,000 (net proceeds)

Kinetex is nearing the rationalization of its truck fleet to and proposed to either buyout the balance of the fleet to eliminate the monthly costs of $ 15,000 or assign the fleet to a 3rd party by way of a service contract.

- Buyout of Truck Fleet - $ 375,000

Equity Driven Expansion

Upon the successful retrenchment of operations in North America and the introduction of its wireless recording and data collection services the company anticipates that it will need to return to the capital markets to support the expansion of Joint Venture with SRD Innovations Inc.

- Unfunded costs being - $ 600,000

Expansion of Kinetex Geosciences and the Introduction of our Real-Time Reservoir Monitoring (equity driven)

- Software Purchases and Additional VSM Sensors - $ 1,000,000

KINETEX

Forecast - 2011

Revenue Forecasts and Budget Costs for 2011 assume the following;

- Work Plan approved and the requested HSBC Forbearance initiated by November 30th, 2010.
- The capacity to Field up to 3 Base Crews capable of recording either Vibroseis or Dynamite data.
- The company focuses on developing on going business in North America.
- Supplemental lending costs and administration are limited to periodic reviews.

See attached – Forecast for 2011

KINETEX

Kinetex Multi-Component Services Ltd

Projected Income Statement

Year ending - December 31, 2011

Year ending December 31,	**2011**
Revenue	18,125,625
Direct costs	10,474,969
Gross margin	7,650,656
Administration	2,387,460
EBITDA	5,263,196
Depreciation	1,870,000
	3,393,196
Income before taxes	3,393,196

Kinetex Multi-Component Services Ltd
Revenue/Expense Summary
Year ending - December 31, 2011

	January-11	February-11	March-11	April-11	May-11	June-11	July-11	August-11	September-11	October-11	November-11	December-11	Year 2011
Revenue													
Sales - domestic	2,275,000	2,275,000	2,275,000	1,338,750	525,000	525,000	525,000	1,102,500	940,625	1,645,000	1,968,750	2,730,000	18,125,625
Third Party	-	-	-	-	-	-	-	-	-	-	-	-	-
	2,275,000	2,275,000	2,275,000	1,338,750	525,000	525,000	525,000	1,102,500	940,625	1,645,000	1,968,750	2,730,000	18,125,625
Direct Costs													
Operating	917,500	917,500	917,500	554,500	282,250	282,250	282,250	554,500	463,750	736,000	826,750	1,099,000	7,833,750
Third Party	397,188	397,188	397,188	251,313	-	-	-	25,000	22,000	321,750	361,969	467,625	2,641,219
	1,314,688	1,314,688	1,314,688	805,813	282,250	282,250	282,250	579,500	485,750	1,057,750	1,188,719	1,566,625	10,474,969
Gross margin	960,313	960,313	960,313	532,938	242,750	242,750	242,750	523,000	454,875	587,250	780,031	1,163,375	7,650,656
	42.2%	42.2%	42.2%	39.8%	46.2%	46.2%	46.2%	47.4%	48.4%	35.7%	39.6%	42.6%	42.2%

Kinetex Multi-Component Services Ltd
Projected Income Statement
Year ending - December 31, 2011

	January-11	February-11	March-11	April-11	May-11	June-11	July-11	August-11	September-11	October-11	November-11	December-11	Year 2011
Revenue	2,275,000	2,275,000	2,275,000	1,338,750	525,000	525,000	525,000	1,102,500	940,625	1,645,000	1,968,750	2,730,000	18,125,625
Direct costs	1,314,688	1,314,688	1,314,688	805,813	282,250	282,250	282,250	579,500	485,750	1,057,750	1,188,719	1,566,625	10,474,969
Gross margin	960,313	960,313	960,313	532,938	242,750	242,750	242,750	523,000	454,875	587,250	780,031	1,163,375	7,650,656
Gross margin %	42.2%	42.2%	42.2%	39.8%	46.2%	46.2%	46.2%	47.4%	48.4%	35.7%	39.6%	42.6%	42.2%
Administration	196,495	196,495	196,495	196,495	195,995	195,995	195,995	195,995	204,000	204,500	204,500	204,500	2,387,460
EBITDA	763,818	763,818	763,818	336,443	46,755	46,755	46,755	327,005	250,875	382,750	575,531	958,875	5,263,196
Depreciation	$ 155,833.33	$ 155,833.33	$ 155,833.33	$ 155,833.33	$ 155,833.33	$ 155,833.33	$ 155,833.33	$ 155,833.33	$ 155,833.33	$ 155,833.33	$ 155,833.33	$ 155,833.33	$ 1,870,000.00
Income before taxes	763,818	763,818	763,818	336,443	46,755	46,755	46,755	327,005	250,875	382,750	575,531	958,875	5,263,196
Gross margin	33.6%	33.6%	33.6%	25.1%	8.9%	8.9%	8.9%	29.7%	26.7%	23.3%	29.2%	35.1%	

Kinetex Multi-Component Services Ltd
Projected Budget
Year ending - December 31, 2011

	January-11	February-11	March-11	April-11	May-11	June-11	July-11	August-11	September-11	October-11	November-11	December-11	Total
Days	50	50	50	30	15	15	15	30	25	40	45	60	425.00
# / V.P's/S.P's	8750	8750	8750	5250	2625	2625	2625	5250	4375	7000	7875	10500	74,375.00
Price / V.P.-S.P.	$ 260.00	$ 260.00	$ 260.00	$ 255.00	$ 200.00	$ 200.00	$ 200.00	$ 210.00	$ 215.00	$ 235.00	$ 250.00	$ 260.00	
Revenue	$ 2,275,000.00	$ 2,275,000.00	$ 2,275,000.00	$ 1,338,750.00	$ 525,000.00	$ 525,000.00	$ 525,000.00	$ 1,102,500.00	$ 940,625.00	$ 1,645,000.00	$ 1,968,750.00	$ 2,730,000.00	$ 18,125,625.00
3rd Pty Cost	$ 397,187.50	$ 397,187.50	$ 397,187.50	$ 251,312.50	$ -	$ -	$ -	$ 25,000.00	$ 22,000.00	$ 321,750.00	$ 361,968.75	$ 467,625.00	$ 2,641,218.75
Field Cost	$ 917,500.00	$ 917,500.00	$ 917,500.00	$ 554,500.00	$ 282,250.00	$ 282,250.00	$ 282,250.00	$ 554,500.00	$ 463,750.00	$ 736,000.00	$ 826,750.00	$ 1,099,000.00	$ 7,833,750.00
Office Adm	$ 196,495.00	$ 196,495.00	$ 196,495.00	$ 196,495.00	$ 195,995.00	$ 195,995.00	$ 195,995.00	$ 195,995.00	$ 204,000.00	$ 204,500.00	$ 204,500.00	$ 204,500.00	$ 2,387,460.00
Total Costs	$ 1,511,182.50	$ 1,511,182.50	$ 1,511,182.50	$ 1,002,307.50	$ 478,245.00	$ 478,245.00	$ 478,245.00	$ 775,495.00	$ 689,750.00	$ 1,262,250.00	$ 1,393,218.75	$ 1,771,125.00	$ 12,862,428.75
Sub-Total	$ 763,817.50	$ 763,817.50	$ 763,817.50	$ 336,442.50	$ 46,755.00	$ 46,755.00	$ 46,755.00	$ 327,005.00	$ 250,875.00	$ 382,750.00	$ 575,531.25	$ 958,875.00	$ 5,263,196.25
1 -VectorSeis Crew (Jan to December)	25	25	25	15	15	15	15	20	15	15	20	20	225
1 -VectorSeis Crew (Jan to April) (August to December)	25	25	25	15	0	0	0	10	10	15	15	20	160
1 -System II Crew (October to December)	0	0	0	0	0	0	0	0	0	10	10	20	40
													425

Kinetex Multi-Component Services Ltd
Projected Administration Budget
Year ending - December 31, 2011

	January-11	February-11	March-11	April-11	May-11	June-11	July-11	August-11	September-11	October-11	November-11	December-11	Total
Accounting/Legal	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 60,000
Automotive (lease payments)	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 120,000
Advertising & promotion	$ 1,500	$ 1,500	$ 1,500	$ 1,500	$ 1,500	$ 1,500	$ 1,500	$ 1,500	$ 1,500	$ 1,500	$ 1,500	$ 1,500	$ 18,000
Bank charges	$ 500	$ 500	$ 500	$ 500	$ 500	$ 500	$ 500	$ 500	$ 500	$ 500	$ 500	$ 500	$ 6,000
Utilities - Head Office	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 30,000
Entertainment	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,500	$ 2,500	$ 2,500	$ 27,500
Courier / Postage	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 12,000
Insurance	$ 21,000	$ 21,000	$ 21,000	$ 21,000	$ 21,000	$ 21,000	$ 21,000	$ 21,000	$ 21,000	$ 21,000	$ 21,000	$ 21,000	$ 252,000
Lease - Head office	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 90,000
Consumables - Head office	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 12,000
Telephone	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 12,000
Travel	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 12,000
Salaries & wages - Head Office	$ 96,995	$ 96,995	$ 96,995	$ 96,995	$ 96,995	$ 96,995	$ 96,995	$ 96,995	$ 105,000	$ 105,000	$ 105,000	$ 105,000	$1,195,960
Bank Loans	$ 45,000	$ 45,000	$ 45,000	$ 45,000	$ 45,000	$ 45,000	$ 45,000	$ 45,000	$ 45,000	$ 45,000	$ 45,000	$ 45,000	$ 540,000
Monthly administration	$ 196,495	$ 196,495	$196,495	$196,495	$195,995	$195,995	$195,995	$195,995	$ 204,000	$ 204,500	$ 204,500	$ 204,500	$2,387,460
													$2,387,460

Kinetex Multi-Component Services Ltd
Projected Field Crew Cost - Budget
Year ending - December 31, 2011

Crew Costs		01/01/11	02/01/11	03/01/11	04/01/11	05/01/11	06/01/11	07/01/11	08/01/11	09/01/11	10/01/11	11/01/11	12/01/11	Total
Wages	$ 7,000.00	$ 350,000	$ 350,000	$ 350,000	$ 210,000	$ 105,000	$ 105,000	$ 105,000	$ 210,000	$ 175,000	$ 280,000	$ 315,000	$ 420,000	$ 2,975,000
Fuel	$ 2,000.00	$ 100,000	$ 100,000	$ 100,000	$ 60,000	$ 30,000	$ 30,000	$ 30,000	$ 60,000	$ 50,000	$ 80,000	$ 90,000	$ 120,000	$ 850,000
Hotshot	$ 4,000.00	$ 200,000	$ 200,000	$ 200,000	$ 120,000	$ 60,000	$ 60,000	$ 60,000	$ 120,000	$ 100,000	$ 160,000	$ 180,000	$ 240,000	$ 1,700,000
Telephone	$ 100.00	$ 5,000	$ 5,000	$ 5,000	$ 3,000	$ 1,500	$ 1,500	$ 1,500	$ 3,000	$ 2,500	$ 4,000	$ 4,500	$ 6,000	$ 42,500
Consum - Field	$ 200.00	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 120,000
R & M - Trucks	$ 300.00	$ 15,000	$ 15,000	$ 15,000	$ 9,000	$ 4,500	$ 4,500	$ 4,500	$ 9,000	$ 7,500	$ 12,000	$ 13,500	$ 18,000	$ 127,500
R & M - Vibs	$ 400.00	$ 20,000	$ 20,000	$ 20,000	$ 12,000	$ 6,000	$ 6,000	$ 6,000	$ 12,000	$ 10,000	$ 16,000	$ 18,000	$ 24,000	$ 170,000
R & M - Quads	$ 50.00	$ 2,500	$ 2,500	$ 2,500	$ 1,500	$ 750	$ 750	$ 750	$ 1,500	$ 1,250	$ 2,000	$ 2,250	$ 3,000	$ 21,250
Survey	$ 4,000.00	$ 200,000	$ 200,000	$ 200,000	$ 120,000	$ 60,000	$ 60,000	$ 60,000	$ 120,000	$ 100,000	$ 160,000	$ 180,000	$ 240,000	$ 1,700,000
Miscellaneous	$ 300.00	$ 15,000	$ 15,000	$ 15,000	$ 9,000	$ 4,500	$ 4,500	$ 4,500	$ 9,000	$ 7,500	$ 12,000	$ 13,500	$ 18,000	$ 127,500
Monthly Cost		$ 917,500	$ 917,500	$ 917,500	$ 554,500	$ 282,250	$ 282,250	$ 282,250	$ 554,500	$ 463,750	$ 736,000	$ 826,750	1,099,000	$ 7,833,750
														$ 7,833,750

3rd Party Costs (Dynamite)	01/01/11	02/01/11	03/01/11	04/01/11	05/01/11	06/01/11	07/01/11	08/01/11	09/01/11	10/01/11	11/01/11	12/01/11	Total
Contract Wages	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ -	$ -	$ -	$ 10,000	$ 10,000	$ 15,000	$ 20,000	$ 20,000	$ 155,000
Trucking	$ 15,000	$ 15,000	$ 15,000	$ 10,000	$ -	$ -	$ -	$ 15,000	$ 12,000	$ 15,000	$ 15,000	$ 15,000	$ 127,000
Explosives	$ 100,625	$ 100,625	$ 100,625	$ 60,375	$ -	$ -	$ -	$ -	$ -	$ 80,500	$ 90,563	$ 120,750	$ 654,063
Drills	$ 251,563	$ 251,563	$ 251,563	$ 150,938	$ -	$ -	$ -	$ -	$ -	$ 201,250	$ 226,406	$ 301,875	$ 1,635,156
Miscellaneous	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ -	$ -	$ -	$ -	$ -	$ 10,000	$ 10,000	$ 10,000	$ 70,000
Monthly Cost	$ 397,188	$ 397,188	$ 397,188	$ 251,313	$ -	$ -	$ -	$ 25,000	$ 22,000	$ 321,750	$ 361,969	$ 467,625	$ 2,641,219
													$ 2,641,219

Kinetex Multi-Component Services Ltd

Depreciation calculation

Year ending - December 31, 2011

	Balance Dec.31/10	Dep. Rate	Annual Deprec.	Balance Dec.31/11	Monthly Deprec.
Recording System	11,200,000	15.0%	1,680,000	9,520,000	140,000
Aux.Recording equip.	50,000	15.0%	7,500	42,500	625
Computer equip.	100,000	15.0%	15,000	85,000	1,250
Automotive equip.	450,000	10.0%	45,000	405,000	3,750
Vibrators	1,000,000	10.0%	100,000	900,000	8,333
Equip. & radios	75,000	15.0%	11,250	63,750	938
Furn. & Fix.	75,000	15.0%	11,250	63,750	938
	12,950,000		1,870,000	11,080,000	155,833

Kinetex Multi-Component Services
Schedule of Payroll for Office and Baseline
Operational Personnel

	Position	Employee Name	Gross Wage	Net Wage	Total Deductions	Employer Contributions	Total Cost
1	Recording	Armstrong, Darryl	7000	4890.04	2109.96	501.60	**7,501.60**
2	Recording	Collins, Gregg	5500	3697.21	1532.76	391.02	**5,891.02**
3	Survey	Forero, Francisco	4200	3167.93	1032.07	295.18	**4,495.18**
4	Administration	Foster, Kristine	5040	3682.57	1303.43	357.11	**5,397.11**
5	Field Supervision	Giroux, Alan	5000	3661.84	1338.16	354.16	**5,354.16**
6	Field Supervision	Giroux, Larry	5000	3661.84	1338.16	354.16	**5,354.16**
7	Mechanical	Guinto, Czar	2670	2161.28	508.72	182.4	**2,852.40**
8	Operations Manager	Harrison, Dale	7800	5333.85	2466.15	560.58	**8,360.58**
9	Operations Manager	Kozun, Brian	8000	5444.89	2555.11	575.32	**8,575.32**
10	Electronics Repair	Manila, Philip	2340	1930.58	409.42	158.06	**2,498.06**
11	Mechanical	Matinez, Hermes	5040	3682.57	1303.43	357.11	**5,397.11**
12	Mechanical	Miller, Dave	4950	3431.82	1318.18	350.49	**5,300.49**
13	Field Supervision	Thorburn, Peter	5850	4188.85	1661.15	416.83	**6,266.83**
14	Recording	White, John	5500	3767.24	1532.76	391.02	**5,891.02**
15	Survey	Williamson, Melanie	4200	3167.93	1032.07	295.18	**4,495.18**
16	Electronics Repair	Zhang, Qi (George)	3440	2958.17	370.83	109.28	**3,549.28**
17	Controller	To be Hired	5850	4188.85	1661.15	416.83	**6,266.83**
18	Accounts Payable Clerk	To be Hired	3440	2958.17	370.83	109.28	**3,549.28**
			90,820.00	**65,975.63**	**23,844.34**	**6,175.61**	**$ 96,995.61**

Cost per Employee per Day	**$**	**256.60**
Cost per Hour (8 Hour Day)	**$**	**32.08**

Restructured-KMCS _Baseline_Operation

	Summary of Stages of Workout			Status and Comments
1	HSBC - Debt Owing		8,648,190	
2	Outflows - 90 Days - 2011 North American Operations		1,975,790	
			$ 10,623,980	
3	Short Term Working Capital - December 2011	-	500,000	Due Diligence Underway for Equity Injection
4	Grupo Pegasus	-	4,000,000	Letter of Intent Signed - Contract Being Prepared
5	Operations	-	2,042,783	Contracts under Development
6	Short Term Working Capital - January 2011	-	500,000	Collection of Bad Debt - Coal Corp, Supplemented with Equity Injection
7	Restructured Debt	$	3,581,197	5 Parties Working on Proposals for Structuring Debt

KTX - Restructured Monthly Operational Costs			Payment			
Sale or Lease Back Vibroseis Equipment - Crew 101	-	500,000	$ 9,583	$383.33	Cost per Day	Billing Rate > $ 3200/day
Sale or Lease Back Vibroseis Equipment - Crew 102	-	500,000	$ 9,583	$383.33	Cost per Day	Billing Rate > $ 3600/day
Sale or Lease Back Vibroseis Equipment - Crew 103	-	200,000	$ 3,833	$153.33	Cost per Day	Billing Rate > $ 1400/day
Capital Loan (3 VectorSeis Crews Totaling 4200 Stations)	-	2,381,197	$ 45,640	$0.43	Cost per Day	Billing Rate/Stn> $ 2.50/day
Total Monthly			$ 68,640	$429.00	Cost per 8 hr Day - (30% Utilization of Two Crews)	
Fleet Lease			$ 8,713	$54.45	Cost per 8 hr Day - (30% Utilization of Two Crews)	
Office Staff, R&M Team and Baseline Crews			$ 96,996	$606.22	Cost per 8 hr Day - (30% Utilization of Two Crews)	
Insurance			$ 15,605	$97.53	Cost per 8 hr Day - (30% Utilization of Two Crews)	
Rent & Utilities			$ 8,500	$53.13	Cost per 8 hr Day - (30% Utilization of Two Crews)	

****Baseline - Kinetex Multi-Component Services Inc**	**$ 198,453**	**$1,240**	**Cost per 8 hr Day - (30% Utilization of Two Crews)**

**** Crews Bill Rate - $ 1450/hr for a 2D Crew and $ 1750/hr for a 3D Crew - Based on 12 hr Days**
Upon the Completion of the Restructuring - Kinetex Multi-Component Services Inc. -retains the Capacity to Field 3 Crews in North America

This is Exhibit " D " referred to in the affidavit ~~/ statutory declaration~~ of Leonard Van Betuw
Sworn before me this 7 day of December
A.D., 20 10

A Commissioner for Oaths in and for the Province of Alberta
Bryce McLean
Barrister & Solicitor

ıs	Staff Wages	Field Wages	CRA Remittance - GST	Insurance	Rent	Fuel	Lodging	R&M	Outflows	Inflows	Cash On Hand	Payment	HSBC Balance	Source
30-Nov	14,160	150,000	6,035	15,065	8,500	100		1,500	195,360	500,000	304,640	-	8,648,190	Ubequity
7-Dec	-	-				100		1,500	1,600	50,000	203,040	150,000	8,498,190	Nordic Oil and G
4-Dec	14,160		206,035			3,000	4,500	1,500	229,195	500,000	198,845	275,000	8,223,190	Pegasus
21-Dec	-	47,250	-			7,000	9,000	1,500	64,750	252,533	211,628	175,000	8,048,190	Quattro Explorat
28-Dec	14,160	-	6,035		8,500	4,000	9,000	3,000	44,695	500,000	466,933	200,000	7,848,190	Ubequity
egacy Payables											**216,933**	**250,000**		
5-Jan	-	47,250	300,000	15,065		7,000	9,000	3,000	381,315	1,000,000	435,618	650,000	7,198,190	Pegasus
12-Jan	14,160		6,035			7,000	9,000	3,000	39,195	120,000	466,423	50,000	7,148,190	A-R
19-Jan						7,000	9,000	3,000	19,000	100,000	497,423	50,000	7,098,190	Nordic Oil and G
26-Jan	14,160		-		8,500	7,000	9,000	3,000	41,660	3,500,000	455,763	3,500,000	3,598,190	Ubequity
4-Feb		195,000	65,000	15,065		7,000	9,000	3,000	294,065	125,000	241,698	45,000	3,553,190	New Accounts F
11-Feb	14,160		6,035			7,000	9,000	3,000	39,195	550,000	707,503	45,000	3,508,190	Quattro Explorat
18-Feb			200,000			7,000	9,000	3,000	219,000	345,250	788,753	45,000	3,463,190	FT McMurray Pr
25-Feb	14,160		6,035		8,500	7,000	9,000	3,000	47,695	1,000,000	1,696,058	45,000	3,418,190	Pegasus
4-Mar		240,000	85,000	15,065		7,000	9,000	3,000	359,065	500,000	1,791,993	45,000	3,373,190	New Accounts F
	99,120	679,500	886,210	60,260	34,000	77,200	103,500	36,000	1,975,790	9,042,783				

Grupo Pegasus SA	$ 2,500,000
Ubequity Capital Partners	$ 4,500,000
Operations	$ 2,042,783

s for / 30 **150,000**

rcusal
oo -

Ubequity Capital Partners - Surplus	$ 2,500,000

Cash-Flow

Pending for January to March 2011	$6,825,000	
ıssumed In Cash-flow Analysis	(970,250)	
acklog Pending	$5,854,750	
	(2,927,375)	
	$2,927,375	$2,927,375

nd Gas Interests to Cacique et al...Quattro Exploration are
)elivery of Title which would not be possible if the company is
ue to the ANH critiria - Therfore the allocated cash payment of $ — $2,400,000
table nor is the unallocated Issue of Securities totalling
ommon Shares that is booked as unbilled revenue
ash-Flow not to be Realized in the Event of a Receivership order — **$ 7,827,375**

This is Exhibit " E " referred to in the affidavit / ~~statutory declaration~~ of Leonard Van Betuw
Sworn before me this 7 day of December
A.D., 2010

A Commissioner for Oaths in and for the Province of Alberta

Bryce McLean
Barrister & Solicitor

Clause due D.li

BINDING LETTER OF INTENT

By means of this Binding Letter of Intent, entered into on November 24, 2010, by and between the Parties:

(i) Grupo Pegasus S.A. a company duly incorporated under the laws of Panama, incorporated on March 5, 2008 by means of Public Deed No. 5,636 of March 4, 2008 of the First Notary of the Panama Circuit, with main offices in Avenida 12 de Octubre, Edificio PH The Rim Tower, Piso 5, Oficina 1, Panama City, Republic of Panama (hereinafter "PEGASUS") herein represented by Mario Bolívar, as Legal Representative,

(ii) and on the other hand, Kinetex Multicomponent Services Inc. a company duly incorporated under the laws of Canada with main offices in 125 61st Ave SE Calgary, AB T2H 0R4 (hereinafter "KINETEX"), herein represented by Leonard Van Betuw, as legal representative,

PEGASUS and KINETEX, together will be referred to hereinafter as "the Parties".

Whereas, PEGASUS has expressed an interest to purchase KINETEX's Colombian branch named as Kinetex Sucursal Colombia Inc. (hereinafter "Branch"), including all its assets, liabilities, undergoing projects, bids, negotiations, international and local certifications, experienced personnel of our choosing, company know how and company work experience. Therefore, KINETEX will fulfill all legal requirements needed to satisfactorily complete Pegasus Branch Purchase without affecting the above mentioned experiences and company years of experiences.

Whereas, KINETEX board of directors have expressed an interest to sell the Branch to PEGASUS;

Whereas, KINETEX and PEGASUS have reached an agreement on the price and general conditions for the selling and purchase;

Whereas, KINETEX declared that the Branch's current liabilities are Four Million American Dollars (USD$4,000,000)

Whereas, KINETEX and PEGASUS wish to formalize and document the mutual understanding of the terms of the selling and purchase through this Binding Letter of Intent which will be signed on November 30th 2010 (Effective Date).

NOW, THEREFORE, the Parties have decided to execute this Binding Letter of Intent and hereby agree as follows:

CLAUSE 1. PURPOSE: KINETEX or its assignees, will sell to PEGASUS, or to whom PEGASUS designates, all rights and obligations belonging to the Branch subject to the terms of the Purchase and Sale Agreement ("PSA") to be entered into between PEGASUS or its nominee, and KINETEX or its assignees (if any).

CLAUSE 2. BRANCH PURCHASE PRICE: The Parties have agreed that the value in order to purchase the Branch, is Eight Million American Dollars (USD$ 8,000,000), and they will be paid as follows:

2.1. Cash Payments: In consideration for the sale of the Branch, PEGASUS will pay to KINETEX the total amount of ***Four Million American Dollars (USD$4,000,000)*** that will be paid in cash, wired to the escrow account of Field Law LLP - Calgary. This payment will be divided as follows:

(i) ***Five Hundred Thousand American Dollars (USD$500,000)***, successfully paid within two working days after the Effective Date.

(ii) ***One Million American Dollars (USD$1,000,000)*** on or before December 31st, 2010.

(iii) ***One Million American Dollars (USD$1,000,000)*** on or before February 28th, 2011.

(iv) ***One Million American Dollars (USD$1,000,000)*** on or before March 31st, 2011

(v) ***Five Hundred Thousand American Dollars (USD$500,000)*** on or before April 30th, 2011.

2.2. Liabilities Payments: In order to comply with the Branch's obligations under its current conduct of business, the Branch has debts and obligations that were acquired before the Effective Date, with financial institutions, State entities and contractors. Therefore, PEGASUS agrees to assume as the Branch's obligations the total amount equivalent of ***Four Million American Dollars (USD 4,000,000),*** which are part of the Branch Value, as described in Clause 2 above. In case that the total amount of liabilities exceed ***Four Million American Dollars (USD 4,000,000),*** Pegasus will deduct the outstanding difference from the Cash Payment described in Clause 2.1. (v).

KINETEX will provide PEGASUS with a list and a scheduled cash flow needs of the Branch's debts up to the Effective Date, as Attachment 1 of this document.

KINETEX is also providing PEGASUS with a list of the Branch's cash deposit standing in trust funds or banks as a guarantee for the different ongoing activities of the company up to the Effective Date, as Attachment 2 of this document.

KINETEX is also providing PEGASUS with a list of the Branch's remaining assets of the company up to the Effective Date, as Attachment 3 of this document.

CLAUSE 3. FUTURE OBLIGATIONS: PEGASUS agrees to pay the Branch's new obligations to third parties starting as of the Effective Date in order to comply and maintain in good standing all Branch contractual obligations. KINETEX will provide PEGASUS with a list of the amounts of money held in liquid assets no later than 5 days after the Effective Date.

CLAUSE 4. CONTRACTS ON PENDING NEGOTIATION/AWARDING: PEGASUS is aware of the participation of the Branch in two bidding processes led by the Colombian National Agency of Hydrocarbons (ANH), and some other private bids or ongoing negotiations. Therefore, PEGASUS will continue leading these negotiations or bids and all future contracts derived from such negotiations in Colombia, as of November 24th, 2010, and the results of such negotiations will not grant any participation and/or interest to KINETEX, nor they shall represent any further obligations to KINETEX.

This is Exhibit " " referred to in the affidavit
/ statutory declaration of ______
Sworn before me this ____ day of ______
A.D., 20____
A Commissioner for Oaths in and for the Province of Alberta

CLAUSE 5. DUE DILIGENCE AND NOTIFICATION: PEGASUS has until January 31st, 2011, to execute a due diligence on the Branch to confirm or verify the information that KINETEX will provide, and to confirm in writing to KINETEX its decision to either proceed with the signing of the PSA for the purchase of the Branch at the value and terms described in this document, negotiate any adjustment on the price according with the result of the due diligence or to terminate this agreement. In the event PEGASUS decides to proceed with the purchase, the PSA shall be executed no later than February 15th 2011.

Paragraph. In the event PEGASUS decides not to continue with the purchase, all amounts received in the Escrow Service Account shall be returned to PEGASUS, immediately after notifying KINETEX of such decision. The Escrow Service fees will be deducted from the funds available at PEGASUS own cost. Also, KINETEX will return all payments done by PEGASUS as obligations of the Branch, according with the Clause 4, within 30 days of such notice.

CLAUSE 6. OPERATION DELIVERY: PEGASUS will undertake the administration of the Branch at the time of the PSA execution, subject to the terms included in such document.

CLAUSE 7. EXCLUSIVITY: KINETEX will refrain from entertaining or considering other offers for the purchase of the Branch and will not enter into any discussions, agreement or understanding of any nature with any other party other than PEGASUS with respect to the purchase of the Branch; from the execution of this Binding Letter of Intent, until the Parties execute the PSA or PEGASUS decides not to continue with the purchase.

CLAUSE 8. CONFIDENTIALITY: The terms of the Binding Letter of Intent are to remain under reserve and in a strict confidential status, only to be supplied or shared with those persons that require to review its terms on a "need to know" basis or as otherwise provided in the PSA or in any Confidentiality Agreement to be signed by the Parties.

CLAUSE 9. GOVERNING LAW: This Binding Letter of Intent shall be governed by and construed in accordance with Colombian Law. Any dispute, controversy or claim arising out of or relating to this Binding Letter of Intent, shall be submitted to, and finally resolved by, arbitration under the rules of arbitration of the Conciliation and Arbitration Center of the Chamber of Commerce of Bogotá (the "Rules") by three arbitrators who shall be appointed pursuant to the Rules. The place of the arbitration shall be the city of Bogotá, Colombia. The arbitration award shall address the question of costs of arbitration and all matters related thereto.

CLAUSE 10. COSTS: Each party shall bear all costs incurred by it in connection with the preparation, negotiation and entry into this Binding Letter of Intent and the PSA and all documents associated therewith.

CLAUSE 11. GOOD FAITH: PEGASUS and KINETEX will proceed in good faith to complete the proposed transaction premised on, and subject to, the general understandings and conditions set forth under this Binding Letter of Intent.

CLAUSE 12. NON DISCLOSURE: Until the closing has occurred under the PSA, the Parties will refrain from making any announcement that PEGASUS has purchased the Branch and only then in a manner as contemplated in the PSA.

CLAUSE 13. NEW INDEPENDENT COMPANY: KINETEX and PEGASUS will work in the best of their abilities to identify and apply the best legal mechanisms in order to transform the Branch into a new, fully independent company (hereinafter "New Company"). This company will have no legal ties to KINETEX. The New Company will have all the Branch's assets, liabilities, undergoing projects, bids, negotiations, experienced, personnel of our choosing, company know how, company work experience, etc. needed to maintain the Branch's qualifying status for conducting competitive operations in the industry.

CLAUSE 14. SUPPORT AND NON COMPETITION: KINETEX will keep supporting the Branch during the time needed for it to be transformed into the New Company with all its experience for bidding purposes. After the New Company is created, KINETEX and its affiliates ensure during a two (2) year period, to refrain from entering, searching business opportunities, or conducting business operations, bidding processes, directly or indirectly, in Colombia, unless, in a partnership with the New Company.

IN WITNESS WHEREOF, the Parties have entered into this Binding Letter of Intent and executed in Two (2) copies of equal value in the city of Calgary, Alberta, Canada.

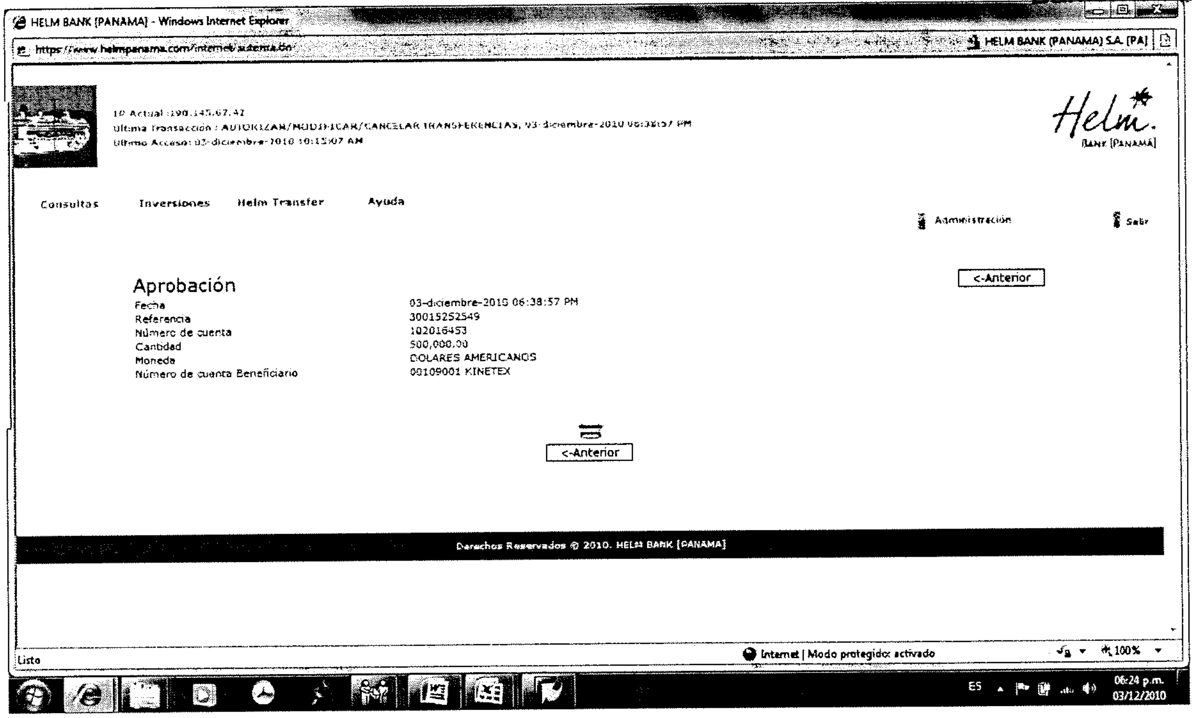
PEGASUS	**KINETEX**
Mario Enrique Bolívar Legal Representative	Leonard Van Betuw Legal Representative

This space was left blank intentionally

/F/B.M

This is Exhibit " 6 " referred to in the affidavit
~~/ statutory declaration~~ of Leonard Van Betuw
Sworn before me this 7 day of December
A.D., 2010

A Commissioner for Oaths in and for the Province of Alberta
Bryce McLean
Barrister & Solicitor


HELM BANK [PANAMA] - Windows Internet Explorer
https://www.helmpanama.com/internet/autentia.do
HELM BANK (PANAMA) S.A. [PA]

IP Actual :190.145.67.42
Ultima Transacción : AUTORIZAR/MODIFICAR/CANCELAR TRANSFERENCIAS, 03-diciembre-2010 06:38:57 PM
Ultimo Acceso: 03-diciembre-2010 10:15:07 AM

Helm BANK [PANAMÁ]

Consultas Inversiones Helm Transfer Ayuda

Administración Salir

<-Anterior

Aprobación

Fecha	03-diciembre-2010 06:38:57 PM
Referencia	30015252549
Número de cuenta	102016453
Cantidad	500,000.00
Moneda	DOLARES AMERICANOS
Número de cuenta Beneficiario	00109001 KINETEX

<-Anterior

Derechos Reservados © 2010. HELM BANK [PANAMA]

Listo
Internet | Modo protegido: activado
100%
ES
06:24 p.m.
03/12/2010

UBEQUITY

CAPITAL PARTNERS INC.

This is Exhibit " 6 " referred to in the affidavit / ~~statutory declaration~~ of Leonard Van Betow
Sworn before me this 7 day of December
A.D., 2016

A Commissioner for Oaths in and for the Province of Alberta

Bryce McLean
Barrister & Solicitor

Via Email

15 November 2010

Kinetex Resources Corp.
925 West Georgia St.
Suite 900
Vancouver, B.C.
V6C 3L2

Attention:
Board of Directors c/o The Honourable John D. Reynolds and Gil Schneider

Dear Sirs:

Re: Potential Acquisition of Majority Control Of Kinetex Resources Corp. ("Kinetex")

We are pleased to provide this indicative letter agreement ("Letter Agreement") as an expression of our mutual intent to have a corporation controlled by Ubequity Capital Partners ("Ubequity") provide financing that would result in Ubequity obtaining control of Kinetex (the "Transaction").

In so doing, this Letter Agreement sets forth certain non-binding understandings and certain binding agreements between Ubequity and Kinetex.

We must emphasize that this Letter Agreement is based on our current and somewhat limited understanding of Kinetex's current business situation, and, of course, that final terms of any Transaction will depend on our due diligence investigations.

PART I - NON-BINDING PROVISIONS

1. *The Proposed Transaction*

Ubequity would inject $7 million in new capital into Kinetex by way of an equity private placement in units priced at $0.10. Each unit would be comprised of: (a) one common share; and (b) one share purchase warrant entitling the holder to purchase an additional common share of Kinetex within 24 months at a price of $0.125 (the "Private Placement").

2. *Capital Structure*

We understand that there are 48.1 million shares outstanding (Basic) and 67.9 million (Fully Diluted).

3. *Conduct of Business*

During the period from the date of this Letter Agreement to the earlier of the termination of this Letter Agreement or the date of closing of the Transaction (the "Closing Date"), Kinetex will:

(i) Conduct its business in substantially the same manner as it has been regularly conducted;

(ii) Manage it working capital in accordance with past practice;

(iii) Use its best efforts to maintain its business and employees and third party service providers as an ongoing business in accordance with past practice;

(iv) Not enter into any transaction other than in the ordinary course of business or any transaction which is not at arm's length with unaffiliated persons or entities; and

(v) Not declare or pay any dividends or many any other distributions to any shareholder, redeem or any repurchase shares, incur any debt other than in the ordinary course of business, increase any employees' or officers' compensation, incentive arrangements, or other benefits without the consent of Ubequity.

4. *Timetable for Transaction*

The parties shall execute definitive agreements (the "Definitive Agreements") by 17 December 2010 (or such other date as may be mutually agreed). The Definitive Agreements shall establish the Closing Date, which will be the date of receipt of all necessary consents and approvals but in any event not earlier than 14 January 2011 and not later than February 15, 2011, unless the parties otherwise agree. The location of the closing shall be the offices of Ubequity's lawyers.

5. *Due Diligence*

On signing this Letter Agreement, Kinetex will provide Ubequity and its accounting, technical and legal representatives with reasonable access, at reasonable times, to all matters related to the assets, liabilities, prospects, personnel, and affairs of Kinetex, in order for Ubequity to conduct its due diligence investigations.

6. *Proposed Form of Definitive Agreements*

Ubequity and Kinetex will begin negotiating promptly to reach Definitive Agreements. In addition to the matters referenced in this Letter Agreement, the Definitive Agreements will contain appropriate representations, warranties, indemnities, conditions and agreements by Kinetex on such terms and conditions as are acceptable to the parties. Leonard Von Butew and Gil Schneider and their respective holding companies and affiliates would also be expected to execute the Definitive Agreements to evidence their approval and support of the transactions as well as provide their further assurances to facilitate completion thereof.

7. *Contracts*

At Closing, Kinetex shall not be a party to nor bound by any contracts, agreements or obligations, except those that have been disclosed to Ubequity.

8. *Conditions to Proposed Transaction*

The Definitive Agreements will provide that completion of the Transaction shall be subject to the following:

(i) receipt of all necessary consents and approvals, if any, of regulators, shareholders, lenders, lessors, and other third parties;

(ii) the absence of any material adverse change in Kinetex's business, financial condition, prospects, assets or operations between the date of this Letter Agreement and the Closing Date;

(iii) the absence of pending or threatened litigation regarding the Definitive Agreements or the Transaction to be contemplated thereby; and

(iv) delivery of customary closing certificates and other closing documentation.

PART II - BINDING PROVISIONS

In consideration of the costs to be borne by Ubequity in pursuing this Transaction, and in consideration of the disclosure to Ubequity of certain intellectual property belonging to Kinetex, upon due execution by the parties of this Letter Agreement, the following lettered paragraphs of this Letter Agreement (collectively, the "Binding Provisions") will constitute the legal binding and enforceable agreement between Ubequity and Kinetex.

A. *Non-Binding Provisions Not Enforceable*

Neither the Non-Binding Provisions nor any prior or subsequent conduct, action or dealing between or among the parties will create or constitute any legal binding obligation or agreement between or among Ubequity and Kinetex, and none of the parties shall have any recourse or liability to the other relating to the Non-Binding Provisions.

B. *Preparation of Definitive Purchase Agreement*

Ubequity and its counsel shall be responsible for preparing the initial drafts of the Definitive Agreements.

C. *Access*

Kinetex shall provide Ubequity, its directors, officers, employees, agents and advisors with complete access to the books and records of Kinetex.

D. *Exclusivity and Competing Proposals*

(1) Exclusivity

From the date of this Letter Agreement until December 17, 2010, except as otherwise provided herein, Kinetex:

(a) will deal only with Ubequity with respect to any re-organization, merger, sale of assets, debt financing or equity private placement exceeding $1 million (other than in the ordinary course of business);

(b) will not, directly or indirectly, accept, solicit, encourage, initiate or otherwise facilitate any offers or proposals from, or engage in any discussions with, anyone concerning the sale of any equity interest in Kinetex exceeding $1 million, debt financing, or any merger, consolidation, re-organization or comparable transaction involving Kinetex or its assets (and in the event of any such unsolicited offer or proposal, these are hereinafter referred to as an "Unsolicited Competitive Proposal");

(c) will promptly cease and cause to be terminated any existing discussions or negotiations with anyone (other than Ubequity) with respect to any potential Unsolicited Competitive Proposal; and

(d) without limiting the obligations under (a) and (b) above, will promptly communicate to Ubequity, on a confidential basis, the material terms of any Unsolicited Competitive Proposal or any inquiry that could lead to a Unsolicited Competitive Proposal or any amendments to the foregoing. Such communication to Ubequity will be made, from time to time, first immediately orally and then promptly in writing and will indicate the identity of anyone making such proposal or inquiry, all material terms thereof and such other details of the proposal or inquiry known to Kinetex, and will include copies of any such proposal or inquiry or any amendment to any of the foregoing. Kinetex will keep Ubequity promptly and fully informed of the status, including any change to the material terms, of any such Unsolicited Competitive Proposal or inquiry and will respond promptly to all inquiries by Ubequity with respect thereto.

Kinetex acknowledges and agrees that each successive material modification of any Competitive Proposal will constitute a new Unsolicited Competitive Proposal for the purposes of this Article D. Kinetex will ensure that the officers, directors and employees of Kinetex and its Subsidiaries and any investment bankers or other advisors or representatives retained by Kinetex and/or its subsidiaries in connection with the transactions contemplated by this Letter Agreement are aware of the provisions of this Section, and Kinetex will be responsible for any breach of this Article D by such officers, directors, employees, investment bankers, advisors or representatives.

(2) Fiduciary Out

Kinetex may accept, approve or recommend any Unsolicited Competitive Proposal, or enter into any written letter of intent, agreement in principle, agreement, arrangement or undertaking (a "Proposed Agreement") with any Person providing for a Unsolicited Competitive Proposal, if:

(a) The Kinetex Board determines after reasonable inquiry and consideration that the Unsolicited Competitive Proposal constitutes a Superior Proposal. For the purpose of this Letter Agreement :

"Superior Proposal" means a *bona fide,* unsolicited, written Unsolicited Competitive Proposal made after the date of this Agreement to acquire 20% or greater control of Kinetex and;

(i) that is reasonably capable of being completed, taking into account all financial, legal, regulatory, timing and other aspects of the proposal and the person making the proposal (including the creditworthiness of the person);

(ii) that is in compliance with applicable securities laws;

(iii) is not subject to a due diligence condition; and

(iv) in respect of which the Kinetex Board determines, in its good faith judgment, after receiving written advice from its outside legal and financial advisors, that: (A) failure to recommend such Unsolicited Competitive Proposal to the Kinetex Shareholders would be inconsistent with its fiduciary duties under applicable law; and (B) having regard to all of the terms and conditions, such Unsolicited Competitive Proposal, will, if consummated in accordance with its terms (but not assuming away any risk of non-completion), result in a transaction more favourable to Kinetex Shareholders (other than Ubequity and any joint actor and any of their respective affiliates) from a financial point of view than the transactions contemplated by this Agreement, after fully taking into account any new or revised proposal(s) made by Ubequity pursuant to this Letter Agreement;

(b) Kinetex has complied with Subsection D(1);

(c) Kinetex has provided Ubequity with a notice in writing that it has received a Superior Proposal together with all documentation related to and detailing the Superior Proposal (including a copy of any Proposed Agreement relating to such Superior Proposal, and any materials supporting the valuation ascribed by the Kinetex Board to any non-cash consideration offered under the Superior Proposal) (together the "Superior Proposal Notice");

(d) Ubequity has either not exercised its rights under Section D(4), or if it has done so, the Kinetex Board has determined, in good faith after receiving written advice from its financial advisors and external legal counsel, that the Unsolicited Competitive Proposal remains a Superior Proposal as compared to any new or revised proposals by Ubequity under Section D(4); and

(e) Kinetex pays to Ubequity the "Break Fee" (as defined below).

(3) Fiduciary Disclosure

The Kinetex Board may make any disclosure, through a circular or otherwise, where the Kinetex Board, acting in good faith and upon the advice of its legal advisors, has determined that the failure to make such disclosure would be inconsistent with the fiduciary duties of the Kinetex Board or is required by applicable Securities Laws.

(4) Right to Match

If the Kinetex Board determines that a Unsolicited Competitive Proposal constitutes a Superior Proposal and delivers a Superior Proposal Notice to Ubequity, Ubequity will have the right (but not the obligation) to propose to amend the terms of this Agreement and related documentation, and/or match the identified Superior Proposal to the greatest extent possible on the following additional terms and conditions:

(a) if Ubequity wishes to exercise its right, it must within ten business days (or such longer period as Kinetex may approve for such purpose) after it receives the Superior Proposal Notice deliver written materials to Kinetex setting forth its new proposal(s) in response;

(b) if Ubequity delivers a new proposal(s) in response, Kinetex will negotiate in good faith with Ubequity to enable Ubequity to make such adjustments as it deems appropriate to the terms and conditions of this Agreement or to its proposed matching bid (if it has made one) as would result in the Unsolicited Competitive Proposal no longer being a Superior Proposal;

(c) the Kinetex Board will review the finalized proposal(s) from Ubequity as a result of the above negotiation process to confirm, in the exercise of its fiduciary duties, that the Unsolicited Competitive Proposal is no longer a Superior Proposal compared to the new Ubequity proposal(s);

(d) in the case of any Unsolicited Competitive Proposal which was publicly announced and which the Kinetex Board determines not to be (or to no longer be) a Superior Proposal, the Kinetex Board will promptly after such determination issue a press release to comment on the status of that Unsolicited Competitive Proposal; and

(e) Kinetex will not withdraw, modify or qualify, or propose publicly to withdraw, modify or qualify, in any manner adverse to Ubequity, the approval or recommendation of the Kinetex Board or any committee thereof of this Agreement or the transactions contemplated hereby unless Ubequity does not deliver new proposals in response to a Superior Bid hereunder or the new Ubequity proposals delivered are not sufficient to result in the Unsolicited Competitive Proposal no longer being a Superior Proposal.

(5) <u>Break Fee: Breach of Exclusivity or Exercise of Fiduciary Out</u>

If Kinetex breaches its exclusivity obligations under Section D or it exercises its fiduciary out as permitted herein Kinetex will pay Ubequity a break fee of $275,000 (the "Break Fee").

E. Non-Disclosure

(1) Subject to subsection 2 below, each party shall not, without prior written consent of the other, directly or indirectly, make any comments, statement or communication with respect to, or otherwise disclose or permit the disclosure of the existence of discussions regarding the Transaction among the parties or any of the terms, conditions or other aspects of the Transaction proposed in this Letter Agreement. However, this non-disclosure agreement shall not apply to any such disclosure that may be required to meeting timely disclosure obligations of any of the parties under applicable securities law and stock exchange rules in circumstances where prior consultation with the other parties is not practicable. In such event, the other party shall be entitled to receive copies of any such communication at the same time that such communication is sent to such statutory or regulatory body.

(2) The parties further understand and agree that Ubequity may disclose to its financing partners and potential partners, the plans to acquire control of Kinetex, as well as any information concerning Kinetex reasonably necessary to make an informed investment decision.

F. Costs

Each party shall be responsible for and bear their own costs and expenses (including any broker's or finder's fees) incurred in connection with the proposed Transaction, subject only to the following: Upon Closing, Kinetex will pay (a) Ubequity's reasonable legal and due diligence fees from the proceeds of the Private Placement in an amount not to exceed $275,000; and (b) a completion fee of 3% of the Private Placement.

G. Entire Agreement

The Binding Provisions constitute the entire agreement between the parties, superseding all prior oral or written agreements, understandings, representations and warranties, and courses of conduct and dealing between the parties on the subject matter of this Letter Agreement.

H. Governing Law

The Binding Provisions shall be governed by and construed in accordance with the laws of the Province of Ontario and laws of Canada applicable in Ontario.

I. Termination

The Binding Provisions may be terminated: (i) by mutual written consent of the parties; or (ii) upon written notice by Ubequity to Kinetex, if the Definitive Agreements have not been executed by 17 December 2010.

Please sign and date this Letter Agreement in the space provided below to confirm the mutual agreements set forth in the Binding Provisions and return a copy signed on behalf of Kinetex to the undersigned by the close of business on 17 November 2010, failing which this Letter Agreement shall be void.

Yours Very Truly,

Ubequity Capital Partners Inc.

Martin Doane

Per: ______________________________

Martin Doane
CEO & Global Managing Director

Acknowledged and agreed as to the Binding Provisions this day of November 2010.

Kinetex Resources Corp.

Per: ______________________________

TingleMerrett LLP
Barristers & Solicitors

December 3, 2010

Via E-mail and Courier

This is Exhibit " H " referred to in the affidavit / ~~statutory declaration~~ of Leonard Van Betuw
Sworn before me this 7 day of December
A.D., 20 11
A Commissioner for Oaths in and for the Province of Alberta
Bryce McLean
Barrister & Solicitor

HSBC Bank Canada
400 888 Dunsmuir Street
Vancouver B.C.
V6C 3k4

Attn: Ms. Karla McCarthy

Dear Madam:

Re: Kinetex Inc. ("Kinetex" or the "Corporation")
File No. 5117.001

I am writing to you in my capacity as counsel to the Corporation with respect to a refinancing and payout of certain loan facilities owing to HSBC by Kinetex. In such capacity, I have been engaged to structure and negotiate the terms for the collection of funds totaling up to $2,000,000.

Upon reviewing the Kinetex materials, a legal framework is being prepared to take receipt of $2,000,000 of private funding for the completion of the restructuring of Kinetex in complement to the pending Grupo Pegasus SA asset sale.

In addition, Brenda Stanger CA is preparing the materials necessary for the completion of a loan facility to complement these efforts from a Calgary-based banking institution, totaling $4,000,000; part of which will be used by Kinetex as a take-out facility of the anticipated balance then owing to HSBC. Al of the foregoing is scheduled to occur prior to the completion of the negotiated forbearance period in the first quarter of 2011.

The $2,000,000 dollars will be received by Kinetex Multi-Component Services pursuant to a convertible debenture offering with terms to be determined prior to December 10, 2010 with each debenture being convertible into publicly listed shares of Kinetex following its relisting in early 2011.

We are actively working towards having the structure in place to allow for the collection of the funds in trust within the next week, and look forward to negotiating the terms of a short-term forbearance from HSBC in the interim.

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Please do not hesitate to contact the undersigned if you have any questions or concerns regarding the foregoing

Yours truly,

Scott Reeves
Assistant: Cathy Beglinger-Rivoire (403) 571-8007

SMR/cbr

cc. Leonard Van Betuw