This is Exhibit "P" to the Affidavit of Ronald J. Goguen sworn to on the 27th day of August 2012.

Jeffrey R. Parker
Commissioner of Oaths
Being a Solicitor

GE Capital Agreements

1.	GE Loans 2011 – Master	8 pages
2.	Equipment Loan (GE#4 Loan)	39 pages
3.	Conditional Sale Agreement dated July 8, 2011 (2 A5 Drills)	22 pages
4.	Equipment Loan and Security Agreement dated September 28, 2011 (GE#6 Loan)	21 pages
5.	Equipment Loan and Security Agreement dated March 23, 2012-08-20 (Ge#7 Loan)	32 pages
6.	Priorities Agreement dated March 21, 2012	19 pages

Landdril International Ltd.
Capital Asset Additions - GE Loans - 2011
Last Updated Sep26/11

missing information - LGauvin
missing information - DWest
used asset

Loan#1 - Tranche#1
Loan#1 - Tranche#2
Loan#2
Loan#3

#	Asset Description	Model	New / Used	Serial #	Ordered Y/N	Order Date	PO #	Vendor Name	Vendor Location	Bought / Received / Invoiced Y/N	Invoice Date	Invoice #	LDI Paid Y/N	Date	Ck# / WT#	Invoice $ (Pre-Tax Amount) $	Currency	FX	C$	Comment on Status of Rig / Equipment
DRILLS																				
a - Pure Cost of Drills *(had 17 rigs / less moved 2 to Mexico / plus adding 9 rigs in 2011 = 24)*																				
1	2011 - Surface Drilling Rig - #42 (Can#18)	A5 Fly Rig / B20 Head	New	2011-015	Y	24-Jan-11	PO3159	Mitchell's Drilling Equipment Ltd. (Mnfg. by Aggressive Diamond Drilling)	Kelowna, BC	Y	26-Jan-11	398	Y	14-Feb-11	WT#15493812	$ 229,614	C$	$ 1.00	$ 229,614	[redacted]
2	2011 - Surface Drilling Rig - #43 (Can#19)	A5 Fly Rig / B20 Head	New	2011-017	Y					Y			Y	17-Feb-11	WT#77 - 257,474.77	$ 229,614	C$	$ 1.00	$ 229,614	
3	2011 - Surface Drilling Rig - #44 (Can#20)	A5 Fly Rig / B20 Head	New	2011-018	Y	17-Feb-11	PO3587	Mitchell's Drilling Equipment Ltd. (Mnfg. By Aggressive Diamond Drilling)	Kelowna, BC	Y	17-Feb-11	400	Y	23-Feb-11	WT# - 15602751 - $251,227.61	$ 225,464	C$	$ 1.00	$ 225,464	
4	2011 - Surface Drilling Rig - #45 (Can#21)	Duralite 1000N / P Drillhead	New	DL201102	Y	4-Mar-11	PO3784	Coastal Hydraulics Ltd. (Duralite Diamond Drills)	Triton, NL	Y	28-Mar-11	821	N	no deposit given / GE to pay direct 100% balance		$ 331,000	C$	$ 1.00	$ 331,000	
5	2011 - Surface Drilling Rig - #46 (Can#22)	HTM 2500 / w/PQ Head	New	S#Engine 732-056-92	Y	5-Jan-11	PO2953	Usinage Marcotte Inc., Val D'Or, QC	Val D'Or, QC	Y	26-Mar-11	26331	N	gave a deposit $50k, roll deposit to UM drill#2 / GE to pay 100% + VAT		$ 311,000	C$	$ 1.00	$ 311,000	
6	2011 - Surface Drilling Rig - #56 (Can#23)	HTM 2500 / w/PQ Head & Sliding Mast	New	? - DW	Y					Y	12-May-11	46098	N	gave a deposit $50k, plus $50k rolled from UM#1 = $100k, now roll that forward to UM#3 / GE to fund 100% direct to UM		$ 311,000	C$	$ 1.00	$ 311,000	still being manufactured / to be ready early May / need GE funding to pay, get released - tranche #2
7	2011 - Surface Drilling Rig - #61 (Can#22 - moved	A5 Fly Rig / B20 Head	New	2011-035	Y	9-Jun-11	PO#5000	Mitchell's Drilling Equipment Ltd. (Mnfg. By Aggressive Diamond Drilling)	Val D'Or, QC	Y	6-Jul-11	434	Y	13-Jul-11	WT#77 - $150,811	$ 251,352	C$	$ 1.00	$ 251,352	still being manufactured / to be ready end April / need GE funding to pay, get released - tranche #3
8	2011 - Surface Drilling Rig - #62 (Can#23 - moved	A5 Fly Rig / B20 Head	New	2011-038	Y					Y			Y			$ 251,352	C$	$ 1.00	$ 251,352	still being manufactured / to be ready end April / need GE funding to pay, get released - tranche #3
9	2011 - Shramm Rotary RC Rig - #65 (Can#24)	RC Rig from Shramm - T450GT	New	J104-0149	Y	9-Jun-11	PO#4898	Shramm, Inc.	Virginia, USA	Y	21-Sep-11	LITTLE724	Y	4 paym - Jun24 / Jul22 / Sep19(21)	$28K, $50K, $500K & 220k	$ 794,802	US$	$ 0.99	$ 788,854	LDI paid direct / shipped Sep23 / tranche #4
																[redacted]			[redacted]	
b - Drills' Accessory Costs *(Sloops / Pumpshacks / Tanker / Freight / Other)*																				
1	A5 (Mitchel Equim / Aggressive) - Rig #42 / Can#18																			
	Freight	BC to NDN	n/a	n/a	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	$ -	C$	$ 1.00	$ -	[redacted]
	Sloops / Pumpshacks / Tanks / Custom Work	Fabrication Work	New	n/a - as Fabrication work	Y	15-Mar-11	PO4155	LEM Manufacturing Inc.	Moncton, NB & Notre Dame, QC	Y	28-Mar-11	2011-02	N	no deposit given / GE to pay LEM direct		$ 45,000	C$	$ 1.00	$ 45,000	
																$ 45,000			$ 45,000	
2	A5 (Mitchel Equim / Aggressive) - Rig#43 / Can#19																			
	Freight	BC to NDN	n/a	n/a	N/A	N/A	N/A	Michell's Drilling Equipment (Aggressive Diamond Drilling)	Kelowna, BC	Y	17-Feb-11	398	Y	17-Feb-11	WT#77 - 257,474.77	$ 7,800	C$	$ 1.00	$ 7,800	[redacted]
	Pressure pump	435 Pressure Pump	New	none provided by vendor	??	??	? - LG			Y	17-Feb-11	399	Y	23-Feb-11	WT# - 15602751 - $251,227.61	$ 13,800	C$	$ 1.00	$ 13,800	
	Sloops / Pumpshacks / Tanks / Custom Work	Fabrication Work	New	n/a - as Fabrication work	Y	15-Mar-11	PO4157	LEM Manufacturing Inc.	Moncton, NB & Notre Dame, QC	Y	28-Mar-11	2011-03	N	no deposit given / GE to pay LEM direct		$ 45,000	C$	$ 1.00	$ 45,000	
																$ 66,600			$ 66,600	
3	A5 (Mitchel Equim / Aggressive) - Rig#44 / Can#20																			
	Freight	BC to NDN	n/a	n/a	N/A	N/A	N/A	Michell's Drilling Equipment (Aggressive Diamond Drilling)	Kelowna, BC	Y	17-Feb-11	398	Y	17-Feb-11	WT#77 - 257,474.77	$ 7,800	C$	$ 1.00	$ 7,800	[redacted]
	Sloops / Pumpshacks / Tanks / Custom Work	Fabrication Work	New	n/a - as Fabrication work	Y	15-Mar-11	PO4158	LEM Manufacturing Inc.	Moncton, NB & Notre Dame, QC	Y	28-Mar-11	2011-04	N	no deposit given / GE to pay LEM direct		$ 45,000	C$	$ 1.00	$ 45,000	
																$ 52,800			$ 52,800	
4	Duralite 1000 (Coastal / Duralite) - Rig#45 / Can#21																			
	Freight	NL to Mct to Wabush	n/a	n/a	N/A	N/A	N/A	Mallart Transportation	Dieppe, NB	Y	28-Apr-11	83732	Y	12-May-11	CK#4673	$ 6,400	C$	$ 1.00	$ 6,400	LG to arrange shipping / LDW to pay in April / GE to reimburse LDI in tranche #2
	Fly Shack	Coastal Hydraulics	New	none provided	Y	28-Mar-11	PO4153	Coastal Hydraulics Ltd. (Duralite Diamond Drills)	Triton, NL	Y	28-Mar-11	823	N	no deposit given / GE to pay Coastal direct		$ 15,000	C$	$ 1.00	$ 15,000	[redacted]
	Sloops / Pumpshacks / Tanks / Custom Work	LDI - make	New	n/a - as Fabrication work	Y	15-Mar-11	PO4148	LEM Manufacturing Inc.	Moncton, NB & Notre Dame, QC	Y	10-May-11	2011-05	Y	12-May-11	CK#4874	$ 45,000	C$	$ 1.00	$ 45,000	work to be done by LEM during early April / LDI to pay and GE to re-imburse LDI - tranche #2

Landdril International Ltd.
Capital Asset Additions - GE Loans - 2011
Last Updated Sep26/11

Legend: missing information - LGauvin; missing information - DWest; used asset; Loan#1 - Tranche#1; Loan#1 - Tranche#2; Loan#2; Loan#3

#	Asset Description	Model	New / Used	Serial #	Ordered: Y/N	Ordered: Order Date	Ordered: PO #	Vendor: Name	Vendor: Location	Bought / Received / Invoiced: Y/N	Bought / Received / Invoiced: Invoice Date	Bought / Received / Invoiced: Invoice #	LDI Paid: Y / N	LDI Paid: Date	LDI Paid: Ck# / WT#	Invoice $ (Pre-Tax Amount): $	Invoice $ (Pre-Tax Amount): Currency	Invoice $ (Pre-Tax Amount): FX	Invoice $ (Pre-Tax Amount): C$	Comment on Status of Rig / Equipment
																$ 56,400			$ 56,400	
5	HTM2500 (UM) - Rig#46 / Can#22																			
	Freight	Val D'Or to NDN	n/a	n/a	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	$ -	C$	$ 1.00	$ -	n/a
	Sloops / Pumpshacks / Tanks / Custom Work	Fabrication Work	New	n/a - as Fabrication work	Y	15-Mar-11	PO4146	LEM Manufacturing Inc.	Moncton, NB & Notre Dame, QC	Y	10-May-11	2011-05	Y	12-May-11	CK#4874	$ 45,000	C$	$ 1.00	$ 45,000	work to be done by LEM during early April / LDI to pay and GE to re-imburse LDI - tranche #2
																$ 45,000			$ 45,000	
6	HTM2500 (UM) - Rig#56 / Can#23																			
	Freight	Val D'Or to NDN	n/a	n/a	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	$ -	C$	$ 1.00	$ -	n/a
																$ -			$ -	
7	AS (Mitchel Equim / Aggressive) - Rig#61/62 / Can#22/23																			
	Freight	BC to NDN	n/a	n/a	N/A	N/A	N/A	Mellard Transportation Services Inc.	Kelowna, BC	Y	16-Aug-11	84090	Y	27-Sep-11	[redacted]	$ 8,965	C$	$ 1.00	$ 8,965	drill shipped in July - fund for loan #3
																$ 8,965			$ 8,965	
8	AS (Mitchel Equim / Aggressive) - Rig#62 / Can#23 - SEE ABOVE																			
9	Shramm - Rig#65 / Can#24																			
	Freight	Pennsylvania to Canada	n/a	n/a	N/A	N/A	N/A	[redacted]									C$	$ 1.00	$ 15,000	drill shipped in mid Sep - for loan #3
																$ 15,000			$ 15,000	
																[illegible]			[illegible]	
														Total Cost of Drills & Access [illegible]		[illegible]	GE funds @ [illegible]		[illegible]	
															[illegible]				[illegible]	
															[illegible]				[illegible]	
	SUPPORT EQUIPMENT																			
	a - Snowmobiles *(have 9 / adding 12 in 2011 = 21)*																			
1	2011 - Bomardier Snowmobiles - #10	Tundra Sport 550	New	2BPSGKBA2BV000538	Y	7-Jan-11	PO3000	Location Blais	Rouy-Noranda, QC	Y	7-Jan-11	009835	Y	11-Jan-11	WT-# 15192247 - $28,313.28	$ 7,699	C$	$ 1.00	$ 7,699	[redacted]
2	2011 - Bomardier Snowmobiles - #11	Tundra Sport 550	New	2BPSGKBA4BV000704	Y					Y			Y			$ 7,699	C$	$ 1.00	$ 7,699	
3	2011 - Bomardier Snowmobiles - #12	Tundra Sport 550	New	2BPSGKBAXBV000710	Y					Y			Y			$ 7,699	C$	$ 1.00	$ 7,699	
4	2011 - Bomardier Snowmobiles - #13	Tundra Sport 550	New	2BPSGKBA4BV000823	Y	10-Feb-11	? - MP/LG	Location Blais	Rouy-Noranda, QC	Y	10-Feb-11	009801	Y	11-Feb-11	WT-#15493819	$ 7,699	C$	$ 1.00	$ 7,699	
5	2011 - Bomardier Snowmobiles - #14	Tundra Skandic 300F	Used	2BPSGA7897V001043	Y	? - LG	? - LG	City Auto Parts	Labrador City, Lab., NL	Y	12-Jan-11	I-327612	Y	20-Jan-11	ck#4146	$ 4,200	C$	$ 1.00	$ 4,200	
6	2011 - Bomardier Snowmobiles - #15	Expedition Sport 550F	New	2BPSKABA4BV000114	Y					Y		I-327610	Y			$ 9,104	C$	$ 1.00	$ 9,104	
7	2011 - Bomardier Snowmobiles - #16	Expedition Sport 550F	New	2BPSKABA4BV000182	Y					Y		I-327611	Y			$ 9,104	C$	$ 1.00	$ 9,104	
8	2011 - Bomardier Snowmobiles - #17	Tundra Sport 550	New	2BPSGKBA1BV000689	Y	7-Jan-11	? - MP/LG	Location Blais	Rouy-Noranda, QC	Y	7-Jan-11	009836	Y	2/16/11	WT-# 15562875 - $17,817.78	$ 7,699	C$	$ 1.00	$ 7,699	
9	2011 - Bomardier Snowmobiles - #18	Tundra Sport 550	New	2BPSGKBA8BV000848	Y					Y			Y			$ 7,699	C$	$ 1.00	$ 7,699	
10	2011 - Bomardier Snowmobiles - #19	Tundra Sport 550	New	2BPSGKBA5BV000419	Y	4-Mar-11	? - MP/LG	Location Blais	Rouy-Noranda, QC	Y	4-Mar-11	009849	Y	24-Mar-11	WT-#15863405 - $25,629.71	$ 7,499	C$	$ 1.00	$ 7,499	
11	2011 - Bomardier Snowmobiles - #20	Tundra Sport 550	New	2BPSGKBA5BV000839	Y					Y			Y			$ 7,499	C$	$ 1.00	$ 7,499	
12	2011 - Bomardier Snowmobiles - #21	Tundra Sport 550	New	2BPSGKBA8BV000365	Y					Y			Y			$ 7,499	C$	$ 1.00	$ 7,499	
																[illegible]			[illegible]	

Landdril International Ltd.
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Legend: missing information - LGauvin; missing information - DWest; used asset; Loan#1 - Tranche#1; Loan#1 - Tranche#2; Loan#2; Loan#3

					Ordered			Vendor		Bought / Received / Invoiced			LDI Paid			Invoice $ (Pre-Tax Amount)				
#	Asset Description	Model	New / Used	Serial #	Y/N	Order Date	PO #	Name	Location	Y/N	Invoice Date	Invoice #	Y / N	Date	Ck# / WT#	$	Currency	FX	C$	Comment on Status of Rig / Equipment
b - Dozers *(have 5 / adding 4 in 2011 = 9)*																				
1	1987 - Dozer (Caterpillar) - #6	Caterpillar D6D	Used	06X01655	Y	5-Apr-11	PO4298	Rene Clement	Nedelec, QC	Y	28-Mar-11	311191	Y	4-Apr-11	ck#4514	$ 52,000	C$	$ 1.00	$ 52,000	bought and possession taken place / GE re-imburse LDI - tranche #2
3	???? - Dozer (Caterpillar) - #7	Caterpillar D6D	Used	20X2253	Y	4-Apr-11	PO4282	R.G. Enterprises Ltd.	Lac du Bonnet, Manitoba	Y	25-Mar-11	782739	Y	4-Apr-11	WT#15983871	$ 43,000	C$	$ 1.00	$ 43,000	bought and possession taken place / GE re-imburse LDI - tranche #2
2	1986 - Dozer (Caterpillar) - #8	Caterpillar D6D	Used	04X10562	Y	25-Mar-11	PO4618	Southeastern Equipment Corporation	Chesapeake, Virginia	Y	28-Mar-11	2442	Y	Apr14th & May 2nd	WT#16083782 ($15k) & ck#50 ($59k)	$ 37,500	US$	$ 1.00	$ 37,500	vendor ready / invoice provided / JD to inspect them then pay & LG to get shipped to Canada / get GE to reimburse LDI / tranche #2
3	1984 - Dozer (Caterpillar) - #9	Caterpillar D6D LGP	Used	06X01130	Y					Y	28-Mar-11	2443	Y			$ 36,500	US$	$ 1.00	$ 36,500	vendor ready / invoice provided / JD to inspect them then pay & LG to get shipped to Canada / get GE to reimburse LDI - tranche #2
																$ 167,000			$ 167,000	
c - Excavators *(have 0 / adding 2 rigs in 2011 = 2)*																				
1	?? - Excavator (JD) - #1	JD270	Used	70157	Y	4-Apr-11	PO4278	Atlantic Tractors & Equipment Limited	Dartmouth, NS	Y	5-Apr-11	B0509801	Y	4-Apr-11	WT#15983871	$ 30,000	C$	$ 1.00	$ 30,000	bought and possession taken place / GE re-imburse LDI - tranche #2
2	?? - Excavator (JD) - #2	JD330	Used	80503	Y	4-Apr-11	PO4725			Y	30-Jun-11	BO680401				$ 35,000	C$	$ 1.00	$ 35,000	vendor delivered to Wabush / waiting for JD to confirm that there are no repair issues / pay in April & get GE to reimburse LDI in loan #3
																$ [illegible]			$ [illegible]	
d - Front End Loaders *(have 1 / adding 2 rigs in 2011 = 3)*																				
1	1988 - Loader (Komatsu) - #2	Komatsu 450A	Used	10669	Y	11-Apr-11	PO3783	Unifleet Equipments Inc.	Blainville, QC	Y	24-Feb-11	1218	Y	4-Mar-11	WT# 15693484 - $28,024	$ 24,800	C$	$ 1.00	$ 24,800	bought and possession taken place / GE re-imburse LDI - tranche #1
2	1991 - Loader (Komatsu) - #3	Komatsu WA500	Used	A20687	Y	28-Mar-11	PO4631	N Johnson Limited	Corner Brook, NL	Y	28-Mar-11	11-032	Y	14-Apr-11	WT#16083818	$ 47,250	C$	$ 1.00	$ 47,250	bought and possession is underway / GE re-imburse LDI - tranche #2
	accessories - tires for Loader #3	Tries	new	n/a	Y	10-May-11	PO4685	Coast Tire	Moncton, NB	Y	10-May-11	403074	Y	10-May-12	CK#4563	$ 24,084	C$	$ 1.00	$ 24,084	to be paid / GE to re-imburse LDI - tranche #2
																$ [illegible]			$ [illegible]	
e - Crawler Carriers *(have 4 / adding 3 in 2011 = 7)*																				
1	1994 - Crawler Carrier (Morooka) - #5	MK50	used	T50079	Y	18-May-11	PO4616	Universal Mine Contracting	Timmins, ON	Y	18-May-11	125	Y	18-May-11	WT#16384148	$ 30,000	C$	$ 1.00	$ 30,000	ordered in May / received in July / LDI paid & GE will re-imburse LDI / tranche #4 = loan #3
2	???? - Crawler Carrier (Morooka) - #6	MST 300 VD	used	????	Y	18-Aug-11	PO5755	National Compressed Air Canada Ltd.	Mississauga, ON				Y	6-Sep-11	ck#5147	$ 40,500	C$	$ 1.00	$ 40,500	loan #3
3	???? - Crawler Carrier (Morooka) - #7	MST 300 VD	used	????	Y	18-Aug-11	PO5755						Y			$ 40,500	C$	$ 1.00	$ 40,500	loan #3
																$ [illegible]			$ [illegible]	
f - Water Truck *(have 0 / adding 1 in 2011 = 1)*																				
1	2000 - Water Truck - #1	GMC 7500	Used	1GDL7H1C5YJ517053	Y	28-Mar-11	PO4159	Eastcan Fire Truck Inc.	Notre Dame, NB	Y	28-Mar-11	4425	Y	28-Mar-11	ck#4506	$ 55,300	C$	$ 1.00	$ 55,300	[illegible]
1	1998 - Water Truck - #2	GMC C8500	Used	1GDT7C6WJ521640	Y	31-May-11	PO4801	Eastcan Fire Truck Inc.	Notre Dame, NB	Y	31-May-11	2128	Y	June 1 & Jun30/11	ck#4797 & 4809	$ 59,500	C$	$ 1.00	$ 59,500	LDI acquired / GE will re-imburse LDI / tranche #4 loan #3
																$ [illegible]			$ [illegible]	
													Total Support Equipment			$ [illegible]	GE funds [illegible]		$ [illegible]	
																Mix C$ & US$			C$	
													Grand total [illegible]			$ [illegible]			$ [illegible]	
													Grand total [illegible]			[illegible]			[illegible]	
													[illegible]			$ [illegible]			$ [illegible]	
													[illegible]							
													2011 Budget allowed spending [illegible] for Canada [illegible] 6 drills and now have added [illegible] drills							

C:\Documents and Settings\lking\Local Settings\Temporary Internet Files\Content.Outlook\1U7REP9I\GE Loans - 2011 - MASTER - Funding

Landdril International Ltd.
Capital Asset Additions - GE Loans - 2011
Last Updated Sep26/11

missing information - LGauvin
missing information - DWest
used asset

Loan#1 - Tranche#1
Loan#1 - Tranche#2
Loan#2
Loan#3

					Ordered			Vendor		Bought / Received / Invoiced			LDI Paid			Invoice $ (Pre-Tax Amount)				
#	Asset Description	Model	New / Used	Serial #	Y/N	Order Date	PO #	Name	Location	Y/N	Invoice Date	Invoice #	Y / N	Date	Ck# / WT#	$	Currency	FX	C$	Comment on Status of Rig / Equipment

Landdril International Ltd.
Capital Asset Additions - GE Loans - 2011
Last Updated Sep26/11

#	Asset Description	Model	[illegible]	Cost	[illegible]	Vendor	LDI	A - Loan#1 Tranche#1 Mar31/11	B - Loan#1 Tranche#2 May24/11	C - Loan#2 Tranche#3 [illegible]	D - Loan#3 Tranche #4 Sep30/11	[illegible]	Vendor Name	Vendor Contact Name
DRILLS														
a - Pure Cost of Drills *(had 17 rigs / less moved 2 to Mexico / plus adding*														
1	2011 - Surface Drilling Rig - #42 (Can#18)	A5 Fly Rig / B20 Head	75%	$ 229,814	[illegible]	$ -	$ 172,211	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Landdrill International Ltd.	Derrick West, CA (LDI CFO) - P# (506) 388-8100, ext225
2	2011 - Surface Drilling Rig - #43 (Can#19)	A5 Fly Rig / B20 Head	75%	$ 229,814	[illegible]	$ -	$ 172,211	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Landdrill International Ltd.	Derrick West, CA (LDI CFO) - P# (506) 388-8100, ext225
3	2011 - Surface Drilling Rig - #44 (Can#20)	A5 Fly Rig / B20 Head	75%	$ 225,464	[illegible]	$ -	$ 169,098	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Landdrill International Ltd.	Derrick West, CA (LDI CFO) - P# (506) 388-8100, ext225
4	2011 - Surface Drilling Rig - #45 (Can#21)	Duralite 1000N / P Drillhead	75%	$ 331,000	[illegible]	$ 374,030	$ (125,780)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Coastal Hydraulics Ltd.	Darren Simms (Controller) - P#(709) 263-7221
5	2011 - Surface Drilling Rig - #46 (Can#22)	HTM 2500 / w/PQ Head	75%	$ 311,000	[illegible]	$ 354,307	$ (121,057)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Usinage Marcotte Inc.	Martin Doyon (President / Owner) - P# (819) 824-3977
6	2011 - Surface Drilling Rig - #56 (Can#23)	HTM 2500 / w/PQ Head & Sliding Mast	75%	$ 311,000	[illegible]	$ 354,307	$ (121,057)	[illegible]	$ 233,250	[illegible]	[illegible]	[illegible]	Usinage Marcotte Inc.	Martin Doyon (President / Owner) - P# (819) 824-3977
7	2011 - Surface Drilling Rig - #61 (Can#22 - moved	A5 Fly Rig / B20 Head	75%	$ 251,352	[illegible]	$ 188,514	$ -	[illegible]	[illegible]	$ 188,514	[illegible]	[illegible]	Mitchell's Drilling Equipment Ltd.	Mitch / phone (250) 789-0487 / fax - (250) 789-0497
8	2011 - Surface Drilling Rig - #62 (Can#23 - moved	A5 Fly Rig / B20 Head	75%	$ 251,352	[illegible]	$ 188,514	$ -	[illegible]	[illegible]	$ 188,514	[illegible]	[illegible]	Mitchell's Drilling Equipment Ltd.	Mitch / phone (250) 789-0487 / fax - (250) 789-0497
9	2011 - Shramm Rotary RC Rig - #65 (Can#24)	RC Rig from Shramm T450GT	75%	$ 786,854	[illegible]	$ -	$ 590,140.49	[illegible]	[illegible]	[illegible]	$ 590,140	[illegible]	Landdrill International Ltd.	Derrick West, CA (LDI CFO) - P# (506) 388-8100, ext225
				$ 2,927,250	[illegible]	$ 1,459,671	$ 735,766	[illegible]	$ 233,250	$ 977,028	$ 590,140			
				-			-							
b - Drills' Accessory Costs *(Sloops / Pumpshacks / Tanker / Freight / Oth*														
1	AS (Mitchel Equim / Aggressive) - Rig #42 / Can#18													
	Freight	BC to NDN	75%	$ -	[illegible]	$ -	$ -	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	n/a	n/a
	Sloops / Pumpshacks / Tanks / Custom Work	Fabrication Work	75%	$ 45,000	[illegible]	$ 47,250	$ (13,500)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	LEM Manufacturing Inc.	Denise Collette, (506) 388-8100 ext222
2	AS (Mitchel Equim / Aggressive) - Rig#43 / Can#19													
	Freight	BC to NDN	75%	$ 7,800	[illegible]	$ -	$ 5,850	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Landdrill International Ltd.	Derrick West, CA (LDI CFO) - P# (506) 388-8100, ext225
	Pressure pump	435 Pressure Pump	75%	$ 13,800	[illegible]	$ -	$ 10,350	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Landdrill International Ltd.	Derrick West, CA (LDI CFO) - P# (506) 388-8100, ext225
	Sloops / Pumpshacks / Tanks / Custom Work	Fabrication Work	75%	$ 45,000	[illegible]	$ 47,250	$ (13,500)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	LEM Manufacturing Inc.	Denise Collette, (506) 388-8100 ext222
3	AS (Mitchel Equim / Aggressive) - Rig#44 / Can#20													
	Freight	BC to NDN	75%	$ 7,800	[illegible]	$ -	$ 5,850	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Landdrill International Ltd.	Derrick West, CA (LDI CFO) - P# (506) 388-8100, ext225
	Sloops / Pumpshacks / Tanks / Custom Work	Fabrication Work	75%	$ 45,000	[illegible]	$ 47,250	$ (13,500)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	LEM Manufacturing Inc.	Denise Collette, (506) 388-8100 ext222
4	Duralite 1000 (Coastal / Duralite) - Rig#45 / Can#21													
	Freight	NL to Mct to Wabush	75%	$ 6,400	[illegible]	$ -	$ 4,800	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Landdrill International Ltd.	Derrick West, CA (LDI CFO) - P# (506) 388-8100, ext225
	Fly Shack	Coastal Hydraulics	75%	$ 15,000	[illegible]	$ 18,950	$ (5,700)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Coastal Hydraulics Ltd.	Darren Simms (Controller) - P#(709) 263-7221
	Sloops / Pumpshacks / Tanks / Custom Work	LDI - make	75%	$ 45,000	[illegible]		$ 33,750	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	LEM Manufacturing Inc.	Denise Collette, (506) 388-8100 ext222

Landdril International Ltd.
Capital Asset Additions - GE Loans - 2011
Last Updated Sep26/11

#	Asset Description	Model	Loan %	Cost	[illegible]	[illegible]	LDI	A - Loan#1 / Tranche #1 Mar31/11	B - Loan#1 / Tranche#2 May24/11	C - Loan#2 Tranche#3 Jun13/11	D - Loan#3 Tranche #4 Sep30/11	[illegible]	Corp Name	Contact Name
5	HTM2500 (UM) - Rig#46 / Can#22													
	Freight	Val D'Or to NDN	75%	$ -									n/a	n/a
	Sloops / Pumpshacks / Tanks / Custom Work	Fabrication Work	75%	$ 45,000			$ 33,750		$ 33,750				UEM Manufacturing Inc.	Denise Collette, (506) 386-8100 ext222
6	HTM2500 (UM) - Rig#56 / Can#23													
	Freight	Val D'Or to NDN	75%	$ -									n/a	n/a
7	AS (Mitchel Equim / Aggressive) - Rig#61/62 / Can#22/23													
	Freight	BO to NDN	75%	$ 8,965			$ 6,724				$ 6,724	[redacted]	Landdrill International Ltd.	Derrick West, CA (LDI CFO) - P# (506) 388-8100, ext225
8	AS (Mitchel Equim / Aggressive) - Rig#62 / Can#23 - SEE ABOVE													
9	Shramm - Rig#65 / Can#24													
	Freight	Pennsylvania to Canada	75%	$ 15,000			$ 11,250				$ 11,250	[redacted]	Landdrill International Ltd.	Derrick West, CA (LDI CFO) - P# (506) 388-8100, ext225
				$ 298,765	[illegible]	$ 158,700	$ 66,124	[illegible]	$ 72,300	[illegible]	$ 17,974			
				-			-							
				$ 3,227,015	[illegible]	$ 1,618,371	$ 801,890	[illegible]	$ 305,550	$ 377,024	$ 608,114			
				-			-							
	SUPPORT EQUIPMENT													
	a - Snowmobiles (have 9 / adding 12 in 2011 = 21)													
1	2011 - Bomardier Snowmobiles - #10	Tundra Sport 550	50%	$ 7,699			$ 3,850						Landdrill International Ltd.	Derrick West, CA (LDI CFO) - P# (506) 388-8100, ext225
2	2011 - Bomardier Snowmobiles - #11	Tundra Sport 550	50%	$ 7,699			$ 3,850						Landdrill International Ltd.	Derrick West, CA (LDI CFO) - P# (506) 388-8100, ext225
3	2011 - Bomardier Snowmobiles - #12	Tundra Sport 550	50%	$ 7,699			$ 3,850						Landdrill International Ltd.	Derrick West, CA (LDI CFO) - P# (506) 388-8100, ext225
4	2011 - Bomardier Snowmobiles - #13	Tundra Sport 550	50%	$ 7,699			$ 3,850						Landdrill International Ltd.	Derrick West, CA (LDI CFO) - P# (506) 388-8100, ext225
5	2011 - Bomardier Snowmobiles - #14	Tundra Skandic 300F	50%	$ 4,200			$ 2,100						Landdrill International Ltd.	Derrick West, CA (LDI CFO) - P# (506) 388-8100, ext225
6	2011 - Bomardier Snowmobiles - #15	Expedition Sport 550F	50%	$ 9,104			$ 4,552						Landdrill International Ltd.	Derrick West, CA (LDI CFO) - P# (506) 388-8100, ext225
7	2011 - Bomardier Snowmobiles - #16	Expedition Sport 550F	50%	$ 9,104			$ 4,552						Landdrill International Ltd.	Derrick West, CA (LDI CFO) - P# (506) 388-8100, ext225
8	2011 - Bomardier Snowmobiles - #17	Tundra Sport 550	50%	$ 7,699			$ 3,850						Landdrill International Ltd.	Derrick West, CA (LDI CFO) - P# (506) 388-8100, ext225
9	2011 - Bomardier Snowmobiles - #18	Tundra Sport 550	50%	$ 7,699			$ 3,850						Landdrill International Ltd.	Derrick West, CA (LDI CFO) - P# (506) 388-8100, ext225
10	2011 - Bomardier Snowmobiles - #19	Tundra Sport 550	50%	$ 7,499			$ 3,750						Landdrill International Ltd.	Derrick West, CA (LDI CFO) - P# (506) 388-8100, ext225
11	2011 - Bomardier Snowmobiles - #20	Tundra Sport 550	50%	$ 7,499			$ 3,750						Landdrill International Ltd.	Derrick West, CA (LDI CFO) - P# (506) 388-8100, ext225
12	2011 - Bomardier Snowmobiles - #21	Tundra Sport 550	50%	$ 7,499			$ 3,750						Landdrill International Ltd.	Derrick West, CA (LDI CFO) - P# (506) 388-8100, ext225
					[illegible]	$ -	$ 45,550	[illegible]			$ -			
							-							

#	Asset Description	Model						A - Loan#1 / Tranche #1 Mar31/11	B - Loan#1 / Tranche #2 May24/11	C - Loan#2 Tranche #3 Jul13/11	D - Loan#3 Tranche #4 Sep30/11		Corp Name	Contact Name
	Landdril International Ltd.													
	Capital Asset Additions - GE Loans - 2011													
	Last Updated Sep26/11													
	b - Dozers *(have 5 / adding 4 in 2011 = 9)*													
1	1987 - Dozer (Caterpillar) - #6	Caterpillar D8D	50%	$ 52,000			$ 26,000		26,000				Landdrill International Ltd.	Derrick West, CA (LDI CFO) - P# (506) 388-8100, ext225
3	???? - Dozer (Caterpillar) - #7	Caterpillar D8D	50%	$ 43,000			$ 21,500		21,500				Landdrill International Ltd.	Derrick West, CA (LDI CFO) - P# (506) 388-8100, ext225
2	1986 - Dozer (Caterpillar) - #8	Caterpillar D8D	50%	$ 37,500			$ 18,750		18,750				Landdrill International Ltd.	Derrick West, CA (LDI CFO) - P# (506) 388-8100, ext225
3	1984 - Dozer (Caterpillar) - #9	Caterpillar D8D LGP	50%	$ 36,500			$ 18,250		18,250				Landdrill International Ltd.	Derrick West, CA (LDI CFO) - P# (506) 388-8100, ext225
					[illegible]	$ -	$ 84,500		$ 84,500	$	$			
							-							
	c - Excavators *(have 0 / adding 2 rigs in 2011 = 2)*													
1	?? - Excavator (JD) - #1	JD270	50%	$ 30,000			$ 15,000		15,000				Landdrill International Ltd.	Derrick West, CA (LDI CFO) - P# (506) 388-8100, ext225
2	?? - Excavator (JD) - #2	JD330	50%	$ 35,000			$ 17,500				$ 17,500	[redacted]	Landdrill International Ltd.	Derrick West, CA (LDI CFO) - P# (506) 388-8100, ext225
					[illegible]	$ -	$ 32,500		$ 15,000	$	$ 17,500			
							-							
	d - Front End Loaders *(have 1 / adding 2 rigs in 2011 = 3)*													
1	1986 - Loader (Komatsu) - #2	Komatsu 450A	50%	$ 24,800			$ 12,400						Landdrill International Ltd.	Derrick West, CA (LDI CFO) - P# (506) 388-8100, ext225
2	1991 - Loader (Komatsu) - #3	Komatsu WA500	50%	$ 47,250			$ 23,625		23,625				Landdrill International Ltd.	Derrick West, CA (LDI CFO) - P# (506) 388-8100, ext225
	accessories - tires for Loader #3	Tires	50%	$ 24,084			$ 12,042		12,042				Landdrill International Ltd.	Derrick West, CA (LDI CFO) - P# (506) 388-8100, ext225
					[illegible]	$ -	$ 48,067	[illegible]	$ 35,667		$			
							-							
	e - Crawler Carriers *(have 4 / adding 3 in 2011 = 7)*													
1	1994 - Crawler Carrier (Morooka) - #5	MK50	50%	$ 30,000			$ 15,000				$ 15,000	Y	Landdrill International Ltd.	Derrick West, CA (LDI CFO) - P# (506) 388-8100, ext225
2	???? - Crawler Carrier (Morooka) - #6	MST 300 VD	50%	$ 40,500	20,250		$ 20,250				$ 20,250	[redacted]	Landdrill International Ltd.	Derrick West, CA (LDI CFO) - P# (506) 388-8100, ext225
3	???? - Crawler Carrier (Morooka) - #7	MST 300 VD	50%	$ 40,500			$ 20,250				$ 20,250		Landdrill International Ltd.	Derrick West, CA (LDI CFO) - P# (506) 388-8100, ext225
					55,500	$ -	$ 55,500		$	$	$ 55,500			
							-							
	f - Water Truck *(have 0 / adding 1 in 2011 = 1)*													
1	2000 - Water Truck - #1	GMC 7500	50%	$ 55,300			$ 27,650						Landdrill International Ltd.	Derrick West, CA (LDI CFO) - P# (506) 388-8100, ext225
1	1996 - Water Truck - #2	GMC C8500	50%	$ 59,500			$ 29,750				$ 29,750	Y	Landdrill International Ltd.	Derrick West, CA (LDI CFO) - P# (506) 388-8100, ext225
					57,400	$ -	$ 57,400	[illegible]	$	$	$ 29,750			
							-							
				$ 647,033	323,516	$ -	$ 323,516	85,600	$ 135,167	$	$ 102,750			
							-							
				$ 3,974,048	$ [illegible]	$ 1,618,371	$ 1,125,406	$ 1,215,169	$ 440,717	$ 377,028	$ 710,864	$ [illegible]		-
					$ 2,250,000 - Total loan availability									
					$ (493,277) excess - need to [illegible] overall 2011 borrowing capacity									
							# drills -	[illegible]	1	2	1			
					Pay to:	Usinage Marcotte		$ 354,307	$ 354,307	$	$			
						Coastal Hydraulics		590,980						
						Mitchell Equipment / Agress				377,028				
						Shramm, Inc								
						LEM Manufacturing		141,750						
						Pay to Landdrill Int. Ltd.		128,132	85,410		710,864			

Landdril International Ltd.
Capital Asset Additions - GE Loans - 2011
Last Updated Sep26/11

#	Asset Description	Model		Cost					A - Loan #1 Tranche #1	B - Loan #1 Tranche #2 May24/11	C - Loan #2 Tranche #3 Jul13/11	D - Loan #3 Tranche #4 Sep30/11	[illegible]		
							Total to Disburse		[illegible]	$ 440,717	$ 377,028	$ 710,864	[illegible]		
						Summary			[illegible]	#2 (May/11)	#3 (Jul/11)	#4 (Sep/11)	Total		
							Cost		[illegible]	$ 677,734	$ 502,703	$ 1,016,319	[illegible]	-	
							Loan proceeds		[illegible]	(440,717)	(377,028)	(710,864)	[illegible]	-	
							Net - from working capital		[illegible]	$ 237,017	$ 125,676	$ 305,455	[illegible]	-	
							Loan as a % of total cost		[illegible]	65%	75%	70%	[illegible]		

Landdrill International Inc.
Loan - GE Equipm #4 - LDI Ltd. (CND)
Loan Given 24-May-11
Amortization 3.0

Security		Drills		SE	6 surface drills
Cost	$	269,615	$	122,889	$ 2,355,025
# Drills / %		6		6	70%
Cost / Loan	$	1,617,692	$	737,333	$ 1,655,886

Finance Fee	
$	67,500
	4%
	-

#	Date	Opening Amount	Loan Advances	Interest 9.033%	Payment Amnt	Balance	LTD Sum.	Current Port. LTD - BS Note to Q FS	Calendar Principal Repayment
					0				
	Mar-11		1,215,169			1,215,169		405,056	
	30-Apr-11	1,215,169			-	1,215,169		405,056	
	24-May-11	1,215,169	440,717	14,946	14,946	1,655,886		503,100	
1	24-Jun-11	1,655,886		12,465	52,682	1,615,669		506,887	
2	24-Jul-11	1,615,669		12,162	52,682	1,575,148		510,703	
3	24-Aug-11	1,575,148		11,857	52,682	1,534,323		514,547	
4	24-Sep-11	1,534,323		11,550	52,682	1,493,191		518,421	
5	24-Oct-11	1,493,191		11,240	52,682	1,451,748		522,323	
6	24-Nov-11	1,451,748		10,928	52,682	1,409,994		526,255	
7	24-Dec-11	1,409,994		10,614	52,682	1,367,926	1,367,926	530,216	287,960
8	24-Jan-12	1,367,926		10,297	52,682	1,325,541	-	534,207	
9	24-Feb-12	1,325,541		9,978	52,682	1,282,837		538,229	
10	24-Mar-12	1,282,837		9,657	52,682	1,239,811		542,280	
11	24-Apr-12	1,239,811		9,333	52,682	1,196,461		546,362	
12	24-May-12	1,196,461		9,006	52,682	1,152,786		550,475	
13	24-Jun-12	1,152,786		8,678	52,682	1,108,781		554,619	
14	24-Jul-12	1,108,781		8,346	52,682	1,064,445		558,793	
15	24-Aug-12	1,064,445		8,013	52,682	1,019,776		563,000	
16	24-Sep-12	1,019,776		7,676	52,682	974,770		567,238	
17	24-Oct-12	974,770		7,338	52,682	929,425		571,508	
18	24-Nov-12	929,425		6,996	52,682	883,739		575,810	
19	24-Dec-12	883,739		6,652	52,682	837,710		580,144	530,216
20	24-Jan-13	837,710		6,306	52,682	791,333		584,511	
21	24-Feb-13	791,333		5,957	52,682	744,608		588,911	
22	25-Mar-13	744,608		5,605	52,682	697,531		593,344	
23	25-Apr-13	697,531		5,251	52,682	650,099		650,099	
24	25-May-13	650,099		4,894	52,682	602,311		602,311	
25	25-Jun-13	602,311		4,534	52,682	554,163		554,163	
26	25-Jul-13	554,163		4,171	52,682	505,652		505,652	
27	25-Aug-13	505,652		3,806	52,682	456,776		456,776	
28	25-Sep-13	456,776		3,438	52,682	407,532		407,532	
29	25-Oct-13	407,532		3,068	52,682	357,918		357,918	
30	25-Nov-13	357,918		2,694	52,682	307,930		307,930	
31	25-Dec-13	307,930		2,316	52,682	257,566		257,566	580,144
32	25-Jan-14	257,566		1,939	52,682	206,822		206,822	
33	25-Feb-14	206,822		1,557	52,682	155,697		155,697	
34	26-Mar-14	155,697		1,172	52,682	104,187		104,187	
35	26-Apr-14	104,187		784	52,682	52,289		52,289	
36	26-May-14	52,289		394	52,682	0		0	257,565
				255,618	1,911,503	0			1,655,886
			avg / yr	85,206		(0)			(0)
			Inter recalc	9.6%					

Z:\MyFiles\Derrick\Financing\Debt\Debt - MASTER - LTD - GE#4 - 6 Drills (May2411)

Derrick West

From: Burn, Roland (GE Capital) <roland.burn@ge.com>
Sent: July-07-11 8:20 PM
To: Derrick West
Subject: Amortization Schedule - Tranche 1 & 2 - Combined Loan
Attachments: Landdrill - Amortization - 150011609070.pdf

Hi Derrick,

As previously requested, attached is an amortization schedule for the combined tranche 1 / 2 loan that was funded earlier this year.

With regards to the two new A5's, I'll forward loan documentation as soon as complete.

Roland

Roland Burn
Senior Account Manager
GE Capital

T: (902) 468-8269
F: (902) 468-8270
C: (902) 456-9328
D: *439-8269
E: roland.burn@ge.com
www.gecapital.ca

GE Canada Equipment Financing G.P.
239 Brownlow Ave., Suite 204
Dartmouth, NS B3B 2B2

Landdrill International Ltd. - 150011609070

The schedule has been produced for information purpose only. It does not represent General Electric Canada Equipment Finance G.P.'s accounting or tax treatment of any lease or loan transaction. The schedule therefore cannot be used to calculate nor verify any prepayment or early release of title to equipment held as security.

Compound Period .... : Monthly

Nominal Annual Rate .... : 9.033 %

CASH FLOW DATA

	Event	Date	Amount	Number	Period	End Date
1	Loan	05/24/2011	1,655,885.88	1		
2	Payment	06/24/2011	52,682.16	36	Monthly	05/24/2014

AMORTIZATION SCHEDULE - Normal Amortization

	Date	Payment	Interest	Principal	Balance
Loan	05/24/2011				1,655,885.88
1	06/24/2011	52,682.16	12,464.68	40,217.48	1,615,668.40
2	07/24/2011	52,682.16	12,161.94	40,520.22	1,575,148.18
3	08/24/2011	52,682.16	11,856.93	40,825.23	1,534,322.95
4	09/24/2011	52,682.16	11,549.62	41,132.54	1,493,190.41
5	10/24/2011	52,682.16	11,239.99	41,442.17	1,451,748.24
6	11/24/2011	52,682.16	10,928.03	41,754.13	1,409,994.11
7	12/24/2011	52,682.16	10,613.73	42,068.43	1,367,925.68
2011 Totals		368,775.12	80,814.92	287,960.20	
8	01/24/2012	52,682.16	10,297.06	42,385.10	1,325,540.58
9	02/24/2012	52,682.16	9,978.01	42,704.15	1,282,836.43
10	03/24/2012	52,682.16	9,656.55	43,025.61	1,239,810.82
11	04/24/2012	52,682.16	9,332.68	43,349.48	1,196,461.34
12	05/24/2012	52,682.16	9,006.36	43,675.80	1,152,785.54
13	06/24/2012	52,682.16	8,677.59	44,004.57	1,108,780.97
14	07/24/2012	52,682.16	8,346.35	44,335.81	1,064,445.16
15	08/24/2012	52,682.16	8,012.61	44,669.55	1,019,775.61
16	09/24/2012	52,682.16	7,676.36	45,005.80	974,769.81
17	10/24/2012	52,682.16	7,337.58	45,344.58	929,425.23
18	11/24/2012	52,682.16	6,996.25	45,685.91	883,739.32
19	12/24/2012	52,682.16	6,652.35	46,029.81	837,709.51
2012 Totals		632,185.92	101,969.75	530,216.17	
20	01/24/2013	52,682.16	6,305.86	46,376.30	791,333.21
21	02/24/2013	52,682.16	5,956.76	46,725.40	744,607.81
22	03/24/2013	52,682.16	5,605.04	47,077.12	697,530.69
23	04/24/2013	52,682.16	5,250.66	47,431.50	650,099.19
24	05/24/2013	52,682.16	4,893.62	47,788.54	602,310.65
25	06/24/2013	52,682.16	4,533.89	48,148.27	554,162.38

Landdrill International Ltd. - 150011609070

The schedule has been produced for information purpose only. It does not represent General Electric Canada Equipment Finance G.P.'s accounting or tax treatment of any lease or loan transaction. The schedule therefore cannot be used to calculate nor verify any prepayment or early release of title to equipment held as security.

	Date	Payment	Interest	Principal	Balance
26	07/24/2013	52,682.16	4,171.46	48,510.70	505,651.68
27	08/24/2013	52,682.16	3,806.29	48,875.87	456,775.81
28	09/24/2013	52,682.16	3,438.38	49,243.78	407,532.03
29	10/24/2013	52,682.16	3,067.70	49,614.46	357,917.57
30	11/24/2013	52,682.16	2,694.22	49,987.94	307,929.63
31	12/24/2013	52,682.16	2,317.94	50,364.22	257,565.41
2013 Totals		632,185.92	52,041.82	580,144.10	
32	01/24/2014	52,682.16	1,938.82	50,743.34	206,822.07
33	02/24/2014	52,682.16	1,556.85	51,125.31	155,696.76
34	03/24/2014	52,682.16	1,172.01	51,510.15	104,186.61
35	04/24/2014	52,682.16	784.26	51,897.90	52,288.71
36	05/24/2014	52,682.16	393.45	52,288.71	0.00
2014 Totals		263,410.80	5,845.39	257,565.41	
Grand Totals		1,896,557.76	240,671.88	1,655,885.88	

Landdrill International Ltd. - 150011609070

The schedule has been produced for information purpose only. It does not represent General Electric Canada Equipment Finance G.P.'s accounting or tax treatment of any lease or loan transaction. The schedule therefore cannot be used to calculate nor verify any prepayment or early release of title to equipment held as security.

Last interest amount decreased by 0.15 due to rounding.

GE Capital

239 Brownlow Ave., Suite 204,
Dartmouth, Nova Scotia, B3B 2B2

August 29, 2011

Landdrill International Ltd.
160 MacNaughton Ave.
Moncton, New Brunswick,
E1H 3L9

Subject: **Equipment Loan and Security Agreement #150011609070**

Dear Madam or Sir,

Please note the change in your payments on the above-mentioned contract, as mentioned in Schedule B of the contract.

As of May 27, 2011 the ask rate for a 2 year CA dollar fixed interest rate swap was 1.83%. This swap rate plus 7.20% generates a fixed rate of 9.03%. Therefore, your new payments for the agreement mentioned above are $52,682.16 per month. Your monthly payments will be due on the 24th day of each month with the first payment on June 24, 2011.

We trust this is to your satisfaction.

Note that the documents and any verification statement of security interest registration will be posted on Online Services (http://www.gecapitalsolutions.ca/en) for access by customers only.

Yours sincerely,

GE Canada Equipment Financing G.P.

By: ______________________

11-2011-711

150011609070
GE Capital

Marcelyne Vigneault
Team Leader Atlantic / Documentation Manager
1250, boulevard René-Lévesque West, suite 1100
Montreal, Quebec H3B 4W8
Canada
T 514 394 3246
F 1 877 274 5401
marcelyne.vigneault@ge.com

May 18, 2011

Landdrill International Ltd.
160, MacNaughton Ave.
Moncton, New Brunswick
E1H 3L9

To the attention of Derrick West, Chief Financial Officer

Re: Equipment Loan and Security Agreement no. 150011609070 dated March 30, 2011 ("ELSA")

Dear Sir:

Please note that, further to the reception of documentation to finalize the above-captioned transaction, certain information contained in the transaction documents have been modified as follows:

1. The Financed Amount is modified for: 1,655,885.88 $.

2. As per the EQUIPMENT AND AMENDMENT provision in the ELSA, the Schedule A of the ELSA is modified to add equipment in the description and is then replaced by the updated Schedule A attached herein.

Except for the above corrections and modifications, all of the terms and conditions of the transaction documents remain unchanged. Would you please acknowledge the above by signing and returning to us the attached copy of this letter at your earliest convenience.

Yours very truly,

GE Canada Equipment Financing G.P.

By: ______________________

Name: Marcelyne Vigneault Vigneault
Title: Team Leader Atlantic / Atlantic & Documentation Manager

ACKNOWLEDGED AND ACCEPTED BY

Landdrill International Ltd.

By: ______________________

Name: Derrick West
Title: Chief Financial Officer
Date: May 18th, 2011
(Authorized officer)

150011609070

GE Capital

REQUEST FOR PROGRESS ADVANCE

May 18, 2011

TO: GE Canada Equipment Financing G.P. ("GE")
239, Brownlow Ave., Dartmouth, NS B3B 2B2

RE: Number 150011609070 dated March 30, 2011 (the "Agreement") between GE and the undersigned

The undersigned hereby requests GE to make an advance in the amount of CAD$440,716.98 (the "Progress Advance"). The undersigned further authorizes and directs GE to pay the Progress Advance as follows:

Pay to the following Supplier(s) the amount(s) specified below, in payment of the following invoice(s), copy of which is attached hereto:

Supplier(s)	Invoice Number	Amount
		$
Usinage Marcotte Inc.	48098	354,306.75 $
Sub total		$ 354,306.75 $

Pay to the undersigned the amount(s) specified below, in payment of the following invoice(s) previously paid by Client, copy of which and of proof of such payments is attached hereto:

Supplier(s)	Invoice Number	Amount
		$
Mallard Transportation Service Inc.	83732,	
LEM Manufacturing Inc.	2011-05 & 2011-06	
René Clément	311191	
R.G. Enterprises Limited	782739	
Southeastern Equipment Corporation	2442 & 2443	
Atlantic CAT – Atlantic Tractors & Equipment Limited	B0509601	
N. Johnson Limited	11-032	
Coast Tire & Auto Service	403074	
Sub total		$ 86,410.23

This request for Progress Advance including copies of the invoices attached hereto form an integral part of the Agreement.

LANDDRILL INTERNATIONAL LTD.

By: ______________________
Name:
Title:

By: ______________________
Name:
Title:

Signature of authorized officers

GE 1061A E (07-2004)

GE Capital

SCHEDULE A

150011609070

This SCHEDULE A is an integral part of the EQUIPMENT LOAN AND SECURITY AGREEMENT No. 150011609070 executed at Moncton, New-Brunswick, this 30th day of March, 2011.

EQUIPMENT

UNITS MODEL YEAR DESCRIPTION SERIAL Nos.

DRILLS:

Two (2) 2011 Zinex A5 diamond drills S/N's: 2011-015 , 2011-017 c/w Isuzu 6 cylinder engines, B20 heads, synchronized footclamps, wireline spools, mud mixers, mud tanks, one (1) transfer pump for hydraulic oil with filter, two (2) P footclamp upgrades, two (2) hoisting winches for A5, two (2) feed frame skids with stand (powdercoated), two (2) engine skids (powdercoated), one (1) 435 pressure pump, and two (2) sloops, pump shacks, and tanks

One (1) 2011 Zinex A5 diamond drill S/N: 2011-018 c/w Isuzu 6 cylinder engine, B20 head, synchronized footclamp, wireline spool, mud mixer, mud tank, transfer pump for hydraulic oil with filter, P footclamp upgrade, hoisting winch for A5, 435 pressure pump, and sloop, pump shack, and tank

One (1) 2011 Duralite 1000N heli-portable drill rig S/N: DL201102 c/w P drill head assembly c/w N size jaws, P rod clamp c/w N size jaws, Pratissoli pressure pump c/w water tank, fiberglass floors c/w two (2) sets of foundation beams, 100' rod winch cable, and 12' x 16' Duralite 1000N fiberglass flyshack
One (1) fabrication work – sloop / pump shack / tank / custom work, support equipment for surface

One (1) 2011 Usinage Marcotte HTM-2500 drill w/ P.Q. head, c/w engine QSB6.TPU260-0 S/N: 732 056 92 , drill head S/N: FLDI-088 , head chuck S/N: 560009 JOB12022 , cylinder feed S/N: FLDI-088 , rod clamp S/N: UM , rod handler S/N: M11078-FLDI-088

One (1) 2011 Usinage Marcotte HTM-2500 drill W/PQ HEAD, c/w engine, drill head S/N: FLDI-089-01, cw head chuck, cylinder feed, rod clamp, rod handler

One (1) fabrication work – sloop / pump shack / tank / custom work, support equipment for surface

SNOWMOBILES:

Nine (9) 2011 Bombardier Tundra Sport 550 ski-doo's S/N's: 2BPSGKBA2BV000538 , 2BPSGKBA4BV000704 , 2BPSGKBAX8V000710 , 2BPSGKBA4BV000623 , 2BPSGKBA1BV000689 , 2BPSGKBA6BV000848 , 2BPSGKBA8BV000365 , 2BPSGKBA5BV000419 , 2BPSGKBA5BV000839

One (1) used Bombardier Skandic Tundra 300F ski-doo S/N: 2BPSGA7B97V001043

Two (2) 2011 Bombardier Expedition Sport 550F ski-doo's S/N's: 2BPSKABA4BV000114 , 2BPSKABA4BV000162

FRONT END LOADER:
One (1) 1986 Komatsu WA450A wheel loader S/N: 10669

WATER TRUCK:
One (1) 2000 GMC 7500 water truck S/N: 1GDL7H1C5YJ517053

Landdrill International Ltd. ("Client")

By: X
Name: David Vit, CA
Title: CFO

By: ____________________
Name:
Title:

SIGNATURE OF AUTHORIZED OFFICERS

GE Canada Equipment Financing G.P. ("Lender")

By: ____________________
Name:
Title:

By: ____________________
Name:
Title:

SIGNATURE OF AUTHORIZED OFFICERS

GE Capital

SCHEDULE A

150011609070

This SCHEDULE A is an integral part of the EQUIPMENT LOAN AND SECURITY AGREEMENT No. 150011609070 executed at Moncton, New-Brunswick, this 30th day of March, 2011.

EQUIPMENT

UNITS MODEL YEAR DESCRIPTION SERIAL Nos.

DOZERS:

(1) 1987 Caterpillar Dozer D6D, S/N: 06X01655

(1) 1981 Caterpillar Dozer D6D, S/N: 20X2253

(1) 1986 Caterpillar Dozer D6D, S/N: 04X10562

(1) 1984 Caterpillar Dozer D6D LGP S/N: 06X01130

EXCAVATOR:

(1) 1998 John Deere Hydraulic Excavator, model JD270, S/N: 70157

LOADER

(1) 1991 Komatsu WA 500 Loader, S/N: A20687, BMP Forks, S/N: 15386

29.5R25 DISMOUNT, CRING, 29.5 R25 TI STL3 CS (2") E3/L3

Landdrill International Ltd. ("Client")

By: ⊗
Name: Derek Wood, 14
Title: CFO

By:
Name:
Title:

SIGNATURE OF AUTHORIZED OFFICERS

GE Canada Equipment Financing G.P. ("Lender")

By:
Name:
Title:

By:
Name:
Title:

SIGNATURE OF AUTHORIZED OFFICERS

GE Capital

EQUIPMENT LOAN AND SECURITY AGREEMENT

239 Brownlow Ave., Suite 204
Dartmouth, Nova Scotia, B3B 2B2, Tel: (902) 468-8266, Fax: (902) 468-8270

No: 150011609070

CLIENT: Landdrill International Ltd.

ADDRESS: 160 MacNaughton Ave.
Moncton,New Brunswick
E1H 3L9

CONTACT: Derrick West
Tel: (506) 388-8100

EQUIPMENT LOCATION (if at address other than above)

INSURANCE
Assurance Goguen Champlain Insurance Inc
1040 Champlain St Ste 200
Dieppe
E1A 8L8

EQUIPMENT

UNITS	MODEL	YEAR	DESCRIPTION	SERIAL Nos.
			See Schedule A which is an integral part of this agreement.	

FINANCED AMOUNT
Amount Advanced: 2,250,000.00 CAD
Insurance Premium:
Financing fees:
Financed Amount: 2,250,000.00 = CAD

FINANCING RATE: Fixed Rate 9.12% p.a.
Daily

INSTALMENTS
Instalments: $ 71,671.98 CAD
Instalment date:
Frequency: Monthly
No. of Instalments: 36
First Instalment date:
Original Term: 36 months

ADDITIONAL PROVISIONS
See Schedule B which is an integral part of this agreement.

In consideration of the loan (the "Loan") by Lender (as defined below) to Client in the amount specified under the heading "Financed Amount" above, the receipt of which Client hereby acknowledges, Client acknowledges itself indebted and promises to repay to Lender the Financed Amount. Client also acknowledges that it has agreed to grant to Lender a security interest in the Equipment described above to secure repayment of the Financed Amount on the terms and conditions set forth above, on pages 1, 2, 3 and 4 of document 15133E attached hereto, on all applicable schedules and other attachments hereto, all of which terms and conditions form a part of this Equipment Loan and Security Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Equipment Loan and Security Agreement at Moncton in the province of New Brunswick, this 30th day of March 2011.

Landdrill International Ltd.

By: ("CLIENT")
TITLE
SIGNATURE OF AUTHORIZED OFFICERS
TITLE

GE Canada Equipment Financing G.P.

By: ("LENDER")
Asst. Mgr.
TITLE
Sr. - Atlantic Canada
SIGNATURE OF AUTHORIZED OFFICERS
TITLE

GE 14133A E (12-95)

GE Capital

SCHEDULE A

No: 150011609070

This SCHEDULE A is an integral part of the EQUIPMENT LOAN AND SECURITY AGREEMENT No. 150011609070 executed at Moncton in the province of New Brunswick, this 30th day of March 2011.

EQUIPMENT

UNITS	MODEL	YEAR	DESCRIPTION	SERIAL Nos.

DRILLS:

Two (2) 2011 Zinex A5 diamond drills S/N's: 2011-015 , 2011-017 c/w Isuzu 6 cylinder engines, B20 heads, synchronized footclamps, wireline spools, mud mixers, mud tanks, one (1) transfer pump for hydraulic oil with filter, two (2) P footclamp upgrades, two (2) hoisting winches for A5, two (2) feed frame skids with stand (powdercoated), two (2) engine skids (powdercoated), one (1) 435 pressure pump, and two (2) sloops, pump shacks, and tanks

One (1) 2011 Zinex A5 diamond drill S/N: 2011-018 c/w Isuzu 6 cylinder engine, B20 head, synchronized footclamp, wireline spool, mud mixer, mud tank, transfer pump for hydraulic oil with filter, P footclamp upgrade, hoisting winch for A5, 435 pressure pump, and sloop, pump shack, and tank

One (1) 2011 Duralite 1000N heli-portable drill rig S/N: DL201102 c/w P drill head assembly c/w N size jaws, P rod clamp c/w N size jaws, Pratissoli pressure pump c/w water tank, fiberglass floors c/w two (2) sets of foundation beams, 100' rod winch cable, and 12' x 16' Duralite 1000N fiberglass flyshack

One (1) 2011 Usinage Marcotte HTM-2500 drill w/ P.Q. head, c/w engine QSB6.TPU260-0 S/N: 732 056 92 , drill head S/N: FLDI-088 , head chuck S/N: 560009 JOB12022 , cylinder feed S/N: FLDI-088 , rod clamp S/N: UM , rod handler S/N: M11078-FLDI-088

SNOWMOBILES:

Nine (9) 2011 Bombardier Tundra Sport 550 ski-doo's S/N's:
2BPSGKBA2BV000538 , 2BPSGKBA4BV000704 ,
2BPSGKBAXBV000710 , 2BPSGKBA4BV000623 ,
2BPSGKBA1BV000689 , 2BPSGKBA6BV000848 ,
2BPSGKBA8BV000365 , 2BPSGKBA5BV000419 ,
2BPSGKBA5BV000839

One (1) used Bombardier Skandic Tundra 300F ski-doo S/N:
2BPSGA7B97V001043

Two (2) 2011 Bombardier Expedition Sport 550F ski-doo's S/N's:
2BPSKABA4BV000114 , 2BPSKABA4BV000162

FRONT END LOADER:
One (1) 1986 Komatsu WA450A wheel loader S/N: 10669

WATER TRUCK:
One (1) 2000 GMC 7500 water truck S/N: 1GDL7H1C5YJ517053

Landdrill International Ltd. ("CLIENT")

By: ⊗ [signature]

CFO
TITLE

SIGNATURE OF AUTHORIZED OFFICERS

TITLE

GE Canada Equipment Financing G.P. ("LENDER")

By: [signature] Asst. Mgr
TITLE

[signature] Sr. - Atlantic Canada
TITLE

SIGNATURE OF AUTHORIZED OFFICERS

GE 14133W E (12-95)

1/1

GE Capital

SCHEDULE B

No: 150011609070

This SCHEDULE B is an integral part of the EQUIPMENT LOAN AND SECURITY AGREEMENT No. 150011609070 executed at Moncton in the province of New Brunswick, this 30th day of March 2011.

ADDITIONAL PROVISIONS

TRANSACTION FEE

Client agrees to pay a transaction fee of CAD $ 22,500.00 upon signature hereof.

HYPOTHEC IN QUEBEC

In addition to the disposition of section 5.1, for the purpose of securing payment of the Financed Amount shown on the face hereof and the payment of the Accrued Liability and other sums and the Obligation from time to time due under this Agreement or otherwise and of all other sums from time to time owing on the security hereof and the performance by Client of all Obligations, Client does hereby hypothecate the Equipment and the Receivables (as defined below) in favour of Lender for an amount equal to 120% of the Financed Amount together with interest thereon at the rate of 24% per annum, the accessories of the Financed Amount and all other expenses which may be incurred from time to time by Lender for the protection of its rights or in pursuance of its recourses hereunder or at law.

"Receivables" means the universality consisting of all the rights, title and interest of the Client in and to all claims directly or indirectly held or enjoyed in connection with the possession and use of the Equipment, including without limitation: (a) all income, revenues and profits and other amounts payable or derived from the use, any leasing, renting or hiring, of the Equipment; (b) all indemnities or insurance proceeds, if any, paid or to be paid or to which the Purchaser is or may become entitled, pursuant to any insurance policies covering the Equipment; and (c) all benefits, including full power and authority to demand, sue for, recover, receive and give receipts for all moneys payable and otherwise to enforce the rights of the Client to receive and collect such moneys.

INTEREST RATE (CA SWAP)

The Financed Amount will bear interest at an annual rate equal to 720 basis points above the ask rate for a 2 year CA dollar fixed interest rate swap compounded semi-annually as indicated on the Thomson Reuters Interest Rate Spread Quick Chart CADSB3CB2Y=RR published on the Reuters 3000 Xtra Hosted Terminal Platform for the Friday preceding the disbursement date. This rate shall remain fixed for the entire term of this Agreement. For ease of reference only, Thomson Reuters makes available on the GE web site (www.gecapitalsolutions.ca) a table setting forth such 2 year CA dollar rate for the dates indicated in the table, it being understood that such rates are made available for information purposes only and should not at any time be considered the official reference rates. For indication purposes only, the applicable 2 year swap rate today is 1.917%, plus 720 bps, resulting in a fixed interest rate of 9.117%. The Instalments and the Financing Rate on the signature page of this Agreement are for indication purposes only.

INTERIM FUNDING

1. General

Subject to the terms and conditions contained in this Agreement, Lender may agree from the date on the face hereof to the Closing Date (defined as the earliest to occur of (i) funding by Lender of the total Financed Amount, (ii) May 15th, 2011 or (iii) as the case may be, such other date that may be mutually agreed upon by the parties, to make an interim loan or interim loans (collectively, the "Interim Loan") to Client. The Interim Loan amounts will be disbursed as partial advances of the Financed Amount upon request by Client and shall form part of the Obligations secured hereunder. Notwithstanding the above, Lender shall not be required to disburse any Interim Loan amount, if a Default or event that, with the lapse of time or the giving of notice or both, would constitute a Default, has occurred or is continuing.

2. Manner of Borrowing on the Interim Loans

Initial [initials]

GE Capital

SCHEDULE B

No: 150011609070

This SCHEDULE B is an integral part of the EQUIPMENT LOAN AND SECURITY AGREEMENT No. 150011609070 executed at Moncton in the province of New Brunswick, this 30th day of March 2011.

ADDITIONAL PROVISIONS

Client shall give Lender at least five (5) days' notice in the form of a request for progress advance (the "Request") specifying the date on which any portion of the Interim Loan is to be borrowed. The first Request shall be accompanied by an original copy of the invoices for Equipment to be paid from the proceeds of the Interim Loan. Each Request shall constitute a representation and warranty by Client that as at the date of the Request, no Default or event that, with the lapse of time or the giving of notice or both, would constitute a Default, has occurred and is continuing. Subject to the conditions stated in this Agreement, Lender will disburse the amounts set out in the Request to the invoicing party, or if Client has paid the amount of such invoice, Lender will reimburse Client for such amount upon receipt from Client of proof of such payment. The Interim Loans in an aggregate amount not to exceed the Financed Amount will be disbursed as follows:

i) A First Advance of 1,215,168.90 $, hereafter the "First Advance" representing part of the acquisition cost of the Equipment excluding applicable taxes.
ii) A second Advance up to 1,034,831.10 $, hereafter the "Second Advance" representing part of the acquisition cost of the Equipment excluding applicable taxes.

It is hereby acknowledged that Client will pay the difference between the acquisition cost of the Equipment (including Equipment to be included with the Second Advance) and the amount of the Advances made by Lender.

3. Payment of Interim Loan - Principal and Interest

At the Closing Date, the amount of all outstanding Interim Loan principal balances, together with all outstanding accrued interest thereon, if any, shall be added to, be deemed to form part of, and constitute outstanding amounts as, without novation, the Financed Amount and the terms applicable to the Financed Amount shall apply to such amounts as if they were advanced to Client as part of the Financed Amount. For clarification, the amount of Interim Loans shall not in any way increase the amount that Lender has agreed to make available to Client as part of the Financed Amount. For greater certainty, the said Financed Amount shall bear interest from the Closing Date at the rate set forth on the first page of this Agreement.

The Client shall pay on demand any amount outstanding in excess of the Financed Amount shown on the first page of this Agreement. Nothing herein shall be construed to require Lender to advance any funds to or on behalf of Client at any time, including on the Closing Date, if a Default or event that, with the lapse of time or the giving of notice or both, would constitute a Default, has occurred or is continuing.

4. Notwithstanding paragraph 3 above, upon demand made by Lender, Client agrees to immediately reimburse Lender any Interim Loan disbursed and any other amount due including but not limited to the interest on Interest Disbursement as defined herein.

5. Security

The Equipment being financed by the Interim Loan shall be subject to the security interest created by this Agreement, and Schedule A containing a description of the Equipment and other assets subject to such security shall be amended from time to time, to the extent necessary, to include such Equipment.

6. Installments

Initial AW

GE Capital

SCHEDULE B

No: 150011609070

This SCHEDULE B is an integral part of the EQUIPMENT LOAN AND SECURITY AGREEMENT No. 150011609070 executed at Moncton in the province of New Brunswick, this 30th day of March 2011.

ADDITIONAL PROVISIONS

The number of Instalments required from the Closing Date shall be of 36 months. Lender will advise Client of the amount of the Instalments by written notice, which shall be binding unless contested within 10 days of receipt. The first Instalment shall be payable one month after last draw.

INTERIM LOAN FINANCING RATE AND INSTALMENTS

7.

For the purposes of any Interim Loan(s) as described herein, all amounts outstanding shall bear interest at an annual rate equal to the Interim Loan Financing Rate which rate shall be calculated based on the current Prime Rate from time to time in effect during the term of such Interim Loan(s), plus 7.1 % per annum.

BA RATE (PMS/LIS)

The words "Prime Rate" whenever used herein are replaced by the words "BA Rate", which means, on any day, the annual rate of interest equal to and identified as the average discount rate (rounded upwards, if necessary, to the nearest 0.01%) of three-month Canadian dollar bankers' acceptances as published in the "Bank of Canada Weekly Financial Statistics" every Friday for the next to the last Wednesday (or, if such Wednesday is not a Business Day, the preceding Business Day) of the preceding calendar month; provided, however, that if such rate does not appear in the Bank of Canada Weekly Financial Statistics as contemplated, then the "BA Rate" shall be, on any day, the annual rate of interest equal to and identified as the average discount rate (rounded upwards, if necessary, to the nearest 0.01%) of three-month Canadian dollar bankers' acceptances as displayed on the "Reuters Screen CDOR Page" as at approximately 10:00 a.m. (Toronto time) on the next to the last Wednesday (or, if such Wednesday is not a Business Day, the preceding Business Day) of the preceding calendar month. Notwithstanding anything to the contrary, the BA Rate will never be less than 0.25%.

The interest accruing on Interim Loan(s) from the date of funding by Lender of each Interim Loan to the Closing Date will calculated using the Interim Loan Financing Rate on a daily basis. All accrued interest due by Client to Lender shall payable on the Closing Date.

CONDITIONS PRECEDENT TO DISBURSEMENT

The First Advance will not be disbursed, by the Lender before all the following conditions have been met and all the following documentation have been delivered to the Lender, the whole at the Lender's entire satisfaction:

I. Delivery of an Appraisal Report on all current assets of Client and on the Equipment, and any internal Lender analysis regarding such assets and Equipment;

The Second Advance will not be disbursed, by the Lender before all the following conditions have been met and all the following documentation have been delivered to the Lender, the whole at the Lender's entire satisfaction:

I. Delivery of an Appraisal Report on all current assets of Client and on the Equipment, and any internal Lender analysis regarding such assets and Equipment;

Initial [signature]

GE Capital

SCHEDULE B

No: 150011609070

This SCHEDULE B is an integral part of the EQUIPMENT LOAN AND SECURITY AGREEMENT No. 150011609070 executed at Moncton in the province of New Brunswick, this 30th day of March 2011.

ADDITIONAL PROVISIONS

2. Delivery of all invoices in the name of Client including a complete description of the Equipment financed on 2nd Advance.

3. Delivery of all proof of payment made by Client on each piece of Equipment financed under the 2nd Advance.

4. Satisfactory evidence as determined by Lender at its entire discretion that Client has paid (i) 25% of the total acquisition cost including applicable taxes of all drills financed hereunder, and (ii) 50% of the total acquisition cost including applicable taxes of all support equipment financed hereunder (small support equipment such as snowmobiles, ATVs ect. not exceed 10% of Financed Amount, no ugerground equipment allowed).

EQUIPMENT AND AMENDMENT

As the date hereof, the Equipment described or referred in the face hereof, are only the Equipment pertaining the First Advance. However the Equipment financed on the Second Advance is being part of the Equipment and before the disbursement of the Second Advance, Client agrees and undertakes to execute any document and/or amendment to give effect to that. Client also agrees that, for disbursement of the Second Advance, Lender must be completely satisfied with all requirement, documentation or amendment or other action to be made, including, the perfection a valid first rank security interest and hypothec over the Equipment relating to the Second Advance.

CROSS DEFAULT

Section 13 of the terms and conditions attached to the present (document GE15133E), is amended to add the following paragraph:

(l) Client fails to meet any of its bank's financial covenants and Client shall remain in default if such banks waives the default.

PRICING ADJUSTMENT

In order to preserve the Lender's net economic return, Lender in its sole discretion may adjust the pricing at any time prior to disbursement to reflect: (1) changes in the pricing assumptions of this Agreement; (2) a change in the Lender's funding index rate; (3) tax law changes applicable to the Client; and (4) general market conditions.

Landdrill International Ltd.

By: (X) ("CLIENT")

TITLE

SIGNATURE OF AUTHORIZED OFFICERS

TITLE

GE Canada Equipment Financing G.P.

By: Asst. Mgr ("LENDER")

TITLE

SIGNATURE OF AUTHORIZED OFFICERS SM - ATLANTIC CANADA

TITLE

GE Capital

EQUIPMENT LOAN AND SECURITY AGREEMENT

1. *Interpretation*

1.1 For the purpose of this Agreement:

(a) "Accrued Liability" at any time means the amount equal to the sum of the Financed Amount, any Prepayment Bonus and all other amounts then payable hereunder, including without limitation, any Overdue Payment and accrued interest.

(b) "Affiliate" means in respect of a person, a person or persons that, directly or indirectly through one or more intermediaries, control, are controlled by, or are under common control with, such person, and for the purposes of this definition, "control" means the power to direct or cause the direction of the management and policies of a person whether through the ownership of voting securities or otherwise, and "person" means an individual, corporation, partnership, joint venture, association, trust or unincorporated organization or any trustee, executor, administrator or other legal representative.

(c) "Agreement" means this Equipment Loan and Security Agreement and any applicable schedules hereto, unless the context otherwise requires, and "hereof", "herein", "hereby", "hereunder" and similar expressions refer to this Agreement.

(d) "business day" means a day when the office of Lender at the address stated on the face hereof is open for business.

(e) "Claims" has the meaning assigned in Section 16.

(f) "control" has the meaning attributed to it in the *Canada Business Corporations Act*.

(g) "Client" means the client of Lender stated on the face hereof.

(h) "Conversion Rate" means the rate, expressed in CAD for the purchase of one US dollar, determined by adding 0.0050 CAD/USD to the highest rate which appears on the Bloomberg CAD GIT Page between 7 AM and 5 PM (EST).

(i) "Costs of Disposition" means all costs, disbursements, fees, commissions and other expenses (including legal fees and expenses) which Lender may incur, pay or be liable for in connection with recovering possession of, dismantling, removing, transporting, repairing, processing, reconditioning, storing, selling, leasing or otherwise disposing of Equipment.

(j) "Default" means any of those events or circumstances specified in Section 13.

(k) "Equipment" means the items of personal property described on the face hereof and, when required by the context, individual items thereof.

(l) "Equities" means existing or future rights of counterclaim, defence, set-off, compensation, abatement or offset, legal or equitable.

(m) "Financed Amount" means the amount stated as such on the face hereof owing by Client to Lender or the unpaid outstanding balance thereof, as the context requires.

(n) "Financing Rate" means the rate per annum stated as such on the face hereof.

(o) "Instalments" means the periodic repayment instalments of the Financed Amount, together with interest calculated at the Financing Rate as provided on the face hereof, such instalments stated on the face hereof.

(p) "Lender" means the Lender stated on the face hereof.

(q) "Lien" means any lien, privilege, mortgage, pledge, hypothec, charge, security interest, attachment, assignment, seizure, sequestration, distress, levy or other encumbrance of any nature or kind whatsoever.

(r) "Loss of Equipment" means:

(i) a total or constructive total loss of Equipment, or damage thereto, or theft thereof which, in the reasonable opinion of Lender, renders it impossible or impractical to use the Equipment for its intended purpose, or

(ii) expropriation or confiscation of Equipment by any authority absolutely or for more than 180 days.

(s) "Obligation" means any obligation by Client to pay any amount owing hereunder, including the Financed Amount, Overdue Payments and all other amounts owing hereunder, or to perform any other obligation of Client hereunder or which is secured hereunder.

(t) "Overdue Payment" means any amount owing by Client hereunder and any sum disbursed by Lender pursuant to Section 15 which is not paid when due hereunder, or any portion thereof.

(u) "person" means any natural person, corporation, firm, partnership, trust, sole proprietorship or governmental agency, authority or other entity, however constituted or designated.

(v) "Pledge" means to mortgage, charge, pledge, hypothecate, assign or grant a security interest and the security resulting therefrom and, as a noun, has the corresponding meaning.

(w) "Prepayment Bonus" means a prepayment bonus determined in accordance with Section 2.2.

(x) "Prime Rate" means the yearly rate of interest which National Bank of Canada announces from time to time in Canada as its prime lending rate which is a reference rate for demand loans in Canadian dollars to corporate borrowers.

(y) "Supplier" means any manufacturer, supplier, vendor of or dealer in Equipment or any other person from whom Client has acquired any of the Equipment.

(z) "Taxes" means any and all taxes, imposts, levies, fees, duties and charges imposed by any taxing authority on Lender, Client, the Equipment, its purchase, sale, ownership, security interest thereon, delivery, possession, operation or use including, without limitation, sales, excise, use, health services, property, goods and services, business transfer and value added taxes (including any penalties or interest based on late or non-payment), but excluding taxes imposed on or measured by Lender's overall net income.

(aa) "Warranties" means any and all warranties, guarantees, representations, service contracts, contracts to stock spare parts and similar agreements, oral or written, express, implied or statutory, relating to Equipment.

1.2 In this Agreement, unless the context otherwise requires, the singular includes the plural and vice-versa and words importing gender include each gender.

1.3 All references herein to statutes include the statute as it may be amended, restated or replaced with legislation of comparable effect.

1.4 Acts to be performed hereunder on non-business days shall be performed on the following business day.

2. *Instalments*

2.1 Client hereby acknowledges that it has borrowed from Lender and is thereby, or has otherwise become, indebted to and agrees to repay to Lender, at the address of Lender stated on the face hereof or such other place notified by Lender to Client, the Financed Amount, together with interest thereon, by paying the Instalments stated on the face hereof. Unless otherwise stated, instalments are due on the dates stated on the face hereof in each month, or other period (or the last day of the month, if there is no corresponding date), in arrears, throughout the term hereof. On the final instalment date, Client shall pay Lender the outstanding balance of the Financed Amount, all accrued and unpaid interest thereon and all other amounts payable hereunder.

2.2 Client may at any time prepay the Financed Amount in whole or in part upon payment to Lender of a Prepayment Bonus determined as follows:

(a) if the Financing Rate is a variable rate based on Prime Rate, the bonus shall be three months' interest on the amount prepaid calculated at the Financing Rate in effect at the time of prepayment, or

(b) if the Financing Rate is a fixed rate, the bonus shall be either (i) three months' interest on the amount prepaid calculated at the Financing Rate (the "Minimum Bonus"), if the Financing Rate does not exceed the Prime Rate in effect at the time of prepayment ("Current Prime"), or (ii) the greater of (A) the Minimum Bonus or (B) the amount determined as the product of (x) the Financing Rate less Current Prime times (y) the amount prepaid times (z) the fraction of the number of days to elapse until the final instalment date, disregarding prepayments, divided by 365, if the Financing Rate exceeds Current Prime.

Any portion of the Financed Amount prepaid shall be applied to the remaining Instalments in inverse order of maturity. No part of the Prepayment Bonus shall be applied in reduction of said remaining Instalments. If a Default or a Loss of Equipment occurs, the Prepayment Bonus shall also be payable by Client and shall be calculated by reference to the outstanding balance of the Financed Amount at the time of such Default or Loss of Equipment, as applicable.

3. *Interest*

3.1 The Financed Amount shall bear interest from the date hereof until paid in full to Lender (as well before as after maturity, demand, Default or judgment) at the Financing Rate.

3.2 In addition to interest payable under Section 3.1, each Overdue Payment shall bear interest from the date due until paid in full to Lender (as well before as after demand, Default or judgment) at the rate of 12% per annum, calculated as specified in Section 3.3.

3.3 Interest payable hereunder shall accrue from day to day, be payable in arrears on each Instalment date and be computed upon the daily outstanding balance of the Financed Amount or Overdue Payment, as applicable, and shall be calculated on the basis of the number of days elapsed in a 365-day year. The yearly rate of interest to which each rate of interest expressed herein is equivalent is the product of (a) such rate times (b) the fraction of the number of days in the year divided by 365.

3.4 If the Financing Rate is a variable rate based on Prime Rate, a change in Prime Rate automatically changes the rate of interest payable hereunder to the same extent and in the same manner effective with the frequency stated on the face hereof. Lender shall not be obliged to notify Client of any such change, any right to notice being hereby irrevocably waived by Client.

4. *Title, Ownership*

Title to, ownership of, and all property in Equipment shall remain with Client, but subject always to the security interests and other provisions hereof, and at Client's sole risk, until full payment in cash of all amounts repayable hereunder; prior to such payment, Client's rights therein are to quiet enjoyment and use on the terms and conditions of this Agreement so long as a Default has not occurred.

5. *Security Interest and Warranties as to Equipment*

5.1 In consideration of the Loan, Client hereby mortgages, hypothecates, charges by way of a first fixed charge, and grants to Lender a continuing security interest (herein collectively called a "security interest") in Equipment and Pledges in favour of Lender all insurance claims and all proceeds (including proceeds of proceeds) therefrom with respect to any loss or damage to Equipment or any lease or rental of Equipment, all to secure repayment of the Financed Amount and other Obligations of Client.

5.2 Client represents and warrants to Lender that the Client has good and marketable title to Equipment, free and clear of all Liens, except for the security interests of Lender hereunder. Client agrees to comply with all Warranties accruing to the Client pertaining to Equipment; however, any failure by any vendor to Client of Equipment to comply with any Warranty shall not affect Client's Obligations to Lender hereunder.

6. *Personal Property and Waivers*

6.1 Equipment shall at all times be and remain moveable personal property.

Notwithstanding any purpose for which Equipment may be used or that it may become affixed or attached to land or any structure thereon, Equipment shall remain subject to all rights of Lender hereunder as if it were not so affixed or attached.

6.2 Client agrees to obtain a waiver, if required by and in a form satisfactory to Lender, from any landlord, mortgagee, hypothecary creditor or other encumbrancer of the premises where Equipment is situated (and prior to its becoming affixed if it is to be affixed).

7. *Maintenance, Use, Operation, Alterations, Upgrades, etc.*

7.1 Client shall at its own expense:

(a) maintain Equipment in good operating condition, repair and appearance, ordinary wear and tear only excepted;

(b) comply with all recommendations or requirements of Supplier regarding Equipment so as to preserve all Warranties; and

(c) at Lender's request, enter into a maintenance agreement for Equipment for the full term of this Agreement with Supplier or a competent service and maintenance agent approved by Lender.

7.2 Client shall not, without Lender's consent, make any alterations, additions, accessions or attachments to Equipment. Such consent will only be granted if such changes:

(a) do not materially decrease the value of Equipment or limit, interfere with or frustrate its intended use;

(b) do not prejudice or adversely affect any Warranties; and

(c) are free from, and do not subject Equipment to, any Lien.

7.3 All replacement parts and components, alterations, additions, accessions and attachments to Equipment shall automatically become subject to the security interests created hereby as soon as they are acquired by or on behalf of Client.

7.4 Client shall affix and keep affixed to Equipment any labels supplied by Lender identifying its security interests in Equipment.

8. *Inspection*

Any representative of Lender shall have the right to inspect Equipment at all reasonable times upon notice to Client.

9. *Insurance*

9.1 Client shall at its own expense place and maintain with insurers acceptable to Lender:

(a) comprehensive all risks insurance on Equipment for the greater of the Financed Amount or the full replacement value of the Equipment. Such insurance shall include: (i) a loss payable clause in favour of Lender and (ii) a waiver of subrogation clause in favour of Lender; and

(b) general public liability and property damage insurance with limits of liability at least equal to $1,000,000 or such greater amount as Lender may require. Such insurance shall extend to all liabilities of Client under this Agreement arising out of its use or possession of Equipment and to any potential vicarious liability of Lender as holder of security interests in Equipment created hereby.

9.2 All such policies of insurance shall be in place at the effective date of this Agreement and shall contain endorsements providing that: (a) 30 days' written notice shall be given to Lender before the policy lapses or is materially altered or cancelled; (b) the insurance shall be primary and not contributory; (c) Lender's interests therein shall not be invalidated or otherwise adversely affected by any act or omission, deliberate, negligent or otherwise, of Client or its agents, servants or employees (the so-called "standard mortgage clause"); (d) Lender shall not be responsible for payment of any premiums; and (e) Lender may elect to have all proceeds of loss payable only to itself.

9.3 Client shall supply Lender with certified copies of all insurance policies, endorsements or other evidence of the required coverage satisfactory to Lender within 30 days of the effective date of this Agreement and on request.

9.4 In the event of damage to any item of Equipment amounting to Loss of Equipment, Lender shall be entitled to receive immediate payment of the amount equal to the Accrued Liability with respect to such item of Equipment. Lender may retain any monies received from the insurance proceeds in an amount equal thereto, Client remaining liable for any deficiency.

10. *Taxes, etc.*

Client shall have the sole responsibility for and shall duly and punctually pay all Taxes and all licence and similar fees payable at any time upon, or in respect of, Equipment, this Agreement and any payments or transactions contemplated hereunder.

11. *Liens*

Client shall keep Equipment free of all Liens.

12. *Laws and Regulations*

Client is and shall continue to be in compliance with all laws and regulations relating to use, operation or possession of Equipment or the security interests therein in favour of Lender, and those relating to the prevention of money laundering and terrorism.

13. *Default*

It shall be a Default under this Agreement if:

(a) Client fails to pay any Instalment within 10 days after its due date;

(b) any representation or warranty of Client made herein or in any instrument or document delivered to Lender in connection herewith is false or materially incorrect or misleading;

(c) any insurance coverage required to be obtained and maintained by Client under this Agreement shall lapse, expire or be cancelled;

(d) Client defaults in any other Obligation, or in any obligation under any other agreement with Lender or any Affiliate of Lender and such default continues for 10 days after notice thereof by Lender or such Affiliate, as applicable, to Client;

(e) any act of bankruptcy takes place respecting Client, or any proceeding, petition or notice, voluntary or involuntary, is commenced, made, given or filed, as the case may be, by the Client or any other person, under any present or future statute or law relating to bankruptcy, insolvency or relief from or compromise or arrangement with creditors of Client;

(f) Client ceases or threatens to cease to carry on business or makes or proposes to make any sale of the whole or any substantial portion of its assets in bulk, or otherwise out of the normal course of business;

(g) any execution, sequestration, expropriation or similar process is brought or threatened, by way of notice or otherwise, against, or a distress or analogous process is levied upon the whole or any part of the property of Client or Equipment;

(h) any trustee, receiver, interim receiver, administrator, manager or similar official is appointed with respect to all or any part of the property, assets or undertaking of Client, whether pursuant to any private instrument or agreement or by order of any court;

(i) if ownership of or control and direction over the assets or undertaking of Client or the majority of its voting shares changes, by amalgamation, merger, sale, transfer of shares or otherwise, except pursuant to death of the shareholder, or Client passes any

resolution concerning any matter referred to in paragraph (e) or with respect to, or any proceedings, voluntary or involuntary, are commenced under, any present or future law relating to amalgamation, liquidation, winding-up or dissolution;

(j) an event occurs which, in the opinion of Lender, could reasonably be expected to have a material adverse effect on the condition (financial or otherwise), business, operations, assets, liabilities or prospects of Client, Client's ability to perform any Obligation, or any obligation under any other agreement with Lender or any Affiliate of Lender, or on the rights and remedies of Lender thereunder, and continues for 10 days after notice thereof by Lender or such Affiliate, as applicable, to Client; or

(k) any event or circumstance described in any of paragraphs (c) and (e) through (j) inclusive occurs with respect to any guarantor or surety of Client respecting this Agreement or any person who controls Client or any Affiliate of Client.

A Default under this Agreement shall be deemed a default under all other present and future agreements entered into between Client and Lender or any Affiliate of Lender.

14. ***Lender's Remedies on Default***

Upon Default, Lender shall be entitled to do one or more of the following:

(a) declare this Agreement to be in default (with or without terminating this Agreement) whereupon all Obligations shall be immediately due, payable and enforceable without any notice or demand whatsoever;

(b) terminate this Agreement;

(c) declare any or all of the Obligations to be immediately due and payable, or be subject to immediate performance, as the case may be, without presentment, protest or notice of dishonor, all of which are expressly waived;

(d) take possession of Equipment, without demand, notice or legal proceeding and enter on any premises of Client or any other person for such purpose;

(e) sell, lease or otherwise dispose of Equipment by public or private transaction for such consideration payable immediately and/or deferred and on such terms and conditions as Lender in its discretion determines;

(f) whether or not this Agreement may have been or be deemed to have been terminated, demand, sue for and recover the amount equal to the Accrued Liability, less, if applicable, the net proceeds to Lender derived from the sale, lease or other disposition of the Equipment, after deducting all Costs of Disposition; and

(g) exercise any other rights or remedies and/or take any proceedings available to Lender hereunder, at law or in equity.

In lieu of selling, leasing or otherwise disposing of Equipment, Lender may retain Equipment and cause Equipment to be valued by a qualified appraiser selected by it and such value shall be substituted for and deducted as net proceeds to Lender under subparagraph (f) of this Section. Proceeds of sale, lease or disposal need be deducted only when received, unless Lender elects to take the present value of payments to be received, discounted at the Financing Rate then in effect, compounded monthly.

15. ***Lender's Rights to Remedy Defaults***

If Client fails to perform or comply with any Obligation, Lender may, but has no obligation to, perform same in the name of Client or Lender and make all necessary disbursements in connection therewith, which shall be reimbursed by Client immediately on demand. Lender is hereby appointed Client's lawful attorney to take any such action in Client's name.

16. ***Client's General Indemnities***

Client shall indemnify and save harmless Lender from and against all existing or future losses, costs, charges, expenses, liabilities, claims, demands, penalties, damages, suits, actions and causes of action of every nature and kind whatsoever, including strict liability in tort or in delict (collectively, "Claims") sustained or suffered by Lender, or for which Lender may become liable, resulting from or arising out of:

(a) Lender's lawful exercise or performance of its rights or obligations under this Agreement;

(b) the holding by Lender of a security interest in the Equipment;

(c) any Default;

(d) any personal injury or property damage or other commercial loss arising out of the sale or delivery to, installation, ownership, use, operation, maintenance, condition, return, removal and re-delivery of Equipment; or

(e) any use or operation of Equipment which infringes any patent or other industrial or intellectual property right, unless caused by the gross negligence or wilful misconduct of Lender, its employees, servants or agents.

17. ***Administrative Fees and Expenses***

Client shall pay Lender on demand Lender's prevailing fees and all costs and disbursements (including legal fees and expenses) certified by Lender as having been incurred or made in connection with the enforcement or preservation of any right or remedy arising on Default or in connection with the rendering of financial services under this Agreement including, without limitation, for processing of payments and rendering statements to Client.

18. ***Pre-Authorized Payments***

Client shall execute and deliver to Lender from time to time upon request pre-authorized payment orders in such form as Lender may reasonably request. Lender is hereby authorized to deliver such orders to the financial institution named therein. Client hereby appoints Lender its lawful attorney to take all action contemplated by such payment orders to receive payment of any amount due under this Agreement. Lender may decline any other form of payment.

19. ***Location of Equipment***

19.1 Except as otherwise expressly permitted hereunder, Client shall not part with possession of Equipment nor remove any of same from Canada.

19.2 Client covenants that Equipment will continue to be located where stated on the face hereof, or at any other location agreed to in writing by Lender.

20. ***Assignment and Leasing***

Client shall not assign any rights hereunder and Client shall not sell or attempt to sell Equipment nor lease or rent or attempt to lease or rent Equipment, in any case without the prior consent of Lender, and such consent may be withheld by Lender in its sole and unfettered discretion. No action aforesaid by Client shall relieve Client of any of its Obligations.

21. ***Client's General Representations, Warranties and Covenants***

Client represents and warrants to and covenants with Lender that: (a) if Client is a body corporate, it is and will continue to be a body corporate or other legal entity duly and validly incorporated or otherwise established, organized and existing in good standing under the laws of its jurisdiction of incorporation or establishment, with all necessary power and authority to execute, deliver and perform this Agreement; (b) if Client is a body corporate, all of the transactions contemplated herein have been and will be duly authorized by all necessary action, are not and will not be in conflict with the constating documents or by-laws of Client or any indenture, instrument, agreement or undertaking to which it is or will be a party or by which it or its assets are or may become bound; (c) this Agreement is and will continue to be the legal, valid and binding obligation of Client, enforceable against it in accordance with its terms; (d) all information as defined in Section 41 provided by Client to Lender is accurate; and (e) all payments to Lender are and will be derived from legal sources. Client agrees to furnish to Lender a copy of its most recent annual financial statements, audited if applicable, promptly upon availability and in any event, within 90 days of each financial year-end. Upon request by Lender, Client agrees also to furnish its quarterly financial statements promptly upon availability and, in any event, within 60 days of each financial quarter-end.

22. ***Statutory Waivers and Acknowledgement***

22.1 Client waives its right to receive a copy of any financing statement or financing change statement registered by Lender and of any related verification statement.

22.2 Client waives, to the fullest extent permitted by law, the application of the provisions of (a) *The Limitation of Civil Rights Act* (Saskatchewan); and (b) *The Distress Act* (Manitoba). Client agrees that the provisions of this Agreement are commercially reasonable.

23. ***NO SET-OFF – EXCLUSION AND ASSIGNMENT OF WARRANTIES***

23.1 CLIENT IRREVOCABLY AND UNCONDITIONALLY WAIVES ALL EQUITIES AGAINST ANY INSTALMENT AND OTHER AMOUNT DUE TO LENDER HEREUNDER AND AGREES TO PAY EACH SUCH INSTALMENT AND OTHER AMOUNT WITHOUT REGARD TO ANY EQUITIES. NEITHER DEFECTS IN, DAMAGE TO, NOR LOSS OR DESTRUCTION OF EQUIPMENT SHALL TERMINATE THIS AGREEMENT OR REDUCE CLIENT'S OBLIGATIONS HEREUNDER, EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN.

23.2 CLIENT REPRESENTS AND WARRANTS TO AND COVENANTS WITH LENDER THAT EQUIPMENT IS AND WILL BE USED FOR COMMERCIAL, INDUSTRIAL OR BUSINESS PURPOSES ONLY AND NOT FOR PERSONAL, FAMILY, HOUSEHOLD OR FARMING PURPOSES;

23.3 (A) LENDER SHALL NOT BE BOUND BY OR BE DEEMED TO HAVE MADE OR BE LIABLE FOR ANY REPRESENTATION, WARRANTY OR PROMISE MADE BY SUPPLIER OR OTHERWISE; (B) LENDER SHALL NOT BE LIABLE FOR ANY FAILURE OF EQUIPMENT INCLUDING ANY LATENT DEFECT OR ALLEGED FUNDAMENTAL BREACH OF THIS AGREEMENT; (C) NEITHER LENDER NOR ANY OF ITS EMPLOYEES, SERVANTS OR AGENTS HAS MADE AND DOES NOT NOW MAKE ANY REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO EQUIPMENT OR ANY INTELLECTUAL OR INDUSTRIAL PROPERTY RIGHTS THEREIN

INCLUDING, WITHOUT LIMITATION, THE DESIGN, SPECIFICATIONS, CONDITION, QUALITY, MERCHANTABILITY OR FITNESS FOR CLIENT'S PURPOSES AND (D) LENDER SHALL HAVE NO LIABILITY FOR ANY DIRECT, INDIRECT, PUNITIVE, EXEMPLARY, SPECIAL OR CONSEQUENTIAL DAMAGES OR LOSS OF PROFITS, ACTUAL OR ANTICIPATED, OR FOR ANY DAMAGES BASED ON STRICT OR ABSOLUTE TORT OR DELICTUAL LIABILITY OR LENDER'S OR SUPPLIER'S NEGLIGENCE. NOTHING HEREIN SHALL DEPRIVE CLIENT OF ITS RIGHTS AGAINST SUPPLIER OR ANY PERSON OTHER THAN LENDER. CLIENT SHALL MAKE ANY CLAIMS WITH RESPECT TO EQUIPMENT DIRECTLY AGAINST SUPPLIER.

23.4 IF EQUIPMENT IS SEIZED OR SOLD BY LENDER, ALL WARRANTIES OF SUPPLIER AND RIGHTS TO ALL SOFTWARE, OTHER INTELLECTUAL AND INDUSTRIAL PROPERTY LICENSES ACCOMPANYING GOODS SHALL BE DEEMED ASSIGNED BY CLIENT TO LENDER.

24. *Notices*
Any notice, demand, consent or other communication required or permitted hereunder ("Notice") shall be in writing and may be delivered, or sent by prepaid registered mail, or by telex, telecopier or other means which produces a permanent written record (a "transmission"). Mailed Notice shall be deemed to have been given two business days after mailing provided there is no general disruption or stoppage of postal services then in effect, in which case delivery shall be made by one of the other methods permitted herein; delivered Notice shall be effective upon delivery during business hours to an apparently responsible adult, and transmissions shall be deemed to have been received at the opening of the business day immediately following transmission. Addresses for Notice shall be those addresses stated on the face hereof and may be changed in accordance with the foregoing.

25. *Remedies Cumulative*
All rights and remedies of Lender hereunder are cumulative and not exclusive or alternative and may be exercised by Lender separately or together, in any order, sequence or combination.

26. *Forbearance, Indulgence and Waivers*
Forbearance or indulgence by Lender in any instance shall not constitute a general waiver of the obligation under this Agreement to which the same applies. Any waiver by Lender of its rights must be in writing and shall not extend to any other obligation or right.

27. *Allocations*
Client hereby irrevocably and unconditionally waives any present or future right to allocate any payment made to Lender to any specific Obligation due under this Agreement or under any other agreement with Lender or any affiliate of Lender. Lender may allocate and apply any payment received to any Obligation due hereunder or under any other agreement with Lender or affiliate of Lender and may reverse, reallocate and re-apply any such payment as many times and in such manners as Lender from time to time sees fit. Payments received shall be allocated upon receipt of legal tender or cleared funds. Lender is hereby irrevocably authorized to combine and set off amounts payable by it to Client with amounts owing to it from Client (in each case whether matured or not and whether absolute or contingent) under the same or different agreements.

28. *Time*
Time is and shall remain of the essence of this Agreement.

29. *Entire Agreement*
29.1 There are no representations, warranties, covenants, agreements or acknowledgements by Lender affecting the Financed Amount, the Obligations, the Accrued Liability, this Agreement or Equipment, other than expressed in this Agreement.
29.2 No agreement purporting to amend or modify this Agreement or any other document, paper or writing relating hereto or to Equipment or connected herewith shall be binding unless in writing signed by the parties hereto.

30. *Severability*
Any term, condition or provision of this Agreement which is deemed to be void, prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be severed herefrom and ineffective to the extent of such invalidity, prohibition or unenforceability, without in any way invalidating the balance hereof.

31. *No Merger in Judgment*
The taking of any judgment by Lender under this Agreement shall not operate as a merger or novation of any term or condition hereof or of any obligation of Client or Lender hereunder.

32. *Further Assurances and Power of Attorney*
32.1 Client and Lender each shall do, execute and perform all such acts, deeds, documents and things as may be reasonably required to enable Lender to have the full benefit of all rights and remedies intended to be reserved or created hereby. Lender is hereby appointed Client's lawful attorney to complete and/or correct any information on the face hereof or in any Schedule hereto.
32.2 Each power of attorney granted in this Agreement is granted with full power of substitution, is irrevocable, is coupled with an interest, shall survive termination of this Agreement and may be exercised during any subsequent legal incapacity of Client or Lender.

33. *Currency*
Unless otherwise stated in this Agreement, all sums of money payable hereunder shall be paid in Canadian dollars. If any amount payable pursuant to this Agreement needs to be converted from US dollars to Canadian dollars, including for purposes of determining the amount of the Financed Amount or any instalment, such conversion shall be made by Lender on the relevant date at the Conversion Rate and Lender will notify Client of the Canadian dollar amount so converted.

34. *Survival*
Notwithstanding any other Section, any accrued Obligations, the Obligations of Client under Sections 9.4, 10, 15, 16, 17, 22 and 27 and all rights of Lender hereunder, whether accrued or not, shall survive the termination or expiration of this Agreement and the payment of the Accrued Liability and all other amounts payable hereunder.

35. *Section Headings*
Section headings in this Agreement are for convenience of reference only and do not affect the interpretation or construction hereof.

36. *Successors and Assigns*
This Agreement shall inure to the benefit of and be binding upon Lender and Client, their respective heirs, executors, administrators, personal representatives, successors and permitted assigns and lessees. Lender may assign or transfer in whole or in part its rights under this Agreement or Equipment, and/or Pledge its rights hereunder or in Equipment and any assignee, transferee or beneficiary of such Pledge ("Assignee") shall be unrestricted in the exercise of such rights. Client shall recognize any such assignment, transfer or Pledge and shall not assert against any Assignee any Claims or Equities which it may have against Lender respecting this Agreement or Equipment and waives all Claims and Equities against Assignee's rights to enforce this Agreement based on Lender's alleged failure to perform some or Supplier's breach of Warranties. Client shall not be entitled to assign its rights or obligations hereunder.

37. *Choice of Law*
This Agreement shall be governed, construed, performed and enforced in accordance with the laws of the Province where the address of Client is located as stated on the face of this Agreement.

38. *Language*
The parties hereto have expressly required that this Agreement and all documents, agreements and notices related thereto be drafted in the English language. Les parties aux présentes ont expressément exigé que le présent contrat et tous les autres documents, conventions ou avis qui y sont afférents soient rédigés en langue anglaise.

39. *Joint and Several Liability*
If more than one person executes this Agreement as Client their obligations hereunder shall be joint and several and, where the context so admits, each reference in this Agreement to "Client" shall include reference to any one or more or all such persons and the acts or omissions of and such persons shall bind all of them.

40. *Receipt of Agreement*
Client acknowledges receipt of an executed copy of this Agreement.

41. *Information*
Client hereby consents and authorizes Lender and its affiliates, agents, contractors and representatives, at any time, (a) to collect, verify, use, communicate with and disclose to third parties (including credit reporting agencies, financial institutions, creditors, vendors and other persons) any credit, financial and other information, including personal information (as applicable) and information related to the credit rating, financial capacity and payment history, with respect to Client ("Information"), as Lender deems necessary to process, complete, service and enforce the transactions hereby contemplated and any other existing or potential transactions, or as required or otherwise permitted by law; (b) to respond to inquiries from, and exchange any Information with, third parties concerning Client's credit rating, financial capacity and payment history; (c) to provide Information to persons to whom Lender considers assigning, granting a participation or otherwise disposing of rights or obligations under the transactions hereby contemplated; and (d) to provide to any person copies of this Agreement. This consent is in addition to and does not replace any consent previously given.

GE Capital

150011609070

REQUEST FOR PROGRESS ADVANCE

March 30, 2011

TO: GE Canada Equipment Financing G.P. ("GE")

RE: Number 150011609070 dated March 30, 2011 (the "Agreement") between GE and the undersigned

The undersigned hereby requests GE to make an advance in the amount of CAD$ 1 215 168.90 (the "Progress Advance"). The undersigned further authorizes and directs GE to pay the Progress Advance as follows:

- Pay to the following Supplier(s) the amount(s) specified below, in payment of the following invoice(s), copy of which is attached hereto:

Supplier(s)	Invoice Number	Amount
Coastal Hydraulics Ltd.	821, 823	$ 390 980.00
Usinage Marcotte Inc.	28331	354 306.75
LEM Manufacturing Inc.	2011-02, 2011-03, 2011-04	141 750.00
	Sub total	$ 887,036.75

Pay to the undersigned the amount(s) specified below, in payment of the following invoice(s) previously paid by Client, copy of which and of proof of such payments is attached hereto:

Supplier(s)	Invoice Number	Amount
Mitchell's Drilling Equipment Ltd.	396, 398, 400, 399,	$
Blais récréatifs, division de Location Blais Inc.	009835, 009836, 009949, 009901	
City Auto Parts	1-327612, 1-327610, 1-327611	
Unifleet	1216	
Eastcon Fire Truck Inc.	4425	
	Sub total	$ 328 132.15

This request for Progress Advance including copies of the invoices attached hereto form an integral part of the Agreement.

LANDDRILL INTERNATIONAL LTD.

By: ________________

Name: Derrick West

Title: CFO

By: ________________

Name:

Title:

Signature of authorized officers

GE 1061A E (07-2004)

LANDDRILL INTERNATIONAL

160 MacNaughton Avenue,
Moncton, NB, E1H 3L9
Canada

Wednesday, March 30, 2011

GE Capital
1250, René-Lévesque Ouest, bureau 1100
Montréal, Québec
H3B 4W8

Re: Signing Authority – Derrick West, Chief Financial Officer

RESOLUTION

I, Ronald Goguen, as sole director of Landdrill International Ltd., hereby authorize Derrick West, the Chief Financial Officer of Landdrill International Ltd. to execute and sign on behalf of Landdrill International Ltd. all documents manners relating to loans, guarantees and financing to be obtained through GE Capital. Any and all acts carried out by Derrick West on behalf of Landdrill International Ltd. shall have full effect as acts of Landdrill International Ltd.

This authorization is valid until further written notice from Landdrill International Ltd.

Sincerely,

Ronald J Goguen

Ronald Goguen
President & Chief Executive Officer
Sole Director

BORROWING RESOLUTION OF THE BOARD OF DIRECTORS

I, **Ronald J. Goguen** hereby certify that:

1. I am the **Director** of **Landdrill International Ltd.** (the "Corporation") corporation duly incorporated under provincial laws, the head office of which is located at **160 MacNaughton Ave., Moncton, New Brunswick, E1H 3L9.**

2. The following text is a true copy of a resolution passed on **mars 30, 2011** by the Board of Directors of the said Corporation, in compliance with acts and regulations governing it. The said resolution has not been revoked or amended in any way whatsoever and is in force at the date hereof.

   Now therefore be it resolved:

   a) That **Chief Financial Officer**

   Title

   be and is hereby authorized for and on behalf of the Corporation to borrow from **GE Canada Equipment Financing G.P.** ("GE") the principal amount of **$ 2,250,000.00 CAD** required by the Corporation from time to time, for a term and under such other conditions as determined by the directors, officers and employees of the Corporation hereby authorized; also to do all acts and things and to execute all documents for and on behalf of the Corporation as required by GE in order to secure the amount or amounts owed to or borrowed from GE and any renewals or extensions of such loans, including security, and any renewals or extensions thereof, in the form of mortgages, hypothecation, charges, pledges, security agreements, conditional sale contracts, assignments or transfers of any and all real or personal, movable or immovable property, both present and future, of the Corporation.

   b) That all acts and things done and documents executed on behalf of the Corporation as hereinbefore authorized may be relied upon by GE are valid and binding upon the Corporation whether or not the corporate seal of the Corporation has been affixed to any such document.

   c) That the Corporation shall provide GE with a true and correct copy of this Resolution and a list of the names of the directors, officers and employees of the Corporation hereby authorized to do any act and thing, together with specimens of their signatures, to be acted upon by each office of GE with which the Corporation does business until such time as a written notice to the contrary be given to GE and that the latter has acknowledged receipt thereof.

3. The directors, officers and employees of the Corporation authorized by the foregoing Resolution to do any act or thing for and on behalf of the Corporation are and will sign as follows:

Names	Titles	Signatures
Derrick West	**Chief Financial Officer**	

Signed at **Moncton** this **30th** day of **mars, 2011**.

(SCEAU)

Director

GE 1008A E (06-2001)

150011609070

LANDDRILL
INTERNATIONAL

160 MacNaughton Avenue,
Moncton, NB, E1H 3L9
Canada

Wednesday, March 30, 2011

GE Capital
1250, René-Lévesque Ouest, bureau 1100
Montréal, Québec
H3B 4W8

Re: **Signing Authority – Derrick West, Chief Financial Officer**

RESOLUTION

We the undersigned, hereby authorize Derrick West, the Chief Financial Officer of Landdrill International Inc. to execute and sign on behalf of Landdrill International Inc. all documents manners relating to loans, guarantees and financing to be obtained through GE Capital. Any and all acts carried out by Derrick West on behalf of Landdrill International Inc. shall have full effect as acts of Landdrill International Inc.

This authorization is valid until further written notice from Landdrill International Inc.

Sincerely,

Ronald Goguen
President & Chief Executive Officer

Brian Maude
Corporate Counsel / Corporate Secretary

GUARANTEE AND INDEMNITY

RESOLUTION OF THE BOARD OF DIRECTORS OF

Landdrill International Inc.
(the "Corporation")

In consideration of the leasing agreements, or master leasing agreements and all leasing schedules thereto, entered or which may be entered into by **GE Canada Equipment Financing G.P.** ("GE") with its client **Landdrill International Ltd.** ("Client") or the loans and advances of money granted or which may be granted by GE to its Client, as the case may be for the purpose of Client's business, and, generally, in consideration of the business relations between GE and its Client as well as the business relations between the said Client and this Corporation.

Now therefore be it resolved:

That this Corporation be and is hereby authorized to be a surety and to guarantee the repayment of all sums of money which the client owes or in future may owe to GE, together with the interest, costs and accessories, and this, jointly and severally with the Client towards GE and subject to all the terms and conditions set out on the form in use at GE entitled "Guarantee and Indemnity", a copy of which is attached hereto after having been submitted to the Directors and that **Derrick West, Chief Financial Officer**, be and is hereby authorized to sign such Guarantee and Indemnity for and on behalf and in the name of the Corporation.

That all acts and things done and all documents executed on behalf of the Corporation as hereinbefore authorized shall be valid and binding upon the Corporation whether or not the corporate seal of the Corporation has been affixed to any such document.

The foregoing is a true and correct copy of a resolution of the Board of Directors of **Landdrill International Inc.** duly adopted on **mars 30, 2011** which resolution is in effect and has not been modified or rescinded as of the date hereof.

Dated at **Moncton** this **30th** day of **mars 2011**.

Secretary
(Seal) Brian Mac...

Ronald Gagnon

GE 1015A E (11-97)

150011609070

GE Capital

150011609070

GUARANTEE AND INDEMNITY

TO: **GE Canada Equipment Financing G.P.** ("GE")

In consideration of the premises and the covenants and agreements herein contained, the sum of $1.00 now paid by GE to **Landdrill International Inc.** (the "Guarantor") and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Guarantor covenants and agrees with GE as follows:

1. *INTERPRETATION* Wherever throughout this Guarantee, the Guarantor or GE or **Landdrill International Ltd.** (hereinafter called the "Obligor") are mentioned or referred to, such mention or reference shall extend to their respective successors and assigns, as the case may be. Reference to the term "Obligations" herein shall be to any and all obligations of the Obligor to GE under that certain **Equipment Loan and Security Agreement No: 150011609070** dated **March 30, 2011** between Obligor and GE and any other agreement, document or instrument related thereto, whether existing now or arising hereafter, and any modifications, extensions or renewals thereof from time to time, (hereinafter singularly or collectively called "Finance Instruments").

2. *GUARANTEE*

2.1 **Guarantee** The Guarantor hereby irrevocably and unconditionally guarantees and covenants with GE as principal debtor of GE and not merely as surety, that the Obligor will duly and punctually perform all of the Obligations, and pay or cause to be paid to GE the rentals under and the principal of and interest on the Finance Instruments evidencing or securing the Obligations (including, in case of default, interest on the amount in default) as and when the same becomes due and payable, whether by lapse of time, by extension, or upon a declaration or otherwise according to the terms of the Finance Instruments and all other moneys owing on or under the Finance Instruments or in any way relating thereto including all expenses, including legal expenses and service charges. The total liability of the Guarantor hereunder for the Obligations shall be **unlimited in amount**, plus interest, fees, costs or expenses (including, without limitation, legal fees and expenses) which may now or hereafter accrue or be incurred with respect to such Obligations and any fees, costs or expenses (including without limitation, legal fees and expenses) that may be incurred by GE by reason of Guarantor's default under this Guaranty.

2.2 **Terms of the Finance Instruments** The Guarantor hereby consents to and approves of the terms of the Finance Instruments; the guarantee and the agreements of the Guarantor herein contained shall take effect and shall be and are hereby declared to be binding upon the Guarantor notwithstanding any defect in or omission from the Finance Instruments or any non-registration or non-filing or defective registration or filing of any Finance Instruments or notice of the interest of GE created thereby or by reason of any failure of the security intended to be created by the Finance Instruments or pursuant thereto.

2.3 **Guarantee Absolute** The liability of the Guarantor hereunder shall be absolute and unconditional and shall not be affected by:

a) any lack of validity or enforceability of any agreements between the Obligor and GE; any change in the time, manner or place of payment or in any other term of such agreements or the failure on the part of the Obligor to carry out any of its obligations under such agreements;
b) any impossibility, impracticability, frustration of purpose, illegality, *force majeure* or act of government;
c) the bankruptcy, winding-up, liquidation, dissolution or insolvency of the Obligor, GE or any party to any agreement to which GE is a party;
d) any lack or limitation of power, incapacity or disability on the part of the Obligor or of the directors, partners or agents thereof or any other irregularity, defect or informality on the part of the Obligor in its obligations to GE; or
e) any other law, regulation or other circumstance which might otherwise constitute a defense available to, or a discharge of, the Obligor in respect of any or all of the Obligations.

The Guarantor shall be held and bound to GE as principal debtor, and not as surety, in respect of the payment of any or all of the Obligations. All amounts payable to GE shall be paid to GE forthwith after demand therefore as provided herein.

2.4 **No Waiver** The Guarantor hereby agrees that its obligations hereunder shall be unconditional and no waiver by GE of any of its rights hereunder or under the Finance Instruments and no action by GE to enforce any of its rights hereunder or under the Finance Instruments or failure to take, or delay in taking any such action shall affect any other obligation of the Guarantor hereunder.

3. *INDEMNITY* The Guarantor also covenants and agrees with GE that it will at all times and from time to time hereafter, indemnify and keep indemnified and save harmless GE from any and all losses, costs, damages and expenses, including legal fees and disbursements and the costs of all distresses, actions, proceedings, claims and demands incurred or made by GE if GE does not receive payment of all amounts due and owing under the Finance Instruments or if the Obligor defaults in the payment of any instalment payable or in the performance of the Obligations under the Finance Instruments which, if the Finance Instruments were in full force and effect and good standing, would be payable or required to be performed under the Finance Instruments. In addition to the foregoing, the Guarantor agrees to pay GE, as administrative costs, an amount equal to fifteen percent (15%) of all amounts payable hereunder in the event that court proceedings are instituted against the Guarantor because the Guarantor has failed to respect its obligations hereunder.

4. *DEALINGS WITH OBLIGOR AND OTHERS*

4.1 **No Release** The liability of the Guarantor hereunder shall not be released, discharged, limited or in any way affected by anything done, suffered or permitted by GE in connection with any duties or liabilities of the Obligor to GE of any security thereof including any loss of or in respect of any security received by GE from the Obligor or others. GE, without releasing, discharging, limiting or otherwise affecting in whole or in part the Guarantor's liability hereunder, may:

a) grant time, renewals, extensions, indulgences, releases, waivers and discharges to the Obligor;
b) grant substitutions for the Obligations or any part thereof or any agreement related thereto;
c) take or abstain from taking securities or collateral from the Obligor or from perfecting securities or collateral of the Obligor;

d) accept compromises from the Obligor;
e) apply all money at any time received from the Obligor or from securities upon such part of the Obligations as GE may see fit or change any such application in whole or in part from time to time as GE may see fit;
f) amend any of the Finance Instruments; or
g) otherwise deal with the Obligor and all other persons and securities as GE may see fit.

4.2 **No Exhaustion of Remedies** GE shall not be bound or obligated to exhaust its recourse against the Obligor or other persons or any securities or collateral it may hold or take any other action (other than to make demand pursuant to Section 6) before being entitled to demand payment from the Guarantor hereunder. The obligations of the Guarantor hereunder are joint and several with those of the Obligor and any other guarantor, security or other person liable in any way for the Obligations. This Guarantee is in addition and not in substitution for any other guarantee, by whomsoever given, at any time held by GE, and without prejudice to any other security, by whomsoever given, at any time held by GE, and GE shall be under no obligation to marshall in favour of the Guarantor any such security or any of the funds or assets GE may be entitled to receive or have a claim upon.

4.3 **Conclusive Statement** Any account settled or stated in writing by or between GE and the Obligor shall be *prima facie* evidence that the balance or amount thereof appearing due to GE is so due.

4.4 **No Set-Off** The Guarantor shall not claim any set-off or counterclaim against the Obligor in respect of any liability of the Obligor to the Guarantor.

5. CONTINUING GUARANTEE

5.1 **Continuing Guarantee** This Guarantee shall be a continuing guarantee, notwithstanding any extensions, modifications, renewals or indulgences with respect to, or substitutions for, the Obligations or any part thereof, and shall remain in full force and effect until the Obligations are performed and paid in full. This Guarantee shall continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or terminated or must otherwise be returned by GE upon the occurrence of any action or event including the insolvency, bankruptcy or reorganization of the Obligor or otherwise, all as though such payment had not been made.

6. DEMAND FOR PAYMENT

6.1 **Demand for Payment** GE shall be entitled to make demand upon the Guarantor at any time upon a default in payment of any amount owing by the Obligor to GE and upon such default GE may treat all Obligations as due and payable and may forthwith collect from the Guarantor the total amount guaranteed hereunder. The Guarantor shall make payment to or performance in favour of GE of the total amount guaranteed hereunder forthwith after demand thereof is made to the Guarantor.

6.2 **Interest** The Guarantor shall pay interest to GE at the rate of 24% per annum on the unpaid portion of all amounts payable by the Guarantor under this Guarantee, such interest to be calculated daily from the date of demand by GE on the Guarantor.

7. ASSIGNMENT, POSTPONEMENT AND SUBROGATION

7.1 **Assignment and postponement** All debts and liabilities, present and future, of the Obligor to the Guarantor are hereby assigned to GE and postponed to the Obligations, and all money received by the Guarantor in respect thereof shall be received in trust for GE and forthwith upon receipt shall be paid over to GE, the whole without in any way lessening or limiting the liability of the Guarantor hereunder and this assignment and postponement is independent of the Guarantee and shall remain in full force and effect until, in the case of the assignment, the liability of the Guarantor under this Guarantee has been discharged or terminated and, in the case of the postponement, until payment in full to GE of all obligations of the Guarantor under this Guarantee.

7.2 **Subrogation** The Guarantor will not exercise any rights which it may acquire by way of subrogation under this Guarantee and Indemnity, by any payment made hereunder or otherwise, until all Obligations shall have been paid and performed in full. If any amount shall be paid to the Guarantor on account of such subrogation rights at any time when all the Obligations shall not have been paid in full, such amount shall be held in trust for the benefit of GE and shall forthwith be paid to GE to be credited and applied upon the Obligations. If (i) the Guarantor performs or makes payment to GE of all amounts owing by the Guarantor to GE under this Guarantee and (ii) the Obligations are performed and paid in full, GE will, at the Guarantor's request and at the Guarantor's expense, execute and deliver to the Guarantor appropriate documents, without recourse and without representation and warranty, necessary to evidence the transfer by subrogation to the Guarantor of an interest in the Obligations and any security held therefor resulting from such performance or payment by the Guarantor.

8. COVENANTS OF THE GUARANTOR

The Guarantor hereby represents, covenants and warrants that:

a) if the Guarantor is a corporation, the making and performance of this Guarantee have been duly authorized by all necessary corporate actions on the part of the Guarantor, do not require any shareholders' approval, and will not violate any provisions of the Guarantor's incorporating documents or by-laws or result in the breach of, constitute a default under, contravene any provisions of or result in the creation of any lien, charge, encumbrance or security interest upon any property or assets of the Guarantor pursuant to any of the Guarantor's stocks, bonds, notes or debentures outstanding, or any agreement, indenture or other instrument to which the Guarantor is a party or by which the Guarantor or its property may be bound or affected;
b) this Guarantee constitutes a legal, valid and binding obligation of the Guarantor in accordance with the terms hereof;
c) there is no pending or, to the best of the knowledge of the Guarantor, threatened action or proceeding affecting the Guarantor or, if the Guarantor is a corporation, any of its subsidiaries before any court, governmental agency or arbitrator, which would materially adversely affect the legality, validity or enforceability of this Guarantee;
d) all information as defined in Section 9.2 provided by Guarantor to GE is accurate;
e) all payments to GE are and will be derived from legal sources and GE may decline any form of payment; and
f) the Guarantor is and shall continue to be in compliance with all laws and regulations relating to the prevention of money laundering and terrorism.

9. GENERAL

9.1 **Waivers** The Guarantor waives notice of acceptance of this Guarantee and of the extension or continuation of the Obligations or any part thereof. The Guarantor further waives presentment, protest, notice, demand or action in respect of the Obligations or any part thereof, including any right to require GE to sue the Obligor, any other Guarantor or any other person obligated with respect to the Obligations or any part thereof, or otherwise to enforce payment thereof against any collateral securing the Obligations or any part thereof. Without limiting the generality of the foregoing, the Guarantor is jointly and severally liable with the Obligor for the due and punctual payment and performance of the Obligations, the Guarantor hereby waiving the benefit of division and discussion.

Guarantor waives its right to receive a copy of any financing statement or financing change statement registered by GE and of any related verification statement.

9.2 **Information** Guarantor hereby consents and authorizes GE and its affiliates, agents, contractors and representatives, at any time, a) to collect, verify, use, communicate with and disclose to third parties (including credit reporting agencies, financial institutions, creditors, vendors and other persons) any credit, financial and other information, including personal information (as applicable) and information related to the credit rating, financial capacity and payment history, with respect to Guarantor ("Information"), as GE deems necessary to process, complete, service and enforce the transactions hereby contemplated and any other existing or potential transactions, or as required or otherwise permitted by law; b) to respond to inquiries from, and exchange any Information with, third parties concerning Guarantor's credit rating, financial capacity and payment history; c) to provide Information to persons to whom GE considers assigning, granting a participation or otherwise disposing of rights or obligations under the transactions hereby contemplated; and d) to provide to any person copies of this Guarantee. This consent is in addition to and does not replace any consent previously given.

9.3 **Benefit of the Guarantee** This Guarantee shall enure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and permitted assigns of the Guarantor and GE.

9.4 **Entire Agreement** This Guarantee constitutes the entire agreement between GE, the Obligor and the Guarantor with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between such parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, expressed, implied or statutory, between such parties other than as expressly set forth in this Guarantee.

9.5 **No Waiver, Remedies** No failure on the part of GE to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude the other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

9.6 **Severability** If any provision of this Guarantee is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof shall continue in full force and effect.

9.7 **Notices** Any demand, notice or other communications (hereinafter in this Section 9.7 referred to as a "Communication") to be given in connection with this Guarantee shall be given in writing and may be given by personal delivery or by registered mail addressed to the recipient as follows:

To GE:	**239 Brownlow Ave., Suite 204, Dartmouth, Nova Scotia, B3B 2B2**, **Tel: (902) 468-8266**	To the Guarantor:	**700-625 Howe St, Vancouver, British Columbia, V6C 2T6**

or such other address as may be designated by notice by any party to the other. Any Communication given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof and, if given by registered mail, on the third day following the deposit thereof in the mail. If the party giving any Communication knows or ought reasonably to know of any difficulties with the postal system which might affect the delivery of mail, any such Communication shall not be mailed but shall be given by personal delivery.

9.8 **Assignment** The rights of GE under this Guarantee may be assigned by GE without the prior consent of the Obligor or the Guarantor. The Guarantor may not assign its obligations under this Guarantee.

9.9 **Governing Law** This guarantee shall be governed by and construed in accordance with the laws of the Province of **British Columbia** and the laws of Canada applicable therein.

9.10 **Language** The parties hereby acknowledge that it is their express wish that this Guarantee and Indemnity be drawn in the English language; les parties reconnaissent qu'il est de leur volonté expresse que la présente caution soit rédigée en langue anglaise seulement.

IN WITNESS WHEREOF, the Guarantor has executed this Guarantee this **30th** day of **March, 2011.**

If Guarantor is a corporation:

Landdrill International Inc.
("Guarantor")

By: ______________________ (c/s)

Title: CFO

If Guarantor is an individual:

______________________ (s)

Name: ______________________
("Guarantor")

Witness: ______________________

LANDDRILL
INTERNATIONAL

160 MacNaughton Avenue,
Moncton, NB, E1H 3L9
Canada

Wednesday, March 30, 2011

GE Capital
1250, René-Lévesque Ouest, bureau 1100
Montréal, Québec
H3B 4W8

Re: Signing Authority – Derrick West, Chief Financial Officer

RESOLUTION

I, Ronald Goguen, as sole director of Landdrill Atlantic Ltd., General Partner for Nitasi Landdrill LP, hereby authorize Derrick West, the Chief Financial Officer of Landdrill Atlantic Ltd. to execute and sign on behalf of Landdrill Atlantic Ltd., in its own capacity as well as in its capacity as General Partner of Nitasi Landdrill LP, all documents manners relating to loans, guarantees and financing to be obtained through GE Capital. Any and all acts carried out by Derrick West on behalf of Landdrill Atlantic Ltd. and Nitasi Landdrill LP shall have full effect as acts of Landdrill Atlantic Ltd. and Nitasi Landdrill LP

This authorization is valid until further written notice from Landdrill Atlantic Ltd. and Nitasi Landdrill LP

Sincerely,

Ronald Goguen
President & Chief Executive Officer
Sole Director

GUARANTEE AND INDEMNITY

RESOLUTION OF THE BOARD OF DIRECTORS OF

Landdrill Atlantic Ltd.
(the "Corporation")

In consideration of the leasing agreements, or master leasing agreements and all leasing schedules thereto, entered or which may be entered into by **GE Canada Equipment Financing G.P.** ("GE") with its client **Landdrill International Ltd.** ("Client") or the loans and advances of money granted or which may be granted by GE to its Client, as the case may be for the purpose of Client's business, and, generally, in consideration of the business relations between GE and its Client as well as the business relations between the said Client and this Corporation.

Now therefore be it resolved:

That this Corporation be and is hereby authorized to be a surety and to guarantee the repayment of all sums of money which the client owes or in future may owe to GE, together with the interest, costs and accessories, and this, jointly and severally with the Client towards GE and subject to all the terms and conditions set out on the form in use at GE entitled "Guarantee and Indemnity", a copy of which is attached hereto after having been submitted to the Directors and that **Derrick West, Chief Financial Officer**, be and is hereby authorized to sign such Guarantee and Indemnity for and on behalf and in the name of the Corporation.

That all acts and things done and all documents executed on behalf of the Corporation as hereinbefore authorized shall be valid and binding upon the Corporation whether or not the corporate seal of the Corporation has been affixed to any such document.

The foregoing is a true and correct copy of a resolution of the Board of Directors of **Landdrill Atlantic Ltd.** duly adopted on **mars 30, 2011** which resolution is in effect and has not been modified or rescinded as of the date hereof.

Dated at Moncton this 30th day of mars 2011.

Secretary BRIAN MALLOS
(Seal)

GE 1015A E (11-97)

RONALD HAYDEN
150011609070

GE Capital

150011609070

GUARANTEE AND INDEMNITY

TO: **GE Canada Equipment Financing G.P. ("GE")**

In consideration of the premises and the covenants and agreements herein contained, the sum of $1.00 now paid by GE to **Landdrill Atlantic Ltd.** (the "Guarantor") and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Guarantor covenants and agrees with GE as follows:

1. ***INTERPRETATION*** Wherever throughout this Guarantee, the Guarantor or GE or **Landdrill International Ltd.** (hereinafter called the "Obligor") are mentioned or referred to, such mention or reference shall extend to their respective successors and assigns, as the case may be. Reference to the term "Obligations" herein shall be to any and all obligations of the Obligor to GE under that certain **Equipment Loan and Security Agreement No: 150011609070** dated **March 30, 2011** between Obligor and GE and any other agreement, document or instrument related thereto, whether existing now or arising hereafter, and any modifications, extensions or renewals thereof from time to time, (hereinafter singularly or collectively called "Finance Instruments").

2. ***GUARANTEE***

2.1 **Guarantee** The Guarantor hereby irrevocably and unconditionally guarantees and covenants with GE as principal debtor of GE and not merely as surety, that the Obligor will duly and punctually perform all of the Obligations, and pay or cause to be paid to GE the rentals under and the principal of and interest on the Finance Instruments evidencing or securing the Obligations (including, in case of default, interest on the amount in default) as and when the same becomes due and payable, whether by lapse of time, by extension, or upon a declaration or otherwise according to the terms of the Finance Instruments and all other moneys owing on or under the Finance Instruments or in any way relating thereto including all expenses, including legal expenses and service charges. The total liability of the Guarantor hereunder for the Obligations shall be **limited to $ 2,250,000.00 CAD**, plus interest, fees, costs or expenses (including, without limitation, legal fees and expenses) which may now or hereafter accrue or be incurred with respect to such Obligations and any fees, costs or expenses (including without limitation, legal fees and expenses) that may be incurred by GE by reason of Guarantor's default under this Guaranty.

2.2 **Terms of the Finance Instruments** The Guarantor hereby consents to and approves of the terms of the Finance Instruments; the guarantee and the agreements of the Guarantor herein contained shall take effect and shall be and are hereby declared to be binding upon the Guarantor notwithstanding any defect in or omission from the Finance Instruments or any non-registration or non-filing or defective registration or filing of any Finance Instruments or notice of the interest of GE created thereby or by reason of any failure of the security intended to be created by the Finance Instruments or pursuant thereto.

2.3 **Guarantee Absolute** The liability of the Guarantor hereunder shall be absolute and unconditional and shall not be affected by:

a) any lack of validity or enforceability of any agreements between the Obligor and GE; any change in the time, manner or place of payment or in any other term of such agreements or the failure on the part of the Obligor to carry out any of its obligations under such agreements;

b) any impossibility, impracticability, frustration of purpose, illegality, *force majeure* or act of government;

c) the bankruptcy, winding-up, liquidation, dissolution or insolvency of the Obligor, GE or any party to any agreement to which GE is a party;

d) any lack or limitation of power, incapacity or disability on the part of the Obligor or of the directors, partners or agents thereof or any other irregularity, defect or informality on the part of the Obligor in its obligations to GE; or

e) any other law, regulation or other circumstance which might otherwise constitute a defense available to, or a discharge of, the Obligor in respect of any or all of the Obligations.

The Guarantor shall be held and bound to GE as principal debtor, and not as surety, in respect of the payment of any or all of the Obligations. All amounts payable to GE shall be paid to GE forthwith after demand therefore as provided herein.

2.4 **No Waiver** The Guarantor hereby agrees that its obligations hereunder shall be unconditional and no waiver by GE of any of its rights hereunder or under the Finance Instruments and no action by GE to enforce any of its rights hereunder or under the Finance Instruments or failure to take, or delay in taking any such action shall affect any other obligation of the Guarantor hereunder.

3. ***INDEMNITY*** The Guarantor also covenants and agrees with GE that it will at all times and from time to time hereafter, indemnify and keep indemnified and save harmless GE from any and all losses, costs, damages and expenses, including legal fees and disbursements and the costs of all distresses, actions, proceedings, claims and demands incurred or made by GE if GE does not receive payment of all amounts due and owing under the Finance Instruments or if the Obligor defaults in the payment of any instalment payable or in the performance of the Obligations under the Finance Instruments which, if the Finance Instruments were in full force and effect and good standing, would be payable or required to be performed under the Finance Instruments. In addition to the foregoing, the Guarantor agrees to pay GE, as administrative costs, an amount equal to fifteen percent (15%) of all amounts payable hereunder in the event that court proceedings are instituted against the Guarantor because the Guarantor has failed to respect its obligations hereunder.

4. ***DEALINGS WITH OBLIGOR AND OTHERS***

4.1 **No Release** The liability of the Guarantor hereunder shall not be released, discharged, limited or in any way affected by anything done, suffered or permitted by GE in connection with any duties or liabilities of the Obligor to GE of any security thereof including any loss of or in respect of any security received by GE from the Obligor or others. GE, without releasing, discharging, limiting or otherwise affecting in whole or in part the Guarantor's liability hereunder, may:

a) grant time, renewals, extensions, indulgences, releases, waivers and discharges to the Obligor;

b) grant substitutions for the Obligations or any part thereof or any agreement related thereto;

c) take or abstain from taking securities or collateral from the Obligor or from perfecting securities or collateral of the Obligor;

d) accept compromises from the Obligor;
e) apply all money at any time received from the Obligor or from securities upon such part of the Obligations as GE may see fit or change any such application in whole or in part from time to time as GE may see fit;
f) amend any of the Finance Instruments; or
g) otherwise deal with the Obligor and all other persons and securities as GE may see fit.

4.2 **No Exhaustion of Remedies** GE shall not be bound or obligated to exhaust its recourse against the Obligor or other persons or any securities or collateral it may hold or take any other action (other than to make demand pursuant to Section 6) before being entitled to demand payment from the Guarantor hereunder. The obligations of the Guarantor hereunder are joint and several with those of the Obligor and any other guarantor, security or other person liable in any way for the Obligations. This Guarantee is in addition and not in substitution for any other guarantee, by whomsoever given, at any time held by GE, and without prejudice to any other security, by whomsoever given, at any time held by GE, and GE shall be under no obligation to marshall in favour of the Guarantor any such security or any of the funds or assets GE may be entitled to receive or have a claim upon.

4.3 **Conclusive Statement** Any account settled or stated in writing by or between GE and the Obligor shall be *prima facie* evidence that the balance or amount thereof appearing due to GE is so due.

4.4 **No Set-Off** The Guarantor shall not claim any set-off or counterclaim against the Obligor in respect of any liability of the Obligor to the Guarantor.

5. ***CONTINUING GUARANTEE***

5.1 **Continuing Guarantee** This Guarantee shall be a continuing guarantee, notwithstanding any extensions, modifications, renewals or indulgences with respect to, or substitutions for, the Obligations or any part thereof, and shall remain in full force and effect until the Obligations are performed and paid in full. This Guarantee shall continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or terminated or must otherwise be returned by GE upon the occurrence of any action or event including the insolvency, bankruptcy or reorganization of the Obligor or otherwise, all as though such payment had not been made.

6. ***DEMAND FOR PAYMENT***

6.1 **Demand for Payment** GE shall be entitled to make demand upon the Guarantor at any time upon a default in payment of any amount owing by the Obligor to GE and upon such default GE may treat all Obligations as due and payable and may forthwith collect from the Guarantor the total amount guaranteed hereunder. The Guarantor shall make payment to or performance in favour of GE of the total amount guaranteed hereunder forthwith after demand thereof is made to the Guarantor.

6.2 **Interest** The Guarantor shall pay interest to GE at the rate of 24% per annum on the unpaid portion of all amounts payable by the Guarantor under this Guarantee, such interest to be calculated daily from the date of demand by GE on the Guarantor.

7. ***ASSIGNMENT, POSTPONEMENT AND SUBROGATION***

7.1 **Assignment and postponement** All debts and liabilities, present and future, of the Obligor to the Guarantor are hereby assigned to GE and postponed to the Obligations, and all money received by the Guarantor in respect thereof shall be received in trust for GE and forthwith upon receipt shall be paid over to GE, the whole without in any way lessening or limiting the liability of the Guarantor hereunder and this assignment and postponement is independent of the Guarantee and shall remain in full force and effect until, in the case of the assignment, the liability of the Guarantor under this Guarantee has been discharged or terminated and, in the case of the postponement, until payment in full to GE of all obligations of the Guarantor under this Guarantee.

7.2 **Subrogation** The Guarantor will not exercise any rights which it may acquire by way of subrogation under this Guarantee and indemnity, by any payment made hereunder or otherwise, until all Obligations shall have been paid and performed in full. If any amount shall be paid to the Guarantor on account of such subrogation rights at any time when all the Obligations shall not have been paid in full, such amount shall be held in trust for the benefit of GE and shall forthwith be paid to GE to be credited and applied upon the Obligations. If (i) the Guarantor performs or makes payment to GE of all amounts owing by the Guarantor to GE under this Guarantee and (ii) the Obligations are performed and paid in full, GE will, at the Guarantor's request and at the Guarantor's expense, execute and deliver to the Guarantor appropriate documents, without recourse and without representation and warranty, necessary to evidence the transfer by subrogation to the Guarantor of an interest in the Obligations and any security held therefor resulting from such performance or payment by the Guarantor.

8. ***COVENANTS OF THE GUARANTOR***

The Guarantor hereby represents, covenants and warrants that:

a) if the Guarantor is a corporation, the making and performance of this Guarantee have been duly authorized by all necessary corporate actions on the part of the Guarantor, do not require any shareholders' approval, and will not violate any provisions of the Guarantor's incorporating documents or by-laws or result in the breach of, constitute a default under, contravene any provisions of or result in the creation of any lien, charge, encumbrance or security interest upon any property or assets of the Guarantor pursuant to any of the Guarantor's stocks, bonds, notes or debentures outstanding, or any agreement, indenture or other instrument to which the Guarantor is a party or by which the Guarantor or its property may be bound or affected;
b) this Guarantee constitutes a legal, valid and binding obligation of the Guarantor in accordance with the terms hereof;
c) there is no pending or, to the best of the knowledge of the Guarantor, threatened action or proceeding affecting the Guarantor or, if the Guarantor is a corporation, any of its subsidiaries before any court, governmental agency or arbitrator, which would materially adversely affect the legality, validity or enforceability of this Guarantee;
d) all information as defined in Section 9.2 provided by Guarantor to GE is accurate;
e) all payments to GE are and will be derived from legal sources and GE may decline any form of payment; and
f) the Guarantor is and shall continue to be in compliance with all laws and regulations relating to the prevention of money laundering and terrorism.

9. ***GENERAL***

9.1 **Waivers** The Guarantor waives notice of acceptance of this Guarantee and of the extension or continuation of the Obligations or any part thereof. The Guarantor further waives presentment, protest, notice, demand or action in respect of the Obligations or any part thereof, including any right to require GE to sue the Obligor, any other Guarantor or any other person obligated with respect to the Obligations or any part thereof, or otherwise to enforce payment thereof against any collateral securing the Obligations or any part thereof. Without limiting the generality of the foregoing, the Guarantor is jointly and severally liable with the Obligor for the due and punctual payment and performance of the Obligations, the Guarantor hereby waiving the benefit of division and discussion.

Guarantor waives its right to receive a copy of any financing statement or financing change statement registered by GE and of any related verification statement.

9.2 **Information** Guarantor hereby consents and authorizes GE and its affiliates, agents, contractors and representatives, at any time, a) to collect, verify, use, communicate with and disclose to third parties (including credit reporting agencies, financial institutions, creditors, vendors and other persons) any credit, financial and other information, including personal information (as applicable) and information related to the credit rating, financial capacity and payment history, with respect to Guarantor ("Information"), as GE deems necessary to process, complete, service and enforce the transactions hereby contemplated and any other existing or potential transactions, or as required or otherwise permitted by law; b) to respond to inquiries from, and exchange any Information with, third parties concerning Guarantor's credit rating, financial capacity and payment history; c) to provide Information to persons to whom GE considers assigning, granting a participation or otherwise disposing of rights or obligations under the transactions hereby contemplated; and d) to provide to any person copies of this Guarantee. This consent is in addition to and does not replace any consent previously given.

9.3 **Benefit of the Guarantee** This Guarantee shall enure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and permitted assigns of the Guarantor and GE.

9.4 **Entire Agreement** This Guarantee constitutes the entire agreement between GE, the Obligor and the Guarantor with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between such parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, expressed, implied or statutory, between such parties other than as expressly set forth in this Guarantee.

9.5 **No Waiver, Remedies** No failure on the part of GE to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude the other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

9.6 **Severability** If any provision of this Guarantee is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof shall continue in full force and effect.

9.7 **Notices** Any demand, notice or other communications (hereinafter in this Section 9.7 referred to as a "Communication") to be given in connection with this Guarantee shall be given in writing and may be given by personal delivery or by registered mail addressed to the recipient as follows:

To GE:	**239 Brownlow Ave., Suite 204, Dartmouth, Nova Scotia, B3B 2B2 , Tel: (902) 468-8266**	To the Guarantor:	**160 MacNaughton Ave., Moncton, New Brunswick, E1H 3L9**

or such other address as may be designated by notice by any party to the other. Any Communication given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof and, if given by registered mail, on the third day following the deposit thereof in the mail. If the party giving any Communication knows or ought reasonably to know of any difficulties with the postal system which might affect the delivery of mail, any such Communication shall not be mailed but shall be given by personal delivery.

9.8 **Assignment** The rights of GE under this Guarantee may be assigned by GE without the prior consent of the Obligor or the Guarantor. The Guarantor may not assign its obligations under this Guarantee.

9.9 **Governing Law** This guarantee shall be governed by and construed in accordance with the laws of the Province of New Brunswick and the laws of Canada applicable therein.

9.10 **Language** The parties hereby acknowledge that it is their express wish that this Guarantee and Indemnity be drawn in the English language; les parties reconnaissent qu'il est de leur volonté expresse que la présente caution soit rédigée en langue anglaise seulement.

IN WITNESS WHEREOF, the Guarantor has executed this Guarantee this **30th** day of **March, 2011.**

If Guarantor is a corporation:

Landdrill Atlantic Ltd.
("Guarantor")

By: ⊗ [signature] (c/s)

Title: CFO

If Guarantor is an individual:

______________________ (s)

Name:

("Guarantor")

Witness: [signature]

RESOLUTION: GUARANTEE AND INDEMNITY AGREEMENT

RESOLUTION OF THE GENERAL PARTNER AND CERTIFICATION OF SIGNATURE

I, **Derrick West**, hereby certify that:

1. I am the **Director** of **Landdrill Atlantic Ltd.** (the "General Partner"), the general partner of **Nitasi Landdrill Limited Partnership** (the "Partnership"), a limited partnership duly formed under **Newfoundland and Labrador** laws, the head office of which is located at Moncton, NB.

2. The following text is a true copy of a resolution passed on March 30, 2011 by the Board of Directors of the General Partner, in compliance with acts and regulations governing it. The said resolution has not been revoked or amended in any way whatsoever and is in force at the date hereof.

In consideration of the leasing agreements, or master leasing agreements and all leasing schedules thereto, entered or which may be entered into by **GE Canada Equipment Financing G.P. and/or GE Canada Leasing Services Company** ("GE") with its client Landdrill International Ltd. ("Client") or the loans and advances of money granted or which may be granted by GE to the Client, as the case may be for the purpose of the Client's business, and, generally, in consideration of the business relations between GE and the Client as well as the business relations between the Client and the Partnership.

Now therefore be it resolved:

That the Partnership be and is hereby authorized to be a surety and to guarantee the repayment of all sums of money which the Client owes or in future may owe to GE, together with the interest, costs and accessories, and this, jointly and severally with the Client towards GE and subject to all the terms and conditions set out on the form in use at GE entitled "Guarantee and Indemnity" (the "Guarantee"), a copy of which is attached hereto after having been submitted to the General Partner.

That **Derrick West of the General Partner**, whose title appears below

Chief Financial Officer
Title

be and is hereby authorized to sign such Guarantee for and on behalf and in the name of the General Partner and the Partnership.

That all acts and things done and all documents executed by the General Partner for and on behalf of and in the name of the Partnership as hereinbefore authorized shall be valid and binding upon the General Partner and the Partnership whether or not the corporate seal of the General Partner has been affixed to any such document.

That the General Partner for and on behalf of the Partnership shall provide GE with a true and correct copy of this Resolution and a list of the names of the directors, officers and employees of the General Partner hereby authorized to do any act and thing, together with specimens of their signatures, to be acted upon by each office of GE with which the General Partner and the Partnership does business until such time as a written notice to the contrary be given to GE and that the latter has acknowledged receipt thereof.

The directors, officers and employees of the General Partner authorized by the foregoing Resolution to do any act or thing for and on behalf of and in the name of the Partnership are and will sign as follows:

Names	Titles	Signature
Derrick West	**Chief Financial Officer**	

3. The Nitasi Landdrill Limited Partnership Agreement dated July 5th, 2010, a true and complete copy of which has been provided to GE, has not been amended or otherwise modified, and is in full force and effect as of the date hereof, and no steps have been taken to effect or authorize any further amendment or other modification thereto.

Signed at Moncton, NB this 30th day of March, **2011.**

(SEAL)

By: ______________________
Director

GE Capital

150011609070

GUARANTEE AND INDEMNITY

TO: GE Canada Equipment Financing G.P. ("GE")

In consideration of the premises and the covenants and agreements herein contained, the sum of $1.00 now paid by GE to **Nitasi Landdrill Limited Partnership, acting by its general partner Landdrill Atlantic Ltd.** (the "Guarantor") and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Guarantor covenants and agrees with GE as follows:

1. *INTERPRETATION* Wherever throughout this Guarantee, the Guarantor or GE or **Landdrill International Ltd.** (hereinafter called the "Obligor") are mentioned or referred to, such mention or reference shall extend to their respective successors and assigns, as the case may be. Reference to the term "Obligations" herein shall be to any and all obligations of the Obligor to GE under that certain **Equipment Loan and Security Agreement No: 150011609070** dated **March 30, 2011** between Obligor and GE and any other agreement, document or instrument related thereto, whether existing now or arising hereafter, and any modifications, extensions or renewals thereof from time to time, (hereinafter singularly or collectively called "Finance Instruments").

2. *GUARANTEE*

2.1 **Guarantee** The Guarantor hereby irrevocably and unconditionally guarantees and covenants with GE as principal debtor of GE and not merely as surety, that the Obligor will duly and punctually perform all of the Obligations, and pay or cause to be paid to GE the rentals under and the principal of and interest on the Finance Instruments evidencing or securing the Obligations (including, in case of default, interest on the amount in default) as and when the same becomes due and payable, whether by lapse of time, by extension, or upon a declaration or otherwise according to the terms of the Finance Instruments and all other moneys owing on or under the Finance Instruments or in any way relating thereto including all expenses, including legal expenses and service charges. The total liability of the Guarantor hereunder for the Obligations shall be **limited to $ 2,250,000.00 CAD**, plus interest, fees, costs or expenses (including, without limitation, legal fees and expenses) which may now or hereafter accrue or be incurred with respect to such Obligations and any fees, costs or expenses (including without limitation, legal fees and expenses) that may be incurred by GE by reason of Guarantor's default under this Guaranty.

2.2 **Terms of the Finance Instruments** The Guarantor hereby consents to and approves of the terms of the Finance Instruments; the guarantee and the agreements of the Guarantor herein contained shall take effect and shall be and are hereby declared to be binding upon the Guarantor notwithstanding any defect in or omission from the Finance Instruments or any non-registration or non-filing or defective registration or filing of any Finance Instruments or notice of the interest of GE created thereby or by reason of any failure of the security intended to be created by the Finance Instruments or pursuant thereto.

2.3 **Guarantee Absolute** The liability of the Guarantor hereunder shall be absolute and unconditional and shall not be affected by:

a) any lack of validity or enforceability of any agreements between the Obligor and GE; any change in the time, manner or place of payment or in any other term of such agreements or the failure on the part of the Obligor to carry out any of its obligations under such agreements;
b) any impossibility, impracticability, frustration of purpose, illegality, *force majeure* or act of government;
c) the bankruptcy, winding-up, liquidation, dissolution or insolvency of the Obligor, GE or any party to any agreement to which GE is a party;
d) any lack or limitation of power, incapacity or disability on the part of the Obligor or of the directors, partners or agents thereof or any other irregularity, defect or informality on the part of the Obligor in its obligations to GE; or
e) any other law, regulation or other circumstance which might otherwise constitute a defense available to, or a discharge of, the Obligor in respect of any or all of the Obligations.

The Guarantor shall be held and bound to GE as principal debtor, and not as surety, in respect of the payment of any or all of the Obligations. All amounts payable to GE shall be paid to GE forthwith after demand therefore as provided herein.

2.4 **No Waiver** The Guarantor hereby agrees that its obligations hereunder shall be unconditional and no waiver by GE of any of its rights hereunder or under the Finance Instruments and no action by GE to enforce any of its rights hereunder or under the Finance Instruments or failure to take, or delay in taking any such action shall affect any other obligation of the Guarantor hereunder.

3. *INDEMNITY* The Guarantor also covenants and agrees with GE that it will at all times and from time to time hereafter, indemnify and keep indemnified and save harmless GE from any and all losses, costs, damages and expenses, including legal fees and disbursements and the costs of all distresses, actions, proceedings, claims and demands incurred or made by GE if GE does not receive payment of all amounts due and owing under the Finance Instruments or if the Obligor defaults in the payment of any instalment payable or in the performance of the Obligations under the Finance Instruments which, if the Finance Instruments were in full force and effect and good standing, would be payable or required to be performed under the Finance Instruments. In addition to the foregoing, the Guarantor agrees to pay GE, as administrative costs, an amount equal to fifteen percent (15%) of all amounts payable hereunder in the event that court proceedings are instituted against the Guarantor because the Guarantor has failed to respect its obligations hereunder.

4. *DEALINGS WITH OBLIGOR AND OTHERS*

4.1 **No Release** The liability of the Guarantor hereunder shall not be released, discharged, limited or in any way affected by anything done, suffered or permitted by GE in connection with any duties or liabilities of the Obligor to GE of any security thereof including any loss of or in respect of any security received by GE from the Obligor or others. GE, without releasing, discharging, limiting or otherwise affecting in whole or in part the Guarantor's liability hereunder, may:

a) grant time, renewals, extensions, indulgences, releases, waivers and discharges to the Obligor;
b) grant substitutions for the Obligations or any part thereof or any agreement related thereto;
c) take or abstain from taking securities or collateral from the Obligor or from perfecting securities or collateral of the Obligor;

d) accept compromises from the Obligor;
e) apply all money at any time received from the Obligor or from securities upon such part of the Obligations as GE may see fit or change any such application in whole or in part from time to time as GE may see fit;
f) amend any of the Finance Instruments; or
g) otherwise deal with the Obligor and all other persons and securities as GE may see fit.

4.2 **No Exhaustion of Remedies** GE shall not be bound or obligated to exhaust its recourse against the Obligor or other persons or any securities or collateral it may hold or take any other action (other than to make demand pursuant to Section 6) before being entitled to demand payment from the Guarantor hereunder. The obligations of the Guarantor hereunder are joint and several with those of the Obligor and any other guarantor, security or other person liable in any way for the Obligations. This Guarantee is in addition and not in substitution for any other guarantee, by whomsoever given, at any time held by GE, and without prejudice to any other security, by whomsoever given, at any time held by GE, and GE shall be under no obligation to marshall in favour of the Guarantor any such security or any of the funds or assets GE may be entitled to receive or have a claim upon.

4.3 **Conclusive Statement** Any account settled or stated in writing by or between GE and the Obligor shall be *prima facie* evidence that the balance or amount thereof appearing due to GE is so due.

4.4 **No Set-Off** The Guarantor shall not claim any set-off or counterclaim against the Obligor in respect of any liability of the Obligor to the Guarantor.

5. CONTINUING GUARANTEE

5.1 **Continuing Guarantee** This Guarantee shall be a continuing guarantee, notwithstanding any extensions, modifications, renewals or indulgences with respect to, or substitutions for, the Obligations or any part thereof, and shall remain in full force and effect until the Obligations are performed and paid in full. This Guarantee shall continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or terminated or must otherwise be returned by GE upon the occurrence of any action or event including the insolvency, bankruptcy or reorganization of the Obligor or otherwise, all as though such payment had not been made.

6. DEMAND FOR PAYMENT

6.1 **Demand for Payment** GE shall be entitled to make demand upon the Guarantor at any time upon a default in payment of any amount owing by the Obligor to GE and upon such default GE may treat all Obligations as due and payable and may forthwith collect from the Guarantor the total amount guaranteed hereunder. The Guarantor shall make payment to or performance in favour of GE of the total amount guaranteed hereunder forthwith after demand thereof is made to the Guarantor.

6.2 **Interest** The Guarantor shall pay interest to GE at the rate of 24% per annum on the unpaid portion of all amounts payable by the Guarantor under this Guarantee, such interest to be calculated daily from the date of demand by GE on the Guarantor.

7. ASSIGNMENT, POSTPONEMENT AND SUBROGATION

7.1 **Assignment and postponement** All debts and liabilities, present and future, of the Obligor to the Guarantor are hereby assigned to GE and postponed to the Obligations, and all money received by the Guarantor in respect thereof shall be received in trust for GE and forthwith upon receipt shall be paid over to GE, the whole without in any way lessening or limiting the liability of the Guarantor hereunder and this assignment and postponement is independent of the Guarantee and shall remain in full force and effect until, in the case of the assignment, the liability of the Guarantor under this Guarantee has been discharged or terminated and, in the case of the postponement, until payment in full to GE of all obligations of the Guarantor under this Guarantee.

7.2 **Subrogation** The Guarantor will not exercise any rights which it may acquire by way of subrogation under this Guarantee and indemnity, by any payment made hereunder or otherwise, until all Obligations shall have been paid and performed in full. If any amount shall be paid to the Guarantor on account of such subrogation rights at any time when all the Obligations shall not have been paid in full, such amount shall be held in trust for the benefit of GE and shall forthwith be paid to GE to be credited and applied upon the Obligations. If (i) the Guarantor performs or makes payment to GE of all amounts owing by the Guarantor to GE under this Guarantee and (ii) the Obligations are performed and paid in full, GE will, at the Guarantor's request and at the Guarantor's expense, execute and deliver to the Guarantor appropriate documents, without recourse and without representation and warranty, necessary to evidence the transfer by subrogation to the Guarantor of an interest in the Obligations and any security held therefor resulting from such performance or payment by the Guarantor.

8. COVENANTS OF THE GUARANTOR

The Guarantor hereby represents, covenants and warrants that:

a) if the Guarantor is a corporation, the making and performance of this Guarantee have been duly authorized by all necessary corporate actions on the part of the Guarantor, do not require any shareholders' approval, and will not violate any provisions of the Guarantor's incorporating documents or by-laws or result in the breach of, constitute a default under, contravene any provisions of or result in the creation of any lien, charge, encumbrance or security interest upon any property or assets of the Guarantor pursuant to any of the Guarantor's stocks, bonds, notes or debentures outstanding, or any agreement, indenture or other instrument to which the Guarantor is a party or by which the Guarantor or its property may be bound or affected;
b) this Guarantee constitutes a legal, valid and binding obligation of the Guarantor in accordance with the terms hereof;
c) there is no pending or, to the best of the knowledge of the Guarantor, threatened action or proceeding affecting the Guarantor or, if the Guarantor is a corporation, any of its subsidiaries before any court, governmental agency or arbitrator, which would materially adversely affect the legality, validity or enforceability of this Guarantee;
d) all Information as defined in Section 9.2 provided by Guarantor to GE is accurate;
e) all payments to GE are and will be derived from legal sources and GE may decline any form of payment; and
f) the Guarantor is and shall continue to be in compliance with all laws and regulations relating to the prevention of money laundering and terrorism.

9. GENERAL

9.1 **Waivers** The Guarantor waives notice of acceptance of this Guarantee and of the extension or continuation of the Obligations or any part thereof. The Guarantor further waives presentment, protest, notice, demand or action in respect of the Obligations or any part thereof, including any right to require GE to sue the Obligor, any other Guarantor or any other person obligated with respect to the Obligations or any part thereof, or otherwise to enforce payment thereof against any collateral securing the Obligations or any part thereof. Without limiting the generality of the foregoing, the Guarantor is jointly and severally liable with the Obligor for the due and punctual payment and performance of the Obligations, the Guarantor hereby waiving the benefit of division and discussion.

Guarantor waives its right to receive a copy of any financing statement or financing change statement registered by GE and of any related verification statement.

9.2 **Information** Guarantor hereby consents and authorizes GE and its affiliates, agents, contractors and representatives, at any time, a) to collect, verify, use, communicate with and disclose to third parties (including credit reporting agencies, financial institutions, creditors, vendors and other persons) any credit, financial and other information, including personal information (as applicable) and information related to the credit rating, financial capacity and payment history, with respect to Guarantor ("Information"), as GE deems necessary to process, complete, service and enforce the transactions hereby contemplated and any other existing or potential transactions, or as required or otherwise permitted by law; b) to respond to inquiries from, and exchange any Information with, third parties concerning Guarantor's credit rating, financial capacity and payment history; c) to provide Information to persons to whom GE considers assigning, granting a participation or otherwise disposing of rights or obligations under the transactions hereby contemplated; and d) to provide to any person copies of this Guarantee. This consent is in addition to and does not replace any consent previously given.

9.3 **Benefit of the Guarantee** This Guarantee shall enure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and permitted assigns of the Guarantor and GE.

9.4 **Entire Agreement** This Guarantee constitutes the entire agreement between GE, the Obligor and the Guarantor with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between such parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, expressed, implied or statutory, between such parties other than as expressly set forth in this Guarantee.

9.5 **No Waiver, Remedies** No failure on the part of GE to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude the other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

9.6 **Severability** If any provision of this Guarantee is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof shall continue in full force and effect.

9.7 **Notices** Any demand, notice or other communications (hereinafter in this Section 9.7 referred to as a "Communication") to be given in connection with this Guarantee shall be given in writing and may be given by personal delivery or by registered mail addressed to the recipient as follows:

To GE:	**239 Brownlow Ave., Suite 204, Dartmouth, Nova Scotia, B3B 2B2** , **Tel: (902) 468-8266**	To the Guarantor:	**160 MacNaughton Ave., Moncton, New Brunswick, E1H 3L9**

or such other address as may be designated by notice by any party to the other. Any Communication given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof and, if given by registered mail, on the third day following the deposit thereof in the mail. If the party giving any Communication knows or ought reasonably to know of any difficulties with the postal system which might affect the delivery of mail, any such Communication shall not be mailed but shall be given by personal delivery.

9.8 **Assignment** The rights of GE under this Guarantee may be assigned by GE without the prior consent of the Obligor or the Guarantor. The Guarantor may not assign its obligations under this Guarantee.

9.9 **Governing Law** This guarantee shall be governed by and construed in accordance with the laws of the Province of **New Brunswick** and the laws of Canada applicable therein.

9.10 **Language** The parties hereby acknowledge that it is their express wish that this Guarantee and Indemnity be drawn in the English language; les parties reconnaissent qu'il est de leur volonté expresse que la présente caution soit rédigée en langue anglaise seulement.

IN WITNESS WHEREOF, the Guarantor has executed this Guarantee this **30th** day of **March, 2011**.

If Guarantor is a corporation:

Nitasi Landdrill Limited Partnership, acting by its general partner Landdrill Atlantic Ltd.
("Guarantor")

By: ⊗ [signature] (c/s)

Title: CFO

If Guarantor is an individual:

(s)

Name: ("Guarantor")

Witness: Camille Cormier

GE Capital

150011609070

PRE-AUTHORIZED DEBIT AUTHORIZATION ("PAD Agreement")
FOR BUSINESS PURPOSES

The undersigned hereby authorizes GE Canada Equipment Financing G.P. (hereinafter called the "Payee") to debit the account of the undersigned identified on the void cheque delivered to the Payee (the "Account") with the amount of each payment or other amount owing from time to time to the Payee under the Equipment Loan and Security Agreement entered into between the undersigned and the Payee on March 30, 2011 (as same may be amended or otherwise modified from time to time, the "Financing Agreement"), on or shortly after the due date thereof as set out in the Financing Agreement, by issuing pre-authorized debit requests (each a "PAD") to the financial institution at which the Account is held, as identified on the void cheque delivered to the Payee (the "Processing Institution"). The undersigned undertakes to inform the Payee in writing of any change in the information related to the Account 10 days prior to the next PAD due date.

The undersigned acknowledges that this authorization is being given for the benefit of the Payee and the benefit of the Processing Institution and is provided in consideration of the Processing Institution agreeing to process PADs against the Account in accordance with the rules of the Canadian Payments Association (the "CPA Rules"). The Processing Institution is hereby authorized to pay from and to debit against the Account any payment order or request whatsoever, payable to the order of the Payee and drawn on the said Account by a bank acting in the name of the Payee. Any payment order or request whatsoever thus drawn by the Payee's bank shall be considered as having been signed by the undersigned.

The undersigned hereby acknowledges the payment terms of the Financing Agreement and agrees that each PAD may be processed without prior written notice from the Payee of either the amount of the PAD or the date that the PAD is to be processed.

The undersigned acknowledges: (i) that this authorization to the Payee also constitutes delivery thereof by the undersigned to the Processing Institution, and (ii) that the Processing Institution is not required to verify that each PAD submitted by the Payee has been issued in accordance with this PAD Agreement (including the amount) or that the purpose of the payment for which a PAD was made has been fulfilled as a condition of honouring such PAD.

The undersigned may revoke this authorization at any time by giving a 10-day written prior notice to the Payee at the address set forth below. We acknowledge that we may obtain a sample cancellation form, or further information on our right to cancel this authorization at the Processing Institution or by visiting www.cdnpay.ca. We acknowledge that we have certain recourse rights if any debit does not comply with this PAD Agreement. For example, we have the right to receive reimbursement for any debit that is not authorized or is not consistent with this PAD Agreement. To obtain more information on our recourse rights, we acknowledge that we may contact our financial institution or visit www.cdnpay.ca.

This PAD Agreement only relates to the method of payment under the Financing Agreement and neither this Agreement nor cancellation thereof affects your obligations under the Financing Agreement. **The Payee may assign or transfer its rights under this PAD Agreement.**

Each person whose signature is required on the Account must sign below.

Signed this 30th day of March, 2011.

Landdrill International Ltd.

160 MacNaughton Ave.
Moncton, New Brunswick,
E1H 3L9

Authorized Signature(s) (as it appears on cheques)

N.B.:Please attach a sample of a cancelled cheque from the Processing Institution.

CONTACT INFORMATION OF THE PAYEE FOR NOTIFICATION OR INFORMATION:

GE Canada Equipment Financing G.P.
239 Brownlow Ave., Suite 204, Dartmouth, Nova Scotia, B3B 2B2

Contact: Marcelyne Vigneault
Tel.: (514) 394-3246
Fax.: (877) 274-5401
E-mail: marcelyne.vigneault@ge.com

GE Capital

CONDITIONAL SALE AGREEMENT

No: 868801101

239 Brownlow Ave., Suite 204
Dartmouth, Nova Scotia, B3B 2B2, Tel: (902) 468-8266, Fax: (902) 468-8270

PURCHASER: **Landdrill International Ltd.**

ADDRESS: **160 MacNaughton Ave.**
Moncton, New Brunswick
E1H 3L9

CONTACT: *Derrick West* Tel: **(506) 388-8100**
G.S.T. NO.:

SELLER: **Mitchell's Drilling Equipment Ltd.**

ADDRESS: **3105 Topham Rd.**
West Kelowna, British Columbia
V1Z 2J5

CONTACT: Tel:
G.S.T. NO.:

EQUIPMENT LOCATION (if at address other than above)
75 rue Ontario
Notre-Dame-du-Nord, Quebec, Canada, J0Z 3B0

GOODS

UNITS	MODEL	YEAR	DESCRIPTION	SERIAL Nos.
			See Schedule A which is an integral part of this agreement.	

FINANCED AMOUNT

Basic Cost of Goods:	502,703.42 CAD
Ancillary costs:	0.00 +
G.S.T.:	25,135.17 +
Trade-in Allowance:	0.00 -
G.S.T. on trade-in:	0.00 -
Prov. Taxes:	0.00 +
Cost of Goods:	**527,838.59 =**
Lien on trade-in:	0.00 +
Cash Down Payment:	150,811.02 -
Financing fees:	0.00 +
Insurance Premium:	0.00 +
Financed Amount	**377,027.57 CAD**

INSURANCE
Assurance Goguen Champlain Insura
1040 Champlain St Ste 200
Dieppe
E1A 8L8

TRADE-IN DESCRIPTION

ASSIGNMENT*
_____ With Recourse __✓__ Without Recourse *Purchaser hereby acknowledges Seller or Assignee will complete manner of recourse on Seller's and Assignee's copies hereof with no obligation hereunder to disclose the same to Purchaser.

FINANCING RATE: **Fixed Rate 8.95% p.a.**

INSTALMENTS

Instalments:	**$ 11,981.31 CAD**
Instalment date:	
Frequency:	**Monthly**
No. of Instalments:	**36**
First Instalment date:	
Original Term:	**36 months**

ADDITIONAL PROVISIONS

See Schedule B which is an integral part of this agreement.

NOW THEREFORE, for good and valuable consideration and cause (the receipt and sufficiency of which are hereby acknowledged), the parties hereto hereby agree as follows: Each of Purchaser and Seller hereby agrees with Assignee to the terms and conditions set forth above, on pages 1, 2, 3, 4 and 5 of document attached hereto, on all applicable schedules and other attachments hereto. PURCHASER EXPRESSLY ACKNOWLEDGES THAT ALL EXTERNAL CLAUSES, IF ANY, REFERRED TO IN THIS AGREEMENT WERE EXPRESSLY BROUGHT TO PURCHASER'S ATTENTION AND KNOWLEDGE AT THE TIME OF SIGNING OF THIS AGREEMENT. PURCHASER ACKNOWLEDGES THAT, BEFORE SIGNING, PURCHASER WAS GIVEN SUFFICIENT TIME TO READ, TO ASK FOR EXPLANATIONS AND CLARIFICATIONS AS TO THE TERMS AND CONDITIONS OF THIS AGREEMENT, AND TO CONSULT ITS ADVISORS AND AS A RESULT PURCHASER DECLARES THAT IT UNDERSTANDS AND IS SATISFIED WITH ALL OF THE PROVISION OF THIS AGREEMENT.

IN WITNESS WHEREOF the parties hereto have executed this Conditional Sale Agreement at Moncton in the province of New Brunswick, this 8th day of July 2011.

Landdrill International Ltd.
("PURCHASER")
By: ________ TITLE
SIGNATURE OF AUTHORIZED OFFICERS TITLE

Mitchell's Drilling Equipment Ltd.
("SELLER")
By: ________ TITLE
SIGNATURE OF AUTHORIZED OFFICERS TITLE

GE Canada Equipment Financing G.P.
("ASSIGNEE")
By: ________ TITLE
SIGNATURE OF AUTHORIZED OFFICERS TITLE

GE Capital

SCHEDULE A

No: 868801101

This SCHEDULE A is an integral part of the CONDITIONAL SALE AGREEMENT No. 868801101 executed at Moncton in the province of New Brunswick, this 8th day of July 2011.

GOODS

UNITS	MODEL	YEAR	DESCRIPTION	SERIAL Nos.
2		2011	A5 Diamond drill c/w Isuzu engine, B20 head, synchronised footclamp, wireline spool, mud tank, mud mixer, one (1) transfer pump for hydraulic oil with filter, two (2) upgrade to P footclamp, two (2) upgrade to P head, two (2) A5-ROTZ120 hoisting winch for A5, one (1) feed frame skid with stand (power-coated), one (1) engine skid (power-coated), two (2) 18100477 P rod jaws (P head), two (2) 18100480 P head chuck bushing - P rod, two (2) 18100178 jaw set P rod (PQ clamp), two (2) 18100185 PQ upper/lower bushing P clamp, two (2) hydraulic motor, drive gears, chain and skids for mounting 435 pressure pump	2011-035 2011-039

Landdrill International Ltd.	**Mitchell's Drilling Equipment Ltd.**	**GE Canada Equipment Financing G.P.**
("PURCHASER")	("SELLER")	("ASSIGNEE")
By: ⊗ TITLE	By: TITLE	By: TITLE
SIGNATURE OF AUTHORIZED OFFICERS TITLE	SIGNATURE OF AUTHORIZED OFFICERS TITLE	SIGNATURE OF AUTHORIZED OFFICERS TITLE

GE Capital

SCHEDULE B

No: 868801101

This SCHEDULE B is an integral part of the CONDITIONAL SALE AGREEMENT No. 868801101 executed at Moncton in the province of New Brunswick, this 8th day of July 2011.

ADDITIONAL PROVISIONS

CROSS DEFAULT

Section 14 of the terms and conditions attached to the present (GE15131E), is amended to add the following paragraph:

(l) Client fails to meet any of its bank's financial covenants and Client shall remain in default if such bank waives the default.

INTEREST RATE (CAD SWAP)

The Financed Amount will bear interest at an annual rate equal to 720 basis points above the ask rate for a 2 year CA dollar fixed interest rate swap compounded semi-annually as indicated on the Thomson Reuters Interest Rate Spread Quick Chart CADSB3CB2Y=RR published on the Reuters 3000 Xtra Hosted Terminal Platform for the Friday preceding the disbursement date. This rate shall remain fixed for the entire term of this Agreement. For ease of reference only, Thomson Reuters makes available on the GE web site (www.gecapitalsolutions.ca) a table setting forth such 2 year CA dollar rate for the dates indicated in the table, it being understood that such rates are made available for information purposes only and should not at any time be considered the official reference rates.
For indication purposes only, the applicable 2 year swap rate today is 1.754%, plus 720 bps, resulting in a fixed interest rate of 8.954%. The Instalments and the Financing Rate on the signature page of this Agreement are for indication purposes only.

PRICING ADJUSTMENT

In order to preserve the Assignee's net economic return, Assignee in its sole discretion may adjust the pricing at any time prior to disbursement to reflect: (1) changes in the pricing assumptions of this Agreement; (2) a change in the Assignee's funding index rate; (3) tax law changes applicable to the Purchaser; and (4) general market conditions.

Landdrill International Ltd.	**Mitchell's Drilling Equipment Ltd.**	**GE Canada Equipment Financing G.P.**
("PURCHASER")	("SELLER")	("ASSIGNEE")
By: ______ TITLE	By: ______ TITLE	By: ______ TITLE
SIGNATURE OF AUTHORIZED OFFICERS TITLE	SIGNATURE OF AUTHORIZED OFFICERS TITLE	SIGNATURE OF AUTHORIZED OFFICERS TITLE

GE 14131W E (12-95)

GE Capital

CONDITIONAL SALE AGREEMENT

1. Interpretation

1.1 For the purpose of this Agreement:

(a) "Accrued Liability" at any time means the amount equal to the sum of the Financed Amount, a Prepayment Bonus and all other amounts then payable hereunder, including without limitation, any Overdue Payment and accrued interest.

(b) "Affiliate" means in respect of a person, a person or persons that, directly or indirectly through one or more intermediaries, control, are controlled by, or are under common control with, such person, and for the purposes of this definition, "control" means the power to direct or cause the direction of the management and policies of a person whether through the ownership of voting securities or otherwise, and "person" means an individual, corporation, partnership, joint venture, association, trust or unincorporated organization or any trustee, executor, administrator or other legal representative.

(c) "Agreement" means this agreement and any applicable schedules hereto, unless the context otherwise requires, and "hereof", "herein", "hereby", "hereunder" and similar expressions refer to this Agreement.

(d) "Assignee" means the assignee of Seller's rights in this Agreement and the transferee in title to the Goods from the Seller as stated on the face hereof.

(e) "business day" means a day when the office of Assignee at the address stated on the face hereof is open for business.

(f) "Claims" has the meaning assigned in Section 17.

(g) "Conversion Rate" means the rate, expressed in CAD for the purchase of one US dollar, determined by adding 0.0050 CAD/USD to the highest rate which appears on the Bloomberg CAD GIT Page between 7 AM and 5 PM (EST).

(h) "Costs of Disposition" means all costs, disbursements, fees, commissions and other expenses (including legal fees and expenses) which Assignee may incur, pay or be liable for in connection with recovering possession of, dismantling, removing, transporting, repairing, processing, reconditioning, storing, selling, leasing or otherwise disposing of Goods.

(i) "Default" means the occurrence of any of those events or circumstances specified in Section 14.

(j) "Equities" means existing or future rights of counterclaim, defence, set-off, compensation, abatement or offset, legal or equitable.

(k) "Financed Amount" means the amount stated as such on the face hereof owing by Purchaser to Seller and assigned hereunder to Assignee or the unpaid outstanding balance thereof, as the context requires.

(l) "Financing Rate" means the rate *per annum* stated as such on the face hereof.

(m) "Goods" means the items of personal property stated on the face hereof which Purchaser has agreed to purchase from Seller for use in its business or enterprise and, when required by the context, individual items thereof.

(n) "Instalments" means the periodic instalments of Financed Amount stated on the face hereof.

(o) "Lien" means any lien, privilege, mortgage, pledge, prior claim, hypothec, legal hypothec, charge, security interest, attachment, assignment, seizure, sequestration, distress, levy or other encumbrance of any nature or kind whatsoever.

(p) "Loss of Goods" means: (i) a total loss or a constructive total loss (being any loss, the cost of repair of which would exceed the value of Goods immediately after repair) of Goods, or damage thereto which, in the reasonable opinion of Assignee, renders it impossible or impractical to use Goods for their intended purpose; or (ii) expropriation or confiscation of Goods by any authority absolutely or for more than 180 days.

(q) "Obligation" means any obligation to pay any amount owing by Purchaser hereunder or to perform any other obligation of Purchaser hereunder.

(r) "Overdue Payment" means any amount owing by Purchaser hereunder and any sum disbursed by Assignee pursuant to Section 16 which is not paid when due hereunder, or any portion thereof.

(s) "person" means any natural person, corporation, firm, partnership, trust, sole proprietorship or governmental agency, authority or other entity, however constituted or designated.

(t) "Pledge" means mortgage, charge, pledge, hypothecate, assign or grant a security interest and the security resulting therefrom.

(u) "Prepayment Bonus" means a prepayment bonus determined in accordance with Section 2.2.

(v) "Prime Rate" means the *per annum* rate of interest which National Bank of Canada announces from time to time in Canada as its prime rate which is the reference rate used by it to determine rates of interest charged by it for loans made in Canadian dollars in Canada to Canadian borrowers.

(w) "Purchaser" means the person stated as such on the face hereof who has agreed to purchase Goods from Seller and Assignee as the transferee in title thereto.

(x) "Seller" means the person stated as such on the face hereof who has agreed to conditionally sell Goods to Purchaser.

(y) "Supplier" means Seller or any manufacturer, supplier, vendor of or dealer in Goods or any other person from whom Seller acquires Goods for purposes of this Agreement.

(z) "Taxes" means any and all taxes, imposts, levies, fees, duties and charges imposed by any taxing authority on Assignee, Seller, Purchaser or Goods, their purchase, sale, ownership, delivery, possession, operation or use including, without limitation, sales, excise, use, property, health services, goods and services, business transfer and value added taxes (including any penalties or interest based on late or non-payment), but excluding taxes imposed on or measured by Assignee's overall net income.

(aa) "Warranties" means any and all warranties, guarantees, representations, service contracts, contracts to stock spare parts and similar agreements, oral or written, express, implied or statutory, relating to Goods.

1.2 In this Agreement, unless the context otherwise requires, the singular includes the plural and vice-versa and words importing gender include each gender.

1.3 All references herein to statutes include the statute as it may be amended, restated or replaced with legislation of reasonably comparable effect.

1.4 Acts to be performed hereunder on days that are not business days shall be performed on the following business day.

2. Instalments

2.1 Purchaser hereby acknowledges that it is indebted to and agrees to pay to Seller at the address of Assignee stated on the face hereof or such other place notified by Seller to Purchaser the Financed Amount, together with interest thereon, in the Instalments stated on the face hereof. Unless otherwise stated, Instalments are due on the date stated on the face hereof in each month, or other period (or the last day of the month, if there is no corresponding date), in arrears, throughout the term hereof. On the final instalment date, Purchaser shall pay Seller the outstanding balance of the Financed Amount, all accrued and unpaid interest thereon and all other amounts payable hereunder.

2.2 Purchaser may at any time prepay the Financed Amount in whole or in part upon payment to Seller of a prepayment bonus determined as follows:

(a) if the Financing Rate is a variable rate based on Prime Rate, the bonus shall be three months' interest on the amount prepaid calculated at the Financing Rate in effect at the time of prepayment; or

(b) if the Financing Rate is a fixed rate, the bonus shall be either (i) three months' interest on the amount prepaid calculated at the Financing Rate (the "Minimum Bonus"), if the Financing Rate does not exceed the Prime Rate in effect at the time of prepayment ("Current Prime"); or (ii) the greater of (A) the Minimum Bonus or (B) the amount determined as the product of (x) the Financing Rate less Current Prime times (y) the amount prepaid times (z) the fraction of the number of days to elapse until the final Instalment date, disregarding prepayments, divided by 365, if the Financing Rate exceeds Current Prime.

Any portion of the Financed Amount prepaid shall satisfy the Purchaser's obligation to pay the remaining Instalments to the extent of the amount prepaid in inverse order of maturity. If a Default or a Loss of Goods occurs, the Prepayment Bonus shall also be payable by Purchaser and shall be calculated by reference to the outstanding balance of the Financed Amount at the time of such Default or Loss of Goods, as applicable.

3. *Interest*

3.1 The Financed Amount shall bear interest from the date hereof until paid in full to Seller (as well before as after maturity, demand, Default or judgment) at the Financing Rate.

3.2 Each Overdue Payment shall bear interest (in addition to interest payable under Section 3.1) from the date due until paid in full to Seller (as well before as after demand, Default or judgment) at the rate of 12% *per annum*.

3.3 Interest payable hereunder shall accrue from day to day, be payable in arrears on each Instalment date and be computed upon the daily outstanding balance of the Financed Amount or Overdue Payment, as applicable, and shall be calculated on the basis of the number of days elapsed in a 365 day-year. The yearly rate of interest to which each rate of interest expressed herein is equivalent is the product of (a) such rate times (b) the fraction of the number of days in the year divided by 365. The principle of deemed reinvestment shall not apply to this Agreement or any payments made by Purchaser hereunder.

3.4 If the Financing Rate is a variable rate based on Prime Rate, a change in Prime Rate automatically alters the rate of interest payable hereunder to the same extent and in the same manner effective with the frequency stated on the face hereof. Seller shall not be obliged to notify Purchaser of any such change, any right to notice being hereby irrevocably waived by Purchaser.

4. *Title, Ownership*

4.1 Each of Purchaser and Seller hereby agrees with each other and confirms to Assignee that Purchaser has bought and Seller has sold the Goods upon and subject to the terms and conditions of this Agreement, such sale taking effect as of the date hereof. Purchaser represents and warrants to Assignee that Purchaser has inspected, tested and accepted the Goods as of the date hereof and that the Goods are as ordered, in good operating condition and repair and meet all conditions of purchase and this Agreement.

4.2 Title to, ownership of, and all property in Goods shall not pass to Purchaser on delivery but shall be and remain exclusively in Seller, but at Purchaser's risk, until full payment in cash of all amounts payable hereunder; prior to such payment, Purchaser's only rights therein are to quiet enjoyment and use on the terms and conditions of this Agreement while not in Default.

5. *Assignment*

5.1 For value received, Seller hereby sells, transfers and assigns to Assignee all right, title, benefit and interest of Seller in and to this Agreement and the Goods including, without limitation, the right to be paid the Financed Amount together with interest thereon and all of Seller's rights, remedies and recourses hereunder.

5.2 Each of Seller and Purchaser represents and warrants to Assignee that: (a) this Agreement is valid and subsisting and enforceable according to its terms and was properly executed and delivered by it; (b) the Goods are fully and accurately described on the face hereof and in any applicable schedule or attachment hereto and have been delivered to and accepted by Purchaser for use in a business or an enterprise carried on by Purchaser; (c) the cash down payment stated on the face hereof was actually received by Seller and no part thereof was directly or indirectly loaned to Purchaser or waived by Seller or any Affiliate thereof; (d) the trade-in, if any, was received by Seller for the trade-in allowance stated on the face hereof; (e) no representations or warranties have been made to Purchaser pertaining to the Goods or this Agreement except to the extent expressly stated or permitted herein; and (f) the Financed Amount is correctly stated on the face hereof and is owing by Purchaser to Seller and Purchaser may not assert any Claims or Equities against its Obligation to pay the same.

5.3 Seller represents and warrants to Assignee that it has good and marketable title to the Goods free and clear of all Liens. Seller agrees to comply with all Warranties given to Purchaser pertaining to the Goods. Any failure by Seller or any other person to comply with such Warranties shall not affect Purchaser's Obligations to Assignee.

5.4 Purchaser hereby accepts the sale, transfer and assignment by Seller to Assignee under Section 5.1. Purchaser agrees to pay the Financed Amount to Assignee together with interest thereon in the manner provided in this Agreement.

5.5 If any representation or warranty of Seller herein is false or misleading in any material respect, or if the assignment to Assignee is stated on the face of Assignee's and Seller's copies hereof to be "With Recourse", Seller shall, on demand of Assignee, repurchase from Assignee all remaining right, title, benefit and interest of Assignee, if any, in and to this Agreement and the Goods for the amount equal to the Accrued Liability, without representation or warranty of any kind by Assignee, the whole at Seller's own risk and peril.

5.6 If the Goods are repossessed by Assignee, Seller agrees to store the Goods safely for Assignee without charge.

5.7 If the assignment to Assignee is stated on the face of Seller's and Assignee's copies hereof to be made "With Recourse", Seller shall, in addition, indemnify and save Assignee harmless from and against all Claims sustained or suffered by Assignee, or for which Assignee may become liable, resulting from or arising out of:

(a) the breach or failure by Purchaser to perform any Obligation arising out of this Agreement; and

(b) any other matter or thing pertaining to this Agreement or the Goods.

Seller shall, on demand, of Assignee pay the amount of any such Claim to Assignee and hereby waives any right to require Assignee to demand, notify or take any proceeding against Purchaser or any other person. For the purposes of this Section 5, Seller shall be jointly and severally liable (or where this Agreement is governed by the laws of Quebec solidarily liable) with Purchaser to Assignee for Purchaser's Obligations under this Agreement.

6. *Security Interest and Hypothec*

Purchaser hereby Pledges (and where this Agreement is governed by the laws of the Province of Quebec Purchaser hereby hypothecates in an amount equal to 120% of the Financed Amount) in favour of Assignee all insurance claims and all proceeds (including proceeds of proceeds) therefrom or from any lease of Goods to secure its Obligations.

7. *Personal Property and Waivers*

7.1 Goods shall at all times be and remain moveable personal property. Notwithstanding any purpose for which Goods may be used or that they may become affixed or attached to land or any structure thereon, they shall remain subject to all rights of Assignee hereunder as if they were not so affixed or attached. Purchaser shall not incorporate, physically attach or join Goods to any land or immoveable property in such manner or to such extent as to cause Goods to lose their individuality.

7.2 Purchaser agrees to obtain a waiver, if required by and in a form satisfactory to Assignee, from any landlord, mortgagee, hypothecary creditor or other encumbrancer of the premises where Goods are situated.

8. *Maintenance, Use, Operation, Alterations, Upgrades, etc.*

8.1 Purchaser shall at its own expense:

(a) maintain Goods in good operating condition, repair and appearance, ordinary wear and tear only excepted;

(b) comply with all recommendations or requirements of Supplier regarding Goods so as to preserve all Warranties; and

(c) at Assignee's request, enter into a maintenance agreement for Goods for the full term of this Agreement with Supplier or a competent service and maintenance agent approved by Assignee.

8.2 Purchaser shall not without Assignee's prior consent, make any alterations, additions, accessions or attachments to Goods. Such consent will only be granted if such changes:

(a) do not materially decrease the value of Goods or limit, interfere with or frustrate their intended use;

(b) do not prejudice or adversely affect any Warranties; and

(c) are free from, and do not subject Goods to, any Lien.

8.3 All replacement parts and components, alterations, additions, accessions and attachments to Goods shall be deemed transferred hereby and assigned to Assignee and become the sole property of Assignee and shall be subject to this Agreement.

8.4 Purchaser shall affix and keep affixed to Goods any identification labels supplied by Assignee.

9. *Inspection*

Any representative of Assignee shall have the right to inspect the Goods and the Receivables and all books, maintenance and other records and data maintained by Purchaser with respect thereto at all reasonable times upon reasonable notice to Purchaser.

10. Insurance

10.1 Purchaser shall at its own expense place and maintain with insurers acceptable to Assignee:

(a) comprehensive first party all risks insurance on Goods for their full replacement value. Such insurance shall include: (i) Assignee as a beneficiary under a broad form of Secured Creditor Endorsement Clause; and (ii) a waiver of subrogation clause in favour of Assignee; and

(b) comprehensive general public liability and property damage insurance with limits of liability at least equal to $1,000,000 or such greater amount as Assignee may require. Such insurance shall: (i) extend to all liabilities of Purchaser under this Agreement arising out of its use or possession of Goods; (ii) include Assignee as a named insured; and (iii) include a cross liability provision which insures each person insured thereunder in the same manner and to the same extent as if a separate policy had been issued to each.

10.2 All insurance policies shall commence at the moment title to, ownership of and risk of loss of the Goods passes from Seller to Purchaser and cover Assignee and Purchaser as their respective interests appear and shall contain endorsements providing that:

(a) 30 days' written notice shall be given to Assignee before the policy lapses or is materially altered or cancelled;

(b) the insurance shall be primary and not contributory;

(c) Assignee's coverage and interest as the beneficiary under the above Hypothecary Creditor Endorsement Rider shall not be invalidated or otherwise adversely affected by any act, neglect, omission or misrepresentation, deliberate, negligent or otherwise, of Purchaser or its agents, servants or employees;

(d) Assignee shall not be responsible for payment of any premiums; and

(e) Assignee may elect to have all proceeds of loss payable only to itself.

10.3 Purchaser shall supply Assignee with certified copies of all insurance policies, endorsements or other evidence of the required coverage satisfactory to Assignee within 30 days of the moment title to, ownership of and risk of loss of the Goods passes from Seller to Purchaser and on request.

10.4 In the event of damage amounting to Loss of Goods, this Agreement respecting such Goods shall be deemed to have terminated and Assignee shall be entitled to receive immediate payment of the amount equal to the Accrued Liability and Assignee may retain from the insurance proceeds an amount equal thereto, Purchaser remaining liable for any deficiency.

11. Taxes, etc.

Purchaser shall have the sole responsibility for and shall duly and punctually pay all Taxes and all licence and similar fees payable at any time upon, or in respect of, Goods, this Agreement and any payments or transactions contemplated hereunder.

12. Liens

Purchaser shall keep Goods free of Liens.

13. Laws and Regulations

Purchaser is and shall continue to be in compliance with all laws and regulations relating to use, operation or possession of Goods or the ownership thereof by Assignee, and those relating to the prevention of money laundering and terrorism.

14. Default

It shall be a Default under this Agreement if:

(a) Purchaser fails to pay any Instalment within 10 days of its due date;

(b) any insurance coverage required to be obtained and maintained by Purchaser under this Agreement shall lapse, expire or be cancelled;

(c) any representation or warranty of Purchaser is false or materially misleading;

(d) Purchaser defaults in any other Obligation, or in any obligation under any other agreement with Assignee or any Affiliate of Assignee, and such default continues for 10 days after notice thereof by Assignee or such Affiliate, as applicable, to Purchaser;

(e) any act of bankruptcy takes place respecting Purchaser, or any proceeding, petition or notice, voluntary or involuntary, is commenced, made, given or filed, as the case may be, by the Purchaser or any other person, under any present or future statute or law relating to bankruptcy, insolvency or relief from or compromise or arrangement with creditors of Purchaser;

(f) Purchaser ceases or threatens to cease to carry on business or makes or proposes to make any sale of the whole or any substantial portion of its assets in bulk, or otherwise out of the normal course of business;

(g) any execution, sequestration, expropriation or similar process is brought or threatened, by way of notice or otherwise, against, or a distress or analogous process is levied upon the whole or any part of the property of Purchaser or Goods;

(h) any trustee, receiver, interim receiver, administrator, manager or similar official is appointed with respect to all or any part of the property, assets or undertaking of Purchaser, whether pursuant to any private instrument or agreement or by order of any court;

(i) if ownership of or control and direction over the assets or undertaking of Purchaser or the majority of its voting shares changes, by amalgamation, merger, sale, transfer of shares or otherwise, except pursuant to death of the shareholder, or Purchaser passes any resolution concerning any matter referred to in paragraph (e) or with respect to, or any proceedings, voluntary or involuntary, are commenced under, any present or future law relating to amalgamation, liquidation, winding-up or dissolution;

(j) an event occurs which, in the opinion of Assignee, could reasonably be expected to have a material adverse effect on the condition (financial or otherwise), business, operations, assets, liabilities or prospects of Purchaser, Purchaser's ability to perform any Obligation, or any obligation under any other agreement with Assignee or any Affiliate of Assignee, or on the rights and remedies of Assignee thereunder, and continues for 10 days after notice thereof by Assignee or such Affiliate, as applicable, to Purchaser; or

(k) any event or circumstance described in any of paragraphs (c) and (e) through (j) inclusive occurs with respect to any guarantor or surety of Purchaser respecting this Agreement or any Affiliate of Purchaser.

A Default under this Agreement shall be deemed a default under all other present and future agreements entered into between Purchaser and Assignee or any Affiliate of Assignee.

15. Assignee's Remedies on Default

Upon Default, Assignee shall be entitled to do one or more of the following, subject to applicable law:

(a) declare this Agreement to be in default (with or without terminating this Agreement) whereupon all Obligations shall be immediately due, payable and enforceable without any notice or demand whatsoever;

(b) terminate this Agreement and, as a genuine pre-estimate of Assignee's liquidated damages for loss of bargain and not as a penalty: (i) retain an amount equal to the aggregate of all Instalments and other amounts paid by Purchaser to Assignee hereunder; and (ii) demand, sue for and recover "Assignee's Return", namely an amount equal to the Accrued Liability, less, if applicable, the net proceeds to Assignee derived from the sale, lease or other disposition of the Goods, after deducting Costs of Disposition;

(c) take possession of Goods, without demand, notice or legal proceeding and enter on any premises of Purchaser or any other person for such purpose;

(d) sell, lease or otherwise dispose Goods by public or private transaction for such consideration payable immediately and/or deferred and on such terms and conditions as Assignee in its discretion determines;

(e) whether or not this Agreement may have been or be deemed to have been terminated or Assignee may have or have been deemed to have taken possession of Goods, demand, sue for and recover damages arising out of such Default which damages shall include Assignee's Return; and

(f) exercise any other rights or remedies and/or take any proceedings available to Assignee hereunder, at law or in equity.

In lieu of selling, leasing or otherwise disposing of Goods, Assignee may retain and cause Goods to be valued by a qualified appraiser selected by it and such value shall be substituted for and deducted as net proceeds to Assignee under sub-paragraphs (b) and (e) of this Section. Proceeds of sale, lease or disposal need be deducted only when received, unless Assignee elects to take the present value of payments to be received, discounted at the Financing Rate then in effect, compounded monthly.

16. Assignee's Rights to Remedy Defaults

If Purchaser fails to perform or comply with any Obligation, Assignee may, but has no obligation to, perform same in the name of Purchaser or Assignee and make all necessary disbursements in connection therewith, which shall be reimbursed by Purchaser immediately on demand. Assignee is hereby appointed Purchaser's lawful attorney to take any such action in Purchasers name.

17. ***Purchaser's General Indemnities***
Purchaser shall indemnify and save harmless Assignee from and against all existing or future loss, costs, charges, expenses, liabilities, claims, demands, penalties, damages, suits, actions and causes of action of every nature and kind whatsoever including strict liability in tort or civil liability ("Claims") sustained or suffered by Assignee, or for which Assignee may become liable, resulting from or arising out of:
(a) the assignment of the Financed Amount and the transfer of title to Goods from Seller to Assignee whether or not Purchaser accepts such Goods or such Goods are delivered to Purchaser;
(b) Assignee's lawful exercise or performance of its rights or obligations under this Agreement;
(c) any Default;
(d) any personal injury or property damage or other commercial loss arising out of the sale or delivery to, installation, ownership, use, operation, maintenance, condition, return, removal and redelivery of Goods including strict liability in tort or in civil liability; or
(e) any use or operation of Goods which infringes any patent or other industrial or intellectual property right, unless caused by the gross negligence or willful misconduct of Assignee, its employees, servants or agents.

18. ***Administrative Fees and Expenses***
Purchaser shall pay Assignee on demand Assignee's prevailing fees and all costs and disbursements (including legal fees and expenses) certified by Assignee as having been incurred or made in connection with the enforcement or preservation of any right or remedy arising on Default or in connection with the rendering of financial services under this Agreement including, without limitation, for processing of payments and rendering statements to Purchaser.

19. ***Pre-Authorized Payments***
Purchaser shall execute and deliver to Assignee from time to time upon request pre-authorized payment orders in such form as Assignee may reasonably request. Assignee is hereby authorized to deliver such orders to the financial institution named therein. Purchaser hereby appoints Assignee its lawful attorney and mandatary to take all action contemplated by such payment orders to receive payment of any amount due under this Agreement. Assignee may decline any other form of payment.

20. ***Location of Goods***
20.1 Except as otherwise permitted hereunder, Purchaser shall not part with possession of Goods nor remove the same from Canada.
20.2 Purchaser covenants that Goods will continue to be located where stated on the face hereof, or at any other location agreed to in writing by Assignee.

21. ***Assignment and Leasing***
Purchaser shall not assign any rights hereunder and Purchaser shall not give up possession or lease Goods, in each case without the prior consent of Assignee, and such consent may be withheld by Assignee in its discretion. No assignment of rights hereunder by Purchaser or giving up possession or lease of Goods shall relieve Purchaser of its Obligations.

22. ***Purchaser's General Representations, Warranties and Covenants***
Purchaser represents and warrants to and covenants with Assignee that: (a) if Purchaser is a corporation, it is and will continue to be a corporation or other legal entity duly and validly incorporated or otherwise established, organized and existing in good standing under the laws of its jurisdiction of incorporation or establishment, with all necessary power and authority to execute, deliver and perform this Agreement; (b) if Purchaser is a corporation, all of the transactions contemplated herein have been and will be duly authorized by all necessary action, are not and will not be in conflict with the constating documents or by-laws of Purchaser or any indenture, instrument, agreement or undertaking to which it is or will be a party or by which it or its assets are or may become bound; (c) this Agreement is and will continue to be the legal, valid and binding obligation of Purchaser, enforceable against it in accordance with its terms; (d) if any trade-in allowance on the face hereof is made in determining the Financed Amount, Purchaser has good and marketable title to the goods so allowed for, free and clear of all Liens, except to the extent, if any, allowed for in determining the Financed Amount, and has taken all requisite action to transfer and assign such goods to Seller free and clear of Liens, except as aforesaid; (e) all Information as defined in Section 44 provided by Purchaser to Assignee is accurate; and (f) all payments to Assignee are and will be derived from legal sources. Purchaser agrees to furnish Assignee a copy of its most recent annual financial statements, audited, if applicable, promptly upon availability and in any event within 90 days of each financial year-end. Upon request by Assignee, Purchaser agrees also to furnish its quarterly financial statements promptly upon availability and in any event within 60 days of each financial quarter-end.

23. ***Statutory Waivers and Acknowledgement***
23.1 Purchaser waives its right to receive a copy of any financing statement or financing change statement registered by Assignee and of any related verification statement.
23.2 Purchaser waives, to the fullest extent permitted by law, the application of the provisions of (a) *The Limitation of Civil Rights Act* (Saskatchewan); (b) *The Distress Act* (Manitoba); and (c) the sale of goods legislation of any applicable jurisdiction. Purchaser agrees that the provisions of this Agreement are commercially reasonable.

24. ***NO SET-OFF - NON CANCELLABLE AGREEMENT***
PURCHASER IRREVOCABLY AND UNCONDITIONALLY WAIVES ALL EQUITIES AGAINST ANY INSTALMENT AND OTHER AMOUNT DUE TO ASSIGNEE HEREUNDER AND AGREES TO PAY EACH SUCH INSTALMENT AND OTHER AMOUNT WITHOUT REGARD TO ANY EQUITIES. NEITHER DEFECTS IN, DAMAGE TO, NOR LOSS, DESTRUCTION, LATE DELIVERY OR NON-DELIVERY OF GOODS SHALL TERMINATE THIS AGREEMENT OR REDUCE PURCHASER'S OBLIGATIONS HEREUNDER, EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN.

25. ***EXCLUSION AND ASSIGNMENT OF WARRANTIES***
25.1 PURCHASER REPRESENTS AND WARRANTS TO AND COVENANTS WITH ASSIGNEE THAT PURCHASER CARRIES ON AN ENTERPRISE, THAT THE GOODS HAVE BEEN SELECTED BY PURCHASER WITHOUT ASSIGNEE'S ASSISTANCE, THAT THEY ARE AND WILL BE OF A MAKE, SIZE, DESIGN AND CAPACITY SUITABLE FOR PURCHASER'S INTENDED PURPOSES AND THAT THEY ARE ACQUIRED AND WILL BE USED EXCLUSIVELY FOR THE PURPOSES OF CARRYING ON PURCHASER'S ENTERPRISE AND FOR COMMERCIAL, INDUSTRIAL OR BUSINESS PURPOSES ONLY AND NOT FOR PERSONAL, FAMILY, HOUSEHOLD OR FARMING PURPOSES.
25.2 (A) ASSIGNEE SHALL NOT BE BOUND BY OR BE DEEMED TO HAVE MADE OR BE LIABLE FOR ANY REPRESENTATION, WARRANTY OR PROMISE BY ANY SUPPLIER;
(B) ASSIGNEE SHALL NOT BE LIABLE FOR ANY FAILURE OF THE GOODS INCLUDING ANY LATENT, HIDDEN OR APPARENT DEFECT OR ALLEGED FUNDAMENTAL BREACH OF THIS AGREEMENT OR ANY OTHER AGREEMENT WITH ANY SUPPLIER;
(C) NEITHER ASSIGNEE NOR ANY OF ITS EMPLOYEES, SERVANTS OR AGENTS HAS MADE AND DOES NOT NOW MAKE ANY REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THE GOODS OR ANY INTELLECTUAL OR INDUSTRIAL PROPERTY RIGHTS THEREIN INCLUDING, WITHOUT LIMITATION, THE DESIGN, SPECIFICATIONS, CONDITION, QUALITY, DURABILITY, MERCHANTABILITY OR FITNESS FOR PURCHASER'S PURPOSES; AND
(D) ASSIGNEE SHALL HAVE NO LIABILITY FOR ANY DIRECT, INDIRECT, PUNITIVE, EXEMPLARY, SPECIAL OR CONSEQUENTIAL DAMAGES OR LOSS OF PROFITS, ACTUAL OR ANTICIPATED, OR FOR ANY DAMAGES BASED ON STRICT OR ABSOLUTE CIVIL LIABILITY OR ASSIGNEE'S OR SUPPLIER'S NEGLIGENCE. AS BETWEEN ASSIGNEE AND PURCHASER, THE GOODS HAVE BEEN SOLD TO PURCHASER "AS IS, WHERE IS" AT PURCHASER'S OWN RISK (IN THEIR THEN ACTUAL STATE OF REPAIR, MAINTENANCE AND LOCATION) WITHOUT ANY WARRANTY AS TO TITLE OR ANY OTHER MATTER BY ASSIGNEE. NOTHING HEREIN SHALL DEPRIVE PURCHASER OF ITS RIGHTS AGAINST ANY SUPPLIER OR ANY PERSON OTHER THAN ASSIGNEE.
25.3 PURCHASER AGREES THAT IF THE GOODS ARE REPOSSESSED OR SOLD BY ASSIGNEE, ALL WARRANTIES OF SUPPLIER AND RIGHTS TO ALL SOFTWARE AND OTHER INTELLECTUAL AND INDUSTRIAL PROPERTY LICENSES ACCOMPANYING THE GOODS SHALL BE AUTOMATICALLY ASSIGNED BY PURCHASER TO ASSIGNEE WITHOUT FURTHER ACT OR DEED.

26. ***Consent to Assignments***
Each assignment of rights and/or Warranties under this Agreement is hereby consented to and accepted.

27. *Notices*
Any notice, demand, consent or other communication required or permitted hereunder ("Notice") shall be in writing and may be delivered, or sent by prepaid registered mail, or by telex, telecopier or other means which produces a permanent written record (a "transmission"). Mailed Notice shall be deemed to have been given two business days after mailing provided there is no disruption or stoppage of postal services; delivered Notice shall be effective upon delivery during business hours to an apparently responsible adult and transmissions shall be deemed to have been received at the opening of the next business day. Addresses for Notice shall be those addresses stated on the face hereof and may be changed in accordance with the foregoing.

28. *Remedies Cumulative*
All rights and remedies of Assignee hereunder are cumulative and not exclusive or alternative and may be exercised by Assignee separately or together, in any order, sequence or combination.

29. *Forbearance, Indulgence and Waivers*
Forbearance or indulgence by Assignee in any instance shall not constitute a general waiver of the obligation under this Agreement to which the same applies. Any waiver by Assignee of its rights must be in writing and shall not extend to any other obligation or right waived.

30. *Allocations and Imputations*
Purchaser hereby irrevocably and unconditionally waives any present or future right to allocate and impute any payment made to Assignee to any specific obligation due under this Agreement or under any other agreement with Assignee. Assignee may allocate, impute and apply any payment received to any obligation due hereunder or under any other agreement with Assignee and may reverse, re-allocate, re-impute and re-apply any such payment as many times and in such manners as Assignee from time to time sees fit. Payments received shall be allocated and imputed upon receipt of legal tender or cleared funds. Assignee is hereby irrevocably authorized to combine, set off and compensate amounts payable by it to Purchaser with amounts owing to it from Purchaser (in each case whether matured or not and whether absolute or contingent) under the same or different agreements.

31. *Time*
Time is and shall remain of the essence of this Agreement. The mere lapse of time for performance by Purchaser of any Obligation under this Agreement shall have the effect of putting Purchaser in default hereunder.

32. *Entire Agreement*
32.1 There are no representations, warranties, covenants, agreements or acknowledgements affecting the Financed Amount, the Accrued Liability, this Agreement or Goods, other than expressed in this Agreement.
32.2 No agreement purporting to amend or modify this Agreement or any other document, paper or writing relating hereto or to Goods or connected herewith shall be binding unless in writing signed by Purchaser and Assignee.

33. *Severability*
Any term, condition or provision of this Agreement which is deemed to be void, prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be severed herefrom and ineffective to the extent of such invalidity, prohibition or unenforceability, without in any way invalidating the balance hereof.

34. *No Merger in Judgment*
The taking of any judgment by Assignee under this Agreement shall not operate as a merger or novation of any term or condition hereof or of any obligation of Purchaser or Seller hereunder.

35. *Further Assurances and Power of Attorney*
35.1 Purchaser and Seller each shall do, execute and perform all such acts, deeds, documents and things as may be reasonably required to enable Assignee to have the full benefit of all rights and remedies intended to be reserved or created hereby. Assignee is hereby appointed each of Purchaser's and Seller's lawful attorney and mandatary to complete and/or correct any information on the face hereof.
35.2 Each power of attorney and mandate granted in this Agreement is granted with full power of substitution, is irrevocable, is coupled with an interest, shall survive termination of this Agreement and may be exercised during any subsequent legal incapacity of Purchaser or Seller.

36. *Currency*
Unless otherwise stated on the face of this Agreement, all sums of money payable hereunder shall be paid in Canadian dollars. If any amount payable pursuant to this Agreement needs to be converted from US dollars to Canadian dollars, including for purposes of determining the Financed Amount or the amount of any instalment, such conversion shall be made by Assignee on the relevant date at the Conversion Rate and Assignee will notify Purchaser of the Canadian dollar amount so converted.

37. *Survival*
Notwithstanding any other Section, any accrued Obligations, the Obligations of Purchaser under Sections 10.4, 11, 16, 17 and 18, the obligations of Seller under Section 5 and the rights of Assignee hereunder, whether accrued or not, shall survive the termination or expiration of this Agreement and the payment of the Accrued Liability and all other amounts payable hereunder.

38. *Section Headings*
Section headings in this Agreement are for convenience of reference only and do not affect the interpretation or construction hereof.

39. *Successors and Assigns*
This Agreement shall inure to the benefit of and be binding upon Assignee, Seller and Purchaser, their respective heirs, executors, administrators, personal representatives, successors and permitted assigns and lessees. Assignee may assign or transfer in whole or in part its rights under this Agreement or Goods, and/or Pledge its rights hereunder or in Goods and any assignee, transferee or beneficiary of such Pledge ("Transferee") shall be unrestricted in the exercise of such rights. Each of Seller and Purchaser shall recognize any such assignment, transfer or Pledge and shall not assert against any Transferee any Claims or Equities which it may have against Assignee or Seller respecting this Agreement or Goods and waives all Claims and Equities against Transferee's rights to enforce this Agreement based on Assignee's alleged failure to perform same or Seller's breach of Warranties.

40. *Choice of Law*
This Agreement shall be governed, construed, performed and enforced in accordance with the laws of the Province where the address of Purchaser is located as stated on the face of this Agreement.

41. *Language*
The parties hereto have expressly required that this Agreement and all documents, agreements and notices related thereto be drafted in the English language. Les parties aux présentes ont expressément exigé que le présent contrat et tous les autres documents, conventions ou avis qui y sont afférents soient rédigés en langue anglaise.

42. *Joint and Several Liability - Solidarity*
If more than one person executes this Agreement as Purchaser or Seller, as applicable, their obligations hereunder shall be joint and several (or, where this Agreement is governed by the laws of Quebec, solidary) and, where the context so admits, each reference in this Agreement to "Purchaser" and "Seller" respectively shall include reference to any one or more or all such persons and the acts or omissions of any such persons shall bind all of them.

43. *Receipt of Agreement*
Each of Purchaser and Seller hereby acknowledges receipt of a copy of this Agreement.

44. *Information*
Each of Purchaser and Seller hereby consents and authorizes Assignee and its Affiliates, agents, contractors and representatives, at any time, (a) to collect, verify, use, communicate with and disclose to third parties (including credit reporting agencies, financial institutions, creditors, vendors and other persons) any credit, financial and other information, including personal information (as applicable) and information related to the credit rating, financial capacity and payment history, with respect to each of Purchaser and Seller ("Information"), as Assignee deems necessary to process, complete, service and enforce the transactions hereby contemplated and any other existing or potential transactions, or as required or otherwise permitted by law; (b) to respond to inquiries from, and exchange any Information with, third parties concerning each of Purchaser's and Seller's credit rating, financial capacity and payment history; (c) to provide Information to persons to whom Assignee considers assigning, granting a participation or otherwise disposing of rights or obligations under the transactions hereby contemplated; and (d) to provide to any person copies of this Agreement. This consent is in addition to and does not replace any consent previously given.

GUARANTEE AND INDEMNITY

RESOLUTION OF THE BOARD OF DIRECTORS OF

Landdrill International Inc.
(the "Corporation")

In consideration of the leasing agreements, or master leasing agreements and all leasing schedules thereto, entered or which may be entered into by **GE Canada Equipment Financing G.P.** ("GE") with its client **Landdrill International Ltd.** ("Client") or the loans and advances of money granted or which may be granted by GE to its Client, as the case may be for the purpose of Client's business, and, generally, in consideration of the business relations between GE and its Client as well as the business relations between the said Client and this Corporation.

Now therefore be it resolved:

That this Corporation be and is hereby authorized to be a surety and to guarantee the repayment of all sums of money which the client owes or in future may owe to GE, together with the interest, costs and accessories, and this, jointly and severally with the Client towards GE and subject to all the terms and conditions set out on the form in use at GE entitled "Guarantee and Indemnity", a copy of which is attached hereto after having been submitted to the Directors and that **Derrick West, Chief Financial Officer** , be and is hereby authorized to sign such Guarantee and Indemnity for and on behalf and in the name of the Corporation.

That all acts and things done and all documents executed on behalf of the Corporation as hereinbefore authorized shall be valid and binding upon the Corporation whether or not the corporate seal of the Corporation has been affixed to any such document.

The foregoing is a true and correct copy of a resolution of the Board of Directors of **Landdrill International Inc.** duly adopted on **July 8, 2011** which resolution is in effect and has not been modified or rescinded as of the date hereof.

Dated at **Moncton** this **8th** day of **July 2011.**

Ⓧ

Secretary
(Seal)

GE Capital

868801101

GUARANTEE AND INDEMNITY

TO: GE Canada Equipment Financing G.P. ("GE")

In consideration of the premises and the covenants and agreements herein contained, the sum of $1.00 now paid by GE to **Landdrill International Inc.** (the "Guarantor") and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Guarantor covenants and agrees with GE as follows:

1. ***INTERPRETATION*** Wherever throughout this Guarantee, the Guarantor or GE or **Landdrill International Ltd.** (hereinafter called the "Obligor") are mentioned or referred to, such mention or reference shall extend to their respective successors and assigns, as the case may be. Reference to the term "Obligations" herein shall be to any and all obligations of the Obligor to GE under that certain **Conditional Sale Agreement No: 868801101** dated **July 8, 2011** between Obligor and GE and any other agreement, document or instrument related thereto, whether existing now or arising hereafter, and any modifications, extensions or renewals thereof from time to time, (hereinafter singularly or collectively called "Finance Instruments").

2. ***GUARANTEE***

2.1 Guarantee The Guarantor hereby irrevocably and unconditionally guarantees and covenants with GE as principal debtor of GE and not merely as surety, that the Obligor will duly and punctually perform all of the Obligations, and pay or cause to be paid to GE the rentals under and the principal of and interest on the Finance Instruments evidencing or securing the Obligations (including, in case of default, interest on the amount in default) as and when the same becomes due and payable, whether by lapse of time, by extension, or upon a declaration or otherwise according to the terms of the Finance Instruments and all other moneys owing on or under the Finance Instruments or in any way relating thereto including all expenses, including legal expenses and service charges. The total liability of the Guarantor hereunder for the Obligations shall be **limited to $ 377,027.57 CAD**, plus interest, fees, costs or expenses (including, without limitation, legal fees and expenses) which may now or hereafter accrue or be incurred with respect to such Obligations and any fees, costs or expenses (including without limitation, legal fees and expenses) that may be incurred by GE by reason of Guarantor's default under this Guaranty.

2.2 Terms of the Finance Instruments The Guarantor hereby consents to and approves of the terms of the Finance Instruments; the guarantee and the agreements of the Guarantor herein contained shall take effect and shall be and are hereby declared to be binding upon the Guarantor notwithstanding any defect in or omission from the Finance Instruments or any non-registration or non-filing or defective registration or filing of any Finance Instruments or notice of the interest of GE created thereby or by reason of any failure of the security intended to be created by the Finance Instruments or pursuant thereto.

2.3 Guarantee Absolute The liability of the Guarantor hereunder shall be absolute and unconditional and shall not be affected by:

a) any lack of validity or enforceability of any agreements between the Obligor and GE; any change in the time, manner or place of payment or in any other term of such agreements or the failure on the part of the Obligor to carry out any of its obligations under such agreements;

b) any impossibility, impracticability, frustration of purpose, illegality, *force majeure* or act of government;

c) the bankruptcy, winding-up, liquidation, dissolution or insolvency of the Obligor, GE or any party to any agreement to which GE is a party;

d) any lack or limitation of power, incapacity or disability on the part of the Obligor or of the directors, partners or agents thereof or any other irregularity, defect or informality on the part of the Obligor in its obligations to GE; or

e) any other law, regulation or other circumstance which might otherwise constitute a defense available to, or a discharge of, the Obligor in respect of any or all of the Obligations.

The Guarantor shall be held and bound to GE as principal debtor, and not as surety, in respect of the payment of any or all of the Obligations. All amounts payable to GE shall be paid to GE forthwith after demand therefore as provided herein.

2.4 No Waiver The Guarantor hereby agrees that its obligations hereunder shall be unconditional and no waiver by GE of any of its rights hereunder or under the Finance Instruments and no action by GE to enforce any of its rights hereunder or under the Finance Instruments or failure to take, or delay in taking any such action shall affect any other obligation of the Guarantor hereunder.

3. ***INDEMNITY*** The Guarantor also covenants and agrees with GE that it will at all times and from time to time hereafter, indemnify and keep indemnified and save harmless GE from any and all losses, costs, damages and expenses, including legal fees and disbursements and the costs of all distresses, actions, proceedings, claims and demands incurred or made by GE if GE does not receive payment of all amounts due and owing under the Finance Instruments or if the Obligor defaults in the payment of any instalment payable or in the performance of the Obligations under the Finance Instruments which, if the Finance Instruments were in full force and effect and good standing, would be payable or required to be performed under the Finance Instruments. In addition to the foregoing, the Guarantor agrees to pay GE, as administrative costs, an amount equal to fifteen percent (15%) of all amounts payable hereunder in the event that court proceedings are instituted against the Guarantor because the Guarantor has failed to respect its obligations hereunder.

4. ***DEALINGS WITH OBLIGOR AND OTHERS***

4.1 No Release The liability of the Guarantor hereunder shall not be released, discharged, limited or in any way affected by anything done, suffered or permitted by GE in connection with any duties or liabilities of the Obligor to GE of any security thereof including any loss of or in respect of any security received by GE from the Obligor or others. GE, without releasing, discharging, limiting or otherwise affecting in whole or in part the Guarantor's liability hereunder, may:

a) grant time, renewals, extensions, indulgences, releases, waivers and discharges to the Obligor;

b) grant substitutions for the Obligations or any part thereof or any agreement related thereto;

c) take or abstain from taking securities or collateral from the Obligor or from perfecting securities or collateral of the Obligor;

d) accept compromises from the Obligor;
e) apply all money at any time received from the Obligor or from securities upon such part of the Obligations as GE may see fit or change any such application in whole or in part from time to time as GE may see fit;
f) amend any of the Finance Instruments; or
g) otherwise deal with the Obligor and all other persons and securities as GE may see fit.

4.2 No Exhaustion of Remedies GE shall not be bound or obligated to exhaust its recourse against the Obligor or other persons or any securities or collateral it may hold or take any other action (other than to make demand pursuant to Section 6) before being entitled to demand payment from the Guarantor hereunder. The obligations of the Guarantor hereunder are joint and several with those of the Obligor and any other guarantor, security or other person liable in any way for the Obligations. This Guarantee is in addition and not in substitution for any other guarantee, by whomsoever given, at any time held by GE, and without prejudice to any other security, by whomsoever given, at any time held by GE, and GE shall be under no obligation to marshall in favour of the Guarantor any such security or any of the funds or assets GE may be entitled to receive or have a claim upon.

4.3 Conclusive Statement Any account settled or stated in writing by or between GE and the Obligor shall be *prima facie* evidence that the balance or amount thereof appearing due to GE is so due.

4.4 No Set-Off The Guarantor shall not claim any set-off or counterclaim against the Obligor in respect of any liability of the Obligor to the Guarantor.

5. CONTINUING GUARANTEE

5.1 Continuing Guarantee This Guarantee shall be a continuing guarantee, notwithstanding any extensions, modifications, renewals or indulgences with respect to, or substitutions for, the Obligations or any part thereof, and shall remain in full force and effect until the Obligations are performed and paid in full. This Guarantee shall continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or terminated or must otherwise be returned by GE upon the occurrence of any action or event including the insolvency, bankruptcy or reorganization of the Obligor or otherwise, all as though such payment had not been made.

6. DEMAND FOR PAYMENT

6.1 Demand for Payment GE shall be entitled to make demand upon the Guarantor at any time upon a default in payment of any amount owing by the Obligor to GE and upon such default GE may treat all Obligations as due and payable and may forthwith collect from the Guarantor the total amount guaranteed hereunder. The Guarantor shall make payment to or performance in favour of GE of the total amount guaranteed hereunder forthwith after demand thereof is made to the Guarantor.

6.2 Interest The Guarantor shall pay interest to GE at the rate of 24% per annum on the unpaid portion of all amounts payable by the Guarantor under this Guarantee, such interest to be calculated daily from the date of demand by GE on the Guarantor.

7. ASSIGNMENT, POSTPONEMENT AND SUBROGATION

7.1 Assignment and postponement All debts and liabilities, present and future, of the Obligor to the Guarantor are hereby assigned to GE and postponed to the Obligations, and all money received by the Guarantor in respect thereof shall be received in trust for GE and forthwith upon receipt shall be paid over to GE, the whole without in any way lessening or limiting the liability of the Guarantor hereunder and this assignment and postponement is independent of the Guarantee and shall remain in full force and effect until, in the case of the assignment, the liability of the Guarantor under this Guarantee has been discharged or terminated and, in the case of the postponement, until payment in full to GE of all obligations of the Guarantor under this Guarantee.

7.2 Subrogation The Guarantor will not exercise any rights which it may acquire by way of subrogation under this Guarantee and Indemnity, by any payment made hereunder or otherwise, until all Obligations shall have been paid and performed in full. If any amount shall be paid to the Guarantor on account of such subrogation rights at any time when all the Obligations shall not have been paid in full, such amount shall be held in trust for the benefit of GE and shall forthwith be paid to GE to be credited and applied upon the Obligations. If (i) the Guarantor performs or makes payment to GE of all amounts owing by the Guarantor to GE under this Guarantee and (ii) the Obligations are performed and paid in full, GE will, at the Guarantor's request and at the Guarantor's expense, execute and deliver to the Guarantor appropriate documents, without recourse and without representation and warranty, necessary to evidence the transfer by subrogation to the Guarantor of an interest in the Obligations and any security held therefor resulting from such performance or payment by the Guarantor.

8. COVENANTS OF THE GUARANTOR

The Guarantor hereby represents, covenants and warrants that:

a) if the Guarantor is a corporation, the making and performance of this Guarantee have been duly authorized by all necessary corporate actions on the part of the Guarantor, do not require any shareholders' approval, and will not violate any provisions of the Guarantor's incorporating documents or by-laws or result in the breach of, constitute a default under, contravene any provisions of or result in the creation of any lien, charge, encumbrance or security interest upon any property or assets of the Guarantor pursuant to any of the Guarantor's stocks, bonds, notes or debentures outstanding, or any agreement, indenture or other instrument to which the Guarantor is a party or by which the Guarantor or its property may be bound or affected;
b) this Guarantee constitutes a legal, valid and binding obligation of the Guarantor in accordance with the terms hereof;
c) there is no pending or, to the best of the knowledge of the Guarantor, threatened action or proceeding affecting the Guarantor or, if the Guarantor is a corporation, any of its subsidiaries before any court, governmental agency or arbitrator, which would materially adversely affect the legality, validity or enforceability of this Guarantee;
d) all Information as defined in Section 9.2 provided by Guarantor to GE is accurate;
e) all payments to GE are and will be derived from legal sources and GE may decline any form of payment; and
f) the Guarantor is and shall continue to be in compliance with all laws and regulations relating to the prevention of money laundering and terrorism.

9. GENERAL

9.1 Waivers The Guarantor waives notice of acceptance of this Guarantee and of the extension or continuation of the Obligations or any part thereof. The Guarantor further waives presentment, protest, notice, demand or action in respect of the Obligations or any part thereof, including any right to require GE to sue the Obligor, any other Guarantor or any other person obligated with respect to the Obligations or any part thereof, or otherwise to enforce payment thereof against any collateral securing the Obligations or any part thereof. Without limiting the generality of the foregoing, the Guarantor is jointly and severally liable with the Obligor for the due and punctual payment and performance of the Obligations, the Guarantor hereby waiving the benefit of division and discussion.

Guarantor waives its right to receive a copy of any financing statement or financing change statement registered by GE and of any related verification statement.

9.2 **Information** Guarantor hereby consents and authorizes GE and its affiliates, agents, contractors and representatives, at any time, a) to collect, verify, use, communicate with and disclose to third parties (including credit reporting agencies, financial institutions, creditors, vendors and other persons) any credit, financial and other information, including personal information (as applicable) and information related to the credit rating, financial capacity and payment history, with respect to Guarantor ("Information"), as GE deems necessary to process, complete, service and enforce the transactions hereby contemplated and any other existing or potential transactions, or as required or otherwise permitted by law; b) to respond to inquiries from, and exchange any Information with, third parties concerning Guarantor's credit rating, financial capacity and payment history; c) to provide Information to persons to whom GE considers assigning, granting a participation or otherwise disposing of rights or obligations under the transactions hereby contemplated; and d) to provide to any person copies of this Guarantee. This consent is in addition to and does not replace any consent previously given.

9.3 **Benefit of the Guarantee** This Guarantee shall enure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and permitted assigns of the Guarantor and GE.

9.4 **Entire Agreement** This Guarantee constitutes the entire agreement between GE, the Obligor and the Guarantor with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between such parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, expressed, implied or statutory, between such parties other than as expressly set forth in this Guarantee.

9.5 **No Waiver, Remedies** No failure on the part of GE to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude the other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

9.6 **Severability** If any provision of this Guarantee is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof shall continue in full force and effect.

9.7 **Notices** Any demand, notice or other communications (hereinafter in this Section 9.7 referred to as a "Communication") to be given in connection with this Guarantee shall be given in writing and may be given by personal delivery or by registered mail addressed to the recipient as follows:

To GE:	**239 Brownlow Ave., Suite 204, Dartmouth, Nova Scotia, B3B 2B2 , Tel: (902) 468-8266**	To the Guarantor:	**700-325 Howe St., Vancouver, British Columbia, V6C 2T6**

or such other address as may be designated by notice by any party to the other. Any Communication given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof and, if given by registered mail, on the third day following the deposit thereof in the mail. If the party giving any Communication knows or ought reasonably to know of any difficulties with the postal system which might affect the delivery of mail, any such Communication shall not be mailed but shall be given by personal delivery.

9.8 **Assignment** The rights of GE under this Guarantee may be assigned by GE without the prior consent of the Obligor or the Guarantor. The Guarantor may not assign its obligations under this Guarantee.

9.9 **Governing Law** This guarantee shall be governed by and construed in accordance with the laws of the Province of **British Columbia** and the laws of Canada applicable therein.

9.10 **Language** The parties hereby acknowledge that it is their express wish that this Guarantee and Indemnity be drawn in the English language; les parties reconnaissent qu'il est de leur volonté expresse que la présente caution soit rédigée en langue anglaise seulement.

IN WITNESS WHEREOF, the Guarantor has executed this Guarantee this **8th** day of **July, 2011.**

If Guarantor is a corporation:

Landdrill International Inc.
("Guarantor")

By: ⓧ [signature] (c/s)

Title: CFO

If Guarantor is an individual:

________________ (s)

Name: ________________ ("Guarantor")

Witness: ________________

GUARANTEE AND INDEMNITY

RESOLUTION OF THE BOARD OF DIRECTORS OF

Nitasi Landdrill Limited Partnership, acting by its general partner
Landdrill Atlantic Ltd.

(the "Corporation")

In consideration of the leasing agreements, or master leasing agreements and all leasing schedules thereto, entered or which may be entered into by **GE Canada Equipment Financing G.P.** ("GE") with its client **Landdrill International Ltd.** ("Client") or the loans and advances of money granted or which may be granted by GE to its Client, as the case may be for the purpose of Client's business, and, generally, in consideration of the business relations between GE and its Client as well as the business relations between the said Client and this Corporation.

Now therefore be it resolved:

That this Corporation be and is hereby authorized to be a surety and to guarantee the repayment of all sums of money which the client owes or in future may owe to GE, together with the interest, costs and accessories, and this, jointly and severally with the Client towards GE and subject to all the terms and conditions set out on the form in use at GE entitled "Guarantee and Indemnity", a copy of which is attached hereto after having been submitted to the Directors and that **Derrick West, Chief Financial Officer** , be and is hereby authorized to sign such Guarantee and Indemnity for and on behalf and in the name of the Corporation.

That all acts and things done and all documents executed on behalf of the Corporation as hereinbefore authorized shall be valid and binding upon the Corporation whether or not the corporate seal of the Corporation has been affixed to any such document.

The foregoing is a true and correct copy of a resolution of the Board of Directors of **Nitasi Landdrill Limited Partnership, acting by its general partner Landdrill Atlantic Ltd.** duly adopted on **July 8, 2011** which resolution is in effect and has not been modified or rescinded as of the date hereof.

Dated at **Moncton** this **8th** day of **July 2011.**

Secretary
(Seal)

GE Capital

868801101

GUARANTEE AND INDEMNITY

TO: GE Canada Equipment Financing G.P. ("GE")

In consideration of the premises and the covenants and agreements herein contained, the sum of $1.00 now paid by GE to **Nitasi Landdrill Limited Partnership, acting by its general partner Landdrill Atlantic Ltd.** (the "Guarantor") and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Guarantor covenants and agrees with GE as follows:

1. ***INTERPRETATION*** Wherever throughout this Guarantee, the Guarantor or GE or **Landdrill International Ltd.** (hereinafter called the "Obligor") are mentioned or referred to, such mention or reference shall extend to their respective successors and assigns, as the case may be. Reference to the term "Obligations" herein shall be to any and all obligations of the Obligor to GE under that certain **Conditional Sale Agreement No: 868801101** dated **July 8, 2011** between Obligor and GE and any other agreement, document or instrument related thereto, whether existing now or arising hereafter, and any modifications, extensions or renewals thereof from time to time, (hereinafter singularly or collectively called "Finance Instruments").

2. ***GUARANTEE***

2.1 **Guarantee** The Guarantor hereby irrevocably and unconditionally guarantees and covenants with GE as principal debtor of GE and not merely as surety, that the Obligor will duly and punctually perform all of the Obligations, and pay or cause to be paid to GE the rentals under and the principal of and interest on the Finance Instruments evidencing or securing the Obligations (including, in case of default, interest on the amount in default) as and when the same becomes due and payable, whether by lapse of time, by extension, or upon a declaration or otherwise according to the terms of the Finance Instruments and all other moneys owing on or under the Finance Instruments or in any way relating thereto including all expenses, including legal expenses and service charges. The total liability of the Guarantor hereunder for the Obligations shall be **limited to $ 377,027.57 CAD**, plus interest, fees, costs or expenses (including, without limitation, legal fees and expenses) which may now or hereafter accrue or be incurred with respect to such Obligations and any fees, costs or expenses (including without limitation, legal fees and expenses) that may be incurred by GE by reason of Guarantor's default under this Guaranty.

2.2 **Terms of the Finance Instruments** The Guarantor hereby consents to and approves of the terms of the Finance Instruments; the guarantee and the agreements of the Guarantor herein contained shall take effect and shall be and are hereby declared to be binding upon the Guarantor notwithstanding any defect in or omission from the Finance Instruments or any non-registration or non-filing or defective registration or filing of any Finance Instruments or notice of the interest of GE created thereby or by reason of any failure of the security intended to be created by the Finance Instruments or pursuant thereto.

2.3 **Guarantee Absolute** The liability of the Guarantor hereunder shall be absolute and unconditional and shall not be affected by:

a) any lack of validity or enforceability of any agreements between the Obligor and GE; any change in the time, manner or place of payment or in any other term of such agreements or the failure on the part of the Obligor to carry out any of its obligations under such agreements;
b) any impossibility, impracticability, frustration of purpose, illegality, *force majeure* or act of government;
c) the bankruptcy, winding-up, liquidation, dissolution or insolvency of the Obligor, GE or any party to any agreement to which GE is a party;
d) any lack or limitation of power, incapacity or disability on the part of the Obligor or of the directors, partners or agents thereof or any other irregularity, defect or informality on the part of the Obligor in its obligations to GE; or
e) any other law, regulation or other circumstance which might otherwise constitute a defense available to, or a discharge of, the Obligor in respect of any or all of the Obligations.

The Guarantor shall be held and bound to GE as principal debtor, and not as surety, in respect of the payment of any or all of the Obligations. All amounts payable to GE shall be paid to GE forthwith after demand therefore as provided herein.

2.4 **No Waiver** The Guarantor hereby agrees that its obligations hereunder shall be unconditional and no waiver by GE of any of its rights hereunder or under the Finance Instruments and no action by GE to enforce any of its rights hereunder or under the Finance Instruments or failure to take, or delay in taking any such action shall affect any other obligation of the Guarantor hereunder.

3. ***INDEMNITY*** The Guarantor also covenants and agrees with GE that it will at all times and from time to time hereafter, indemnify and keep indemnified and save harmless GE from any and all losses, costs, damages and expenses, including legal fees and disbursements and the costs of all distresses, actions, proceedings, claims and demands incurred or made by GE if GE does not receive payment of all amounts due and owing under the Finance Instruments or if the Obligor defaults in the payment of any instalment payable or in the performance of the Obligations under the Finance Instruments which, if the Finance Instruments were in full force and effect and good standing, would be payable or required to be performed under the Finance Instruments. In addition to the foregoing, the Guarantor agrees to pay GE, as administrative costs, an amount equal to fifteen percent (15%) of all amounts payable hereunder in the event that court proceedings are instituted against the Guarantor because the Guarantor has failed to respect its obligations hereunder.

4. ***DEALINGS WITH OBLIGOR AND OTHERS***

4.1 **No Release** The liability of the Guarantor hereunder shall not be released, discharged, limited or in any way affected by anything done, suffered or permitted by GE in connection with any duties or liabilities of the Obligor to GE of any security thereof including any loss of or in respect of any security received by GE from the Obligor or others. GE, without releasing, discharging, limiting or otherwise affecting in whole or in part the Guarantor's liability hereunder, may:

a) grant time, renewals, extensions, indulgences, releases, waivers and discharges to the Obligor;
b) grant substitutions for the Obligations or any part thereof or any agreement related thereto;
c) take or abstain from taking securities or collateral from the Obligor or from perfecting securities or collateral of the Obligor;

d) accept compromises from the Obligor;
e) apply all money at any time received from the Obligor or from securities upon such part of the Obligations as GE may see fit or change any such application in whole or in part from time to time as GE may see fit;
f) amend any of the Finance Instruments; or
g) otherwise deal with the Obligor and all other persons and securities as GE may see fit.

4.2 **No Exhaustion of Remedies** GE shall not be bound or obligated to exhaust its recourse against the Obligor or other persons or any securities or collateral it may hold or take any other action (other than to make demand pursuant to Section 6) before being entitled to demand payment from the Guarantor hereunder. The obligations of the Guarantor hereunder are joint and several with those of the Obligor and any other guarantor, security or other person liable in any way for the Obligations. This Guarantee is in addition and not in substitution for any other guarantee, by whomsoever given, at any time held by GE, and without prejudice to any other security, by whomsoever given, at any time held by GE, and GE shall be under no obligation to marshall in favour of the Guarantor any such security or any of the funds or assets GE may be entitled to receive or have a claim upon.

4.3 **Conclusive Statement** Any account settled or stated in writing by or between GE and the Obligor shall be *prima facie* evidence that the balance or amount thereof appearing due to GE is so due.

4.4 **No Set-Off** The Guarantor shall not claim any set-off or counterclaim against the Obligor in respect of any liability of the Obligor to the Guarantor.

5. *CONTINUING GUARANTEE*

5.1 **Continuing Guarantee** This Guarantee shall be a continuing guarantee, notwithstanding any extensions, modifications, renewals or indulgences with respect to, or substitutions for, the Obligations or any part thereof, and shall remain in full force and effect until the Obligations are performed and paid in full. This Guarantee shall continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or terminated or must otherwise be returned by GE upon the occurrence of any action or event including the insolvency, bankruptcy or reorganization of the Obligor or otherwise, all as though such payment had not been made.

6. *DEMAND FOR PAYMENT*

6.1 **Demand for Payment** GE shall be entitled to make demand upon the Guarantor at any time upon a default in payment of any amount owing by the Obligor to GE and upon such default GE may treat all Obligations as due and payable and may forthwith collect from the Guarantor the total amount guaranteed hereunder. The Guarantor shall make payment to or performance in favour of GE of the total amount guaranteed hereunder forthwith after demand thereof is made to the Guarantor.

6.2 **Interest** The Guarantor shall pay interest to GE at the rate of 24% per annum on the unpaid portion of all amounts payable by the Guarantor under this Guarantee, such interest to be calculated daily from the date of demand by GE on the Guarantor.

7. *ASSIGNMENT, POSTPONEMENT AND SUBROGATION*

7.1 **Assignment and postponement** All debts and liabilities, present and future, of the Obligor to the Guarantor are hereby assigned to GE and postponed to the Obligations, and all money received by the Guarantor in respect thereof shall be received in trust for GE and forthwith upon receipt shall be paid over to GE, the whole without in any way lessening or limiting the liability of the Guarantor hereunder and this assignment and postponement is independent of the Guarantee and shall remain in full force and effect until, in the case of the assignment, the liability of the Guarantor under this Guarantee has been discharged or terminated and, in the case of the postponement, until payment in full to GE of all obligations of the Guarantor under this Guarantee.

7.2 **Subrogation** The Guarantor will not exercise any rights which it may acquire by way of subrogation under this Guarantee and Indemnity, by any payment made hereunder or otherwise, until all Obligations shall have been paid and performed in full. If any amount shall be paid to the Guarantor on account of such subrogation rights at any time when all the Obligations shall not have been paid in full, such amount shall be held in trust for the benefit of GE and shall forthwith be paid to GE to be credited and applied upon the Obligations. If (i) the Guarantor performs or makes payment to GE of all amounts owing by the Guarantor to GE under this Guarantee and (ii) the Obligations are performed and paid in full, GE will, at the Guarantor's request and at the Guarantor's expense, execute and deliver to the Guarantor appropriate documents, without recourse and without representation and warranty, necessary to evidence the transfer by subrogation to the Guarantor of an interest in the Obligations and any security held therefor resulting from such performance or payment by the Guarantor.

8. *COVENANTS OF THE GUARANTOR*

The Guarantor hereby represents, covenants and warrants that:

a) if the Guarantor is a corporation, the making and performance of this Guarantee have been duly authorized by all necessary corporate actions on the part of the Guarantor, do not require any shareholders' approval, and will not violate any provisions of the Guarantor's incorporating documents or by-laws or result in the breach of, constitute a default under, contravene any provisions of or result in the creation of any lien, charge, encumbrance or security interest upon any property or assets of the Guarantor pursuant to any of the Guarantor's stocks, bonds, notes or debentures outstanding, or any agreement, indenture or other instrument to which the Guarantor is a party or by which the Guarantor or its property may be bound or affected;
b) this Guarantee constitutes a legal, valid and binding obligation of the Guarantor in accordance with the terms hereof;
c) there is no pending or, to the best of the knowledge of the Guarantor, threatened action or proceeding affecting the Guarantor or, if the Guarantor is a corporation, any of its subsidiaries before any court, governmental agency or arbitrator, which would materially adversely affect the legality, validity or enforceability of this Guarantee;
d) all Information as defined in Section 9.2 provided by Guarantor to GE is accurate;
e) all payments to GE are and will be derived from legal sources and GE may decline any form of payment; and
f) the Guarantor is and shall continue to be in compliance with all laws and regulations relating to the prevention of money laundering and terrorism.

9. *GENERAL*

9.1 **Waivers** The Guarantor waives notice of acceptance of this Guarantee and of the extension or continuation of the Obligations or any part thereof. The Guarantor further waives presentment, protest, notice, demand or action in respect of the Obligations or any part thereof, including any right to require GE to sue the Obligor, any other Guarantor or any other person obligated with respect to the Obligations or any part thereof, or otherwise to enforce payment thereof against any collateral securing the Obligations or any part thereof. Without limiting the generality of the foregoing, the Guarantor is jointly and severally liable with the Obligor for the due and punctual payment and performance of the Obligations, the Guarantor hereby waiving the benefit of division and discussion.

Guarantor waives its right to receive a copy of any financing statement or financing change statement registered by GE and of any related verification statement.

9.2 **Information** Guarantor hereby consents and authorizes GE and its affiliates, agents, contractors and representatives, at any time, a) to collect, verify, use, communicate with and disclose to third parties (including credit reporting agencies, financial institutions, creditors, vendors and other persons) any credit, financial and other information, including personal information (as applicable) and information related to the credit rating, financial capacity and payment history, with respect to Guarantor ("Information"), as GE deems necessary to process, complete, service and enforce the transactions hereby contemplated and any other existing or potential transactions, or as required or otherwise permitted by law; b) to respond to inquiries from, and exchange any information with, third parties concerning Guarantor's credit rating, financial capacity and payment history; c) to provide Information to persons to whom GE considers assigning, granting a participation or otherwise disposing of rights or obligations under the transactions hereby contemplated; and d) to provide to any person copies of this Guarantee. This consent is in addition to and does not replace any consent previously given.

9.3 **Benefit of the Guarantee** This Guarantee shall enure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and permitted assigns of the Guarantor and GE.

9.4 **Entire Agreement** This Guarantee constitutes the entire agreement between GE, the Obligor and the Guarantor with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between such parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, expressed, implied or statutory, between such parties other than as expressly set forth in this Guarantee.

9.5 **No Waiver, Remedies** No failure on the part of GE to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude the other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

9.6 **Severability** If any provision of this Guarantee is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof shall continue in full force and effect.

9.7 **Notices** Any demand, notice or other communications (hereinafter in this Section 9.7 referred to as a "Communication") to be given in connection with this Guarantee shall be given in writing and may be given by personal delivery or by registered mail addressed to the recipient as follows:

To GE:	**239 Brownlow Ave., Suite 204, Dartmouth, Nova Scotia, B3B 2B2 , Tel: (902) 468-8266**	To the Guarantor:	**160 McNaughton Avenue, Moncton, New Brunswick, E1H 3L9**

or such other address as may be designated by notice by any party to the other. Any Communication given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof and, if given by registered mail, on the third day following the deposit thereof in the mail. If the party giving any Communication knows or ought reasonably to know of any difficulties with the postal system which might affect the delivery of mail, any such Communication shall not be mailed but shall be given by personal delivery.

9.8 **Assignment** The rights of GE under this Guarantee may be assigned by GE without the prior consent of the Obligor or the Guarantor. The Guarantor may not assign its obligations under this Guarantee.

9.9 **Governing Law** This guarantee shall be governed by and construed in accordance with the laws of the Province of **New Brunswick** and the laws of Canada applicable therein.

9.10 **Language** The parties hereby acknowledge that it is their express wish that this Guarantee and Indemnity be drawn in the English language; les parties reconnaissent qu'il est de leur volonté expresse que la présente caution soit rédigée en langue anglaise seulement.

IN WITNESS WHEREOF, the Guarantor has executed this Guarantee this **8th** day of **July, 2011**.

If Guarantor is a corporation:	If Guarantor is an individual:
Nitasi Landdrill Limited Partnership, acting by its general partner Landdrill Atlantic Ltd. ("Guarantor")	_______________ (s)
By: ⊗ [signature] (c/s)	Name: _______________ ("Guarantor")
Title: CFO	Witness: _______________

GUARANTEE AND INDEMNITY

RESOLUTION OF THE BOARD OF DIRECTORS OF

Landdrill Atlantic Ltd.
(the "Corporation")

In consideration of the leasing agreements, or master leasing agreements and all leasing schedules thereto, entered or which may be entered into by **GE Canada Equipment Financing G.P.** ("GE") with its client **Landdrill International Ltd.** ("Client") or the loans and advances of money granted or which may be granted by GE to its Client, as the case may be for the purpose of Client's business, and, generally, in consideration of the business relations between GE and its Client as well as the business relations between the said Client and this Corporation.

Now therefore be it resolved:

That this Corporation be and is hereby authorized to be a surety and to guarantee the repayment of all sums of money which the client owes or in future may owe to GE, together with the interest, costs and accessories, and this, jointly and severally with the Client towards GE and subject to all the terms and conditions set out on the form in use at GE entitled "Guarantee and Indemnity", a copy of which is attached hereto after having been submitted to the Directors and that **Derrick West, Chief Financial Officer** , be and is hereby authorized to sign such Guarantee and Indemnity for and on behalf and in the name of the Corporation.

That all acts and things done and all documents executed on behalf of the Corporation as hereinbefore authorized shall be valid and binding upon the Corporation whether or not the corporate seal of the Corporation has been affixed to any such document.

The foregoing is a true and correct copy of a resolution of the Board of Directors of **Landdrill Atlantic Ltd.** duly adopted on **July 8, 2011** which resolution is in effect and has not been modified or rescinded as of the date hereof.

Dated at **Moncton** this **8th** day of **July 2011.**

Secretary
(Seal)

GE Capital

868801101

GUARANTEE AND INDEMNITY

TO: GE Canada Equipment Financing G.P. ("GE")

In consideration of the premises and the covenants and agreements herein contained, the sum of $1.00 now paid by GE to **Landdrill Atlantic Ltd.** (the "Guarantor") and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Guarantor covenants and agrees with GE as follows:

1. ***INTERPRETATION*** Wherever throughout this Guarantee, the Guarantor or GE or **Landdrill International Ltd.** (hereinafter called the "Obligor") are mentioned or referred to, such mention or reference shall extend to their respective successors and assigns, as the case may be. Reference to the term "Obligations" herein shall be to any and all obligations of the Obligor to GE under that certain **Conditional Sale Agreement No: 868801101** dated **July 8, 2011** between Obligor and GE and any other agreement, document or instrument related thereto, whether existing now or arising hereafter, and any modifications, extensions or renewals thereof from time to time, (hereinafter singularly or collectively called "Finance Instruments").

2. ***GUARANTEE***

2.1 **Guarantee** The Guarantor hereby irrevocably and unconditionally guarantees and covenants with GE as principal debtor of GE and not merely as surety, that the Obligor will duly and punctually perform all of the Obligations, and pay or cause to be paid to GE the rentals under and the principal of and interest on the Finance Instruments evidencing or securing the Obligations (including, in case of default, interest on the amount in default) as and when the same becomes due and payable, whether by lapse of time, by extension, or upon a declaration or otherwise according to the terms of the Finance Instruments and all other moneys owing on or under the Finance Instruments or in any way relating thereto including all expenses, including legal expenses and service charges. The total liability of the Guarantor hereunder for the Obligations shall be **limited to $ 377,027.57 CAD**, plus interest, fees, costs or expenses (including, without limitation, legal fees and expenses) which may now or hereafter accrue or be incurred with respect to such Obligations and any fees, costs or expenses (including without limitation, legal fees and expenses) that may be incurred by GE by reason of Guarantor's default under this Guaranty.

2.2 **Terms of the Finance Instruments** The Guarantor hereby consents to and approves of the terms of the Finance Instruments; the guarantee and the agreements of the Guarantor herein contained shall take effect and shall be and are hereby declared to be binding upon the Guarantor notwithstanding any defect in or omission from the Finance Instruments or any non-registration or non-filing or defective registration or filing of any Finance Instruments or notice of the interest of GE created thereby or by reason of any failure of the security intended to be created by the Finance Instruments or pursuant thereto.

2.3 **Guarantee Absolute** The liability of the Guarantor hereunder shall be absolute and unconditional and shall not be affected by:

a) any lack of validity or enforceability of any agreements between the Obligor and GE; any change in the time, manner or place of payment or in any other term of such agreements or the failure on the part of the Obligor to carry out any of its obligations under such agreements;
b) any impossibility, impracticability, frustration of purpose, illegality, *force majeure* or act of government;
c) the bankruptcy, winding-up, liquidation, dissolution or insolvency of the Obligor, GE or any party to any agreement to which GE is a party;
d) any lack or limitation of power, incapacity or disability on the part of the Obligor or of the directors, partners or agents thereof or any other irregularity, defect or informality on the part of the Obligor in its obligations to GE; or
e) any other law, regulation or other circumstance which might otherwise constitute a defense available to, or a discharge of, the Obligor in respect of any or all of the Obligations.

The Guarantor shall be held and bound to GE as principal debtor, and not as surety, in respect of the payment of any or all of the Obligations. All amounts payable to GE shall be paid to GE forthwith after demand therefore as provided herein.

2.4 **No Waiver** The Guarantor hereby agrees that its obligations hereunder shall be unconditional and no waiver by GE of any of its rights hereunder or under the Finance Instruments and no action by GE to enforce any of its rights hereunder or under the Finance Instruments or failure to take, or delay in taking any such action shall affect any other obligation of the Guarantor hereunder.

3. ***INDEMNITY*** The Guarantor also covenants and agrees with GE that it will at all times and from time to time hereafter, indemnify and keep indemnified and save harmless GE from any and all losses, costs, damages and expenses, including legal fees and disbursements and the costs of all distresses, actions, proceedings, claims and demands incurred or made by GE if GE does not receive payment of all amounts due and owing under the Finance Instruments or if the Obligor defaults in the payment of any instalment payable or in the performance of the Obligations under the Finance Instruments which, if the Finance Instruments were in full force and effect and good standing, would be payable or required to be performed under the Finance Instruments. In addition to the foregoing, the Guarantor agrees to pay GE, as administrative costs, an amount equal to fifteen percent (15%) of all amounts payable hereunder in the event that court proceedings are instituted against the Guarantor because the Guarantor has failed to respect its obligations hereunder.

4. ***DEALINGS WITH OBLIGOR AND OTHERS***

4.1 **No Release** The liability of the Guarantor hereunder shall not be released, discharged, limited or in any way affected by anything done, suffered or permitted by GE in connection with any duties or liabilities of the Obligor to GE of any security thereof including any loss of or in respect of any security received by GE from the Obligor or others. GE, without releasing, discharging, limiting or otherwise affecting in whole or in part the Guarantor's liability hereunder, may:

a) grant time, renewals, extensions, indulgences, releases, waivers and discharges to the Obligor;
b) grant substitutions for the Obligations or any part thereof or any agreement related thereto;
c) take or abstain from taking securities or collateral from the Obligor or from perfecting securities or collateral of the Obligor;

d) accept compromises from the Obligor;
e) apply all money at any time received from the Obligor or from securities upon such part of the Obligations as GE may see fit or change any such application in whole or in part from time to time as GE may see fit;
f) amend any of the Finance Instruments; or
g) otherwise deal with the Obligor and all other persons and securities as GE may see fit.

4.2 No Exhaustion of Remedies GE shall not be bound or obligated to exhaust its recourse against the Obligor or other persons or any securities or collateral it may hold or take any other action (other than to make demand pursuant to Section 6) before being entitled to demand payment from the Guarantor hereunder. The obligations of the Guarantor hereunder are joint and several with those of the Obligor and any other guarantor, security or other person liable in any way for the Obligations. This Guarantee is in addition and not in substitution for any other guarantee, by whomsoever given, at any time held by GE, and without prejudice to any other security, by whomsoever given, at any time held by GE, and GE shall be under no obligation to marshall in favour of the Guarantor any such security or any of the funds or assets GE may be entitled to receive or have a claim upon.

4.3 Conclusive Statement Any account settled or stated in writing by or between GE and the Obligor shall be *prima facie* evidence that the balance or amount thereof appearing due to GE is so due.

4.4 No Set-Off The Guarantor shall not claim any set-off or counterclaim against the Obligor in respect of any liability of the Obligor to the Guarantor.

5. CONTINUING GUARANTEE

5.1 Continuing Guarantee This Guarantee shall be a continuing guarantee, notwithstanding any extensions, modifications, renewals or indulgences with respect to, or substitutions for, the Obligations or any part thereof, and shall remain in full force and effect until the Obligations are performed and paid in full. This Guarantee shall continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or terminated or must otherwise be returned by GE upon the occurrence of any action or event including the insolvency, bankruptcy or reorganization of the Obligor or otherwise, all as though such payment had not been made.

6. DEMAND FOR PAYMENT

6.1 Demand for Payment GE shall be entitled to make demand upon the Guarantor at any time upon a default in payment of any amount owing by the Obligor to GE and upon such default GE may treat all Obligations as due and payable and may forthwith collect from the Guarantor the total amount guaranteed hereunder. The Guarantor shall make payment to or performance in favour of GE of the total amount guaranteed hereunder forthwith after demand thereof is made to the Guarantor.

6.2 Interest The Guarantor shall pay interest to GE at the rate of 24% per annum on the unpaid portion of all amounts payable by the Guarantor under this Guarantee, such interest to be calculated daily from the date of demand by GE on the Guarantor.

7. ASSIGNMENT, POSTPONEMENT AND SUBROGATION

7.1 Assignment and postponement All debts and liabilities, present and future, of the Obligor to the Guarantor are hereby assigned to GE and postponed to the Obligations, and all money received by the Guarantor in respect thereof shall be received in trust for GE and forthwith upon receipt shall be paid over to GE, the whole without in any way lessening or limiting the liability of the Guarantor hereunder and this assignment and postponement is independent of the Guarantee and shall remain in full force and effect until, in the case of the assignment, the liability of the Guarantor under this Guarantee has been discharged or terminated and, in the case of the postponement, until payment in full to GE of all obligations of the Guarantor under this Guarantee.

7.2 Subrogation The Guarantor will not exercise any rights which it may acquire by way of subrogation under this Guarantee and Indemnity, by any payment made hereunder or otherwise, until all Obligations shall have been paid and performed in full. If any amount shall be paid to the Guarantor on account of such subrogation rights at any time when all the Obligations shall not have been paid in full, such amount shall be held in trust for the benefit of GE and shall forthwith be paid to GE to be credited and applied upon the Obligations. If (i) the Guarantor performs or makes payment to GE of all amounts owing by the Guarantor to GE under this Guarantee and (ii) the Obligations are performed and paid in full, GE will, at the Guarantor's request and at the Guarantor's expense, execute and deliver to the Guarantor appropriate documents, without recourse and without representation and warranty, necessary to evidence the transfer by subrogation to the Guarantor of an interest in the Obligations and any security held therefor resulting from such performance or payment by the Guarantor.

8. COVENANTS OF THE GUARANTOR

The Guarantor hereby represents, covenants and warrants that:

a) if the Guarantor is a corporation, the making and performance of this Guarantee have been duly authorized by all necessary corporate actions on the part of the Guarantor, do not require any shareholders' approval, and will not violate any provisions of the Guarantor's incorporating documents or by-laws or result in the breach of, constitute a default under, contravene any provisions of or result in the creation of any lien, charge, encumbrance or security interest upon any property or assets of the Guarantor pursuant to any of the Guarantor's stocks, bonds, notes or debentures outstanding, or any agreement, indenture or other instrument to which the Guarantor is a party or by which the Guarantor or its property may be bound or affected;
b) this Guarantee constitutes a legal, valid and binding obligation of the Guarantor in accordance with the terms hereof;
c) there is no pending or, to the best of the knowledge of the Guarantor, threatened action or proceeding affecting the Guarantor or, if the Guarantor is a corporation, any of its subsidiaries before any court, governmental agency or arbitrator, which would materially adversely affect the legality, validity or enforceability of this Guarantee;
d) all Information as defined in Section 9.2 provided by Guarantor to GE is accurate;
e) all payments to GE are and will be derived from legal sources and GE may decline any form of payment; and
f) the Guarantor is and shall continue to be in compliance with all laws and regulations relating to the prevention of money laundering and terrorism.

9. GENERAL

9.1 Waivers The Guarantor waives notice of acceptance of this Guarantee and of the extension or continuation of the Obligations or any part thereof. The Guarantor further waives presentment, protest, notice, demand or action in respect of the Obligations or any part thereof, including any right to require GE to sue the Obligor, any other Guarantor or any other person obligated with respect to the Obligations or any part thereof, or otherwise to enforce payment thereof against any collateral securing the Obligations or any part thereof. Without limiting the generality of the foregoing, the Guarantor is jointly and severally liable with the Obligor for the due and punctual payment and performance of the Obligations, the Guarantor hereby waiving the benefit of division and discussion.

Guarantor waives its right to receive a copy of any financing statement or financing change statement registered by GE and of any related verification statement.

9.2 **Information** Guarantor hereby consents and authorizes GE and its affiliates, agents, contractors and representatives, at any time, a) to collect, verify, use, communicate with and disclose to third parties (including credit reporting agencies, financial institutions, creditors, vendors and other persons) any credit, financial and other information, including personal information (as applicable) and information related to the credit rating, financial capacity and payment history, with respect to Guarantor ("Information"), as GE deems necessary to process, complete, service and enforce the transactions hereby contemplated and any other existing or potential transactions, or as required or otherwise permitted by law; b) to respond to inquiries from, and exchange any Information with, third parties concerning Guarantor's credit rating, financial capacity and payment history; c) to provide Information to persons to whom GE considers assigning, granting a participation or otherwise disposing of rights or obligations under the transactions hereby contemplated; and d) to provide to any person copies of this Guarantee. This consent is in addition to and does not replace any consent previously given.

9.3 **Benefit of the Guarantee** This Guarantee shall enure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and permitted assigns of the Guarantor and GE.

9.4 **Entire Agreement** This Guarantee constitutes the entire agreement between GE, the Obligor and the Guarantor with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between such parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, expressed, implied or statutory, between such parties other than as expressly set forth in this Guarantee.

9.5 **No Waiver, Remedies** No failure on the part of GE to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude the other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

9.6 **Severability** If any provision of this Guarantee is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof shall continue in full force and effect.

9.7 **Notices** Any demand, notice or other communications (hereinafter in this Section 9.7 referred to as a "Communication") to be given in connection with this Guarantee shall be given in writing and may be given by personal delivery or by registered mail addressed to the recipient as follows:

To GE:	**239 Brownlow Ave., Suite 204, Dartmouth, Nova Scotia, B3B 2B2 , Tel: (902) 468-8266**	To the Guarantor:	**160 McNaughton Avenue, Moncton, New Brunswick, E1H 3L9**

or such other address as may be designated by notice by any party to the other. Any Communication given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof and, if given by registered mail, on the third day following the deposit thereof in the mail. If the party giving any Communication knows or ought reasonably to know of any difficulties with the postal system which might affect the delivery of mail, any such Communication shall not be mailed but shall be given by personal delivery.

9.8 **Assignment** The rights of GE under this Guarantee may be assigned by GE without the prior consent of the Obligor or the Guarantor. The Guarantor may not assign its obligations under this Guarantee.

9.9 **Governing Law** This guarantee shall be governed by and construed in accordance with the laws of the Province of **New Brunswick** and the laws of Canada applicable therein.

9.10 **Language** The parties hereby acknowledge that it is their express wish that this Guarantee and Indemnity be drawn in the English language; les parties reconnaissent qu'il est de leur volonté expresse que la présente caution soit rédigée en langue anglaise seulement.

IN WITNESS WHEREOF, the Guarantor has executed this Guarantee this **8th** day of **July, 2011**.

If Guarantor is a corporation:	If Guarantor is an individual:
Landdrill Atlantic Ltd. ("Guarantor")	_______________ (s)
By: ⊗ [signature] (c/s)	Name: _______________ ("Guarantor")
Title: C.FO	Witness: _______________

GE Capital

868801101

PRE-AUTHORIZED DEBIT AUTHORIZATION ("PAD Agreement")
FOR BUSINESS PURPOSES

The undersigned hereby authorizes GE Canada Equipment Financing G.P. (hereinafter called the "**Payee**") to debit the account of the undersigned identified on the void cheque delivered to the Payee (the "**Account**") with the amount of each payment or other amount owing from time to time to the Payee under the Conditional Sale Agreement entered into between the undersigned and the Payee on July 8, 2011 (as same may be amended or otherwise modified from time to time, the "**Financing Agreement**"), on or shortly after the due date thereof as set out in the Financing Agreement, by issuing pre-authorized debit requests (each a "**PAD**") to the financial institution at which the Account is held, as identified on the void cheque delivered to the Payee (the "**Processing Institution**"). The undersigned undertakes to inform the Payee in writing of any change in the information related to the Account 10 days prior to the next PAD due date.

The undersigned acknowledges that this authorization is being given for the benefit of the Payee and the benefit of the Processing Institution and is provided in consideration of the Processing Institution agreeing to process PADs against the Account in accordance with the rules of the Canadian Payments Association (the "**CPA Rules**"). The Processing Institution is hereby authorized to pay from and to debit against the Account any payment order or request whatsoever, payable to the order of the Payee and drawn on the said Account by a bank acting in the name of the Payee. Any payment order or request whatsoever thus drawn by the Payee's bank shall be considered as having been signed by the undersigned.

The undersigned hereby acknowledges the payment terms of the Financing Agreement and agrees that each PAD may be processed without prior written notice from the Payee of either the amount of the PAD or the date that the PAD is to be processed.

The undersigned acknowledges: (i) that this authorization to the Payee also constitutes delivery thereof by the undersigned to the Processing Institution, and (ii) that the Processing Institution is not required to verify that each PAD submitted by the Payee has been issued in accordance with this PAD Agreement (including the amount) or that the purpose of the payment for which a PAD was made has been fulfilled as a condition of honouring such PAD.

The undersigned may revoke this authorization at any time by giving a 10-day written prior notice to the Payee at the address set forth below. We acknowledge that we may obtain a sample cancellation form, or further information on our right to cancel this authorization at the Processing Institution or by visiting www.cdnpay.ca. We acknowledge that we have certain recourse rights if any debit does not comply with this PAD Agreement. For example, we have the right to receive reimbursement for any debit that is not authorized or is not consistent with this PAD Agreement. To obtain more information on our recourse rights, we acknowledge that we may contact our financial institution or visit www.cdnpay.ca.

This PAD Agreement only relates to the method of payment under the Financing Agreement and neither this Agreement nor cancellation thereof affects your obligations under the Financing Agreement. **The Payee may assign or transfer its rights under this PAD Agreement.**

Each person whose signature is required on the Account must sign below.

Signed this 8th day of July, 2011.

Landdrill International Ltd.

160 MacNaughton Ave.
Moncton, New Brunswick,
E1H 3L9

Authorized Signature(s) (as it appears on cheques)

N.B.:Please attach a sample of a cancelled cheque from the Processing Institution.

CONTACT INFORMATION OF THE PAYEE FOR NOTIFICATION OR INFORMATION:

GE Canada Equipment Financing G.P.
239 Brownlow Ave., Suite 204, Dartmouth, Nova Scotia, B3B 2B2

Contact: Marie-Josée Blackburn
Tel.: (514) 397-5356
Fax.: ( ) - 0
E-mail: mj.blackburn@ge.com

Mitchell's Drilling Equipment Ltd.
3105 Topham Rd.
West Kelowna, British Columbia V1Z 2J5
Canada

INVOICE

Invoice No.: 434
Date: 06/07/2011
Ship Date:
Page: 1
Re: Order No. 76

Sold to:

LANDDRILL INTERNATIONAL LTD.
75 Rue Ontario St.
Notre-Dame-du-Nord, QC
J0Z 3B0

Ship to:

LANDDRILL INTERNATIONAL LTD.
75 Rue Ontario St.
Notre-Dame-du-Nord, QC
J0Z 3B0

Business No.: 841660723

Item No.	Unit	Quantity	Description	Tax	Unit Price	Amount
A5	EACH	2	A5 DIAMOND DRILL COMPLETE WITH ISUZU ENGINE, SERIAL NOS. 2011-035, 2011-039 B20 HEAD SYNCHRONISED FOOTCLAMP WIRELINE SPOOL MUD TANK MUD MIXER	G	205,000.00	410,000.00
****	EACH	1	TRANSFER PUMP FOR HYDRAULIC OIL WITH FILTER	G	1,920.64	1,920.64
****	EACH	2	UPGRADE TO P FOOTCLAMP	G	2,800.00	5,600.00
****	EACH	2	UPGRADE TO P HEAD	G	23,000.00	46,000.00
A5-ROTZ120	EACH	2	HOISTING WINCH FOR A5	G	5,743.75	11,487.50
****	EACH	1	FEED FRAME SKID WITH STAND (POWDER-COATED)	G	7,810.00	7,810.00
****	EACH	1	ENGINE SKID (POWDER-COATED)	G	7,300.00	7,300.00
18100477	EACH	2	P ROD JAWS (P HEAD)	G	1,600.00	3,200.00
18100480	EACH	2	P HEAD CHUCK BUSHING - P ROD	G	404.14	808.28
18100178	EACH	2	JAW SET P ROD (PQ CLAMP)	G	1,200.00	2,400.00
18100185	EACH	2	PQ UPPER/LOWER BUSHING P CLAMP	G	188.50	377.00
****	EACH	2	HYDRAULIC MOTOR, DRIVE GEARS, CHAIN AND SKIDS FOR MOUNTING 435 PRESSURE PUMP - LABOUR INCLUDED FOR MOUNTING (LANDDRILL INTERNATIONAL LTD. SUPPLIES 435 PUMP) A 50% DEPOSIT IS REQUIRED UPON CONFIRMATION OF ORDER. THE BALANCE IS OWING PRIOR TO SHIPPING. THANK YOU	G	2,900.00	5,800.00
			G - GST 5%			
			GST			25,135.17

Shipped By: Tracking Number:

Comment: Tele: (250) 769-0487 Fax: (250) 769-0497

Total Amount 527,838.59

Sold By:

GE Capital

EQUIPMENT LOAN AND SECURITY AGREEMENT

No: 8698749001

239 Brownlow Ave., Suite 204
Dartmouth, Nova Scotia, B3B 2B2, Tel: (902) 468-8266, Fax: (902) 468-8270

CLIENT: **Landdrill International Ltd.**

ADDRESS: **160 MacNaughton Ave.**
Moncton,New Brunswick
E1H 3L9

CONTACT: *Derrick West*
Tel: (506) 388-8100

EQUIPMENT LOCATION (if at address other than above)

INSURANCE
Assurance Goguen Champlain Insurance Inc
1040 Champlain St Ste 200
Dieppe
E1A 8L8

EQUIPMENT

UNITS	MODEL	YEAR	DESCRIPTION	SERIAL Nos.
			See Schedule A which is an integral part of this agreement.	

FINANCED AMOUNT		FINANCING RATE:	Fixed Rate	INSTALMENTS	
Amount Advanced:	707,103.96 CAD		8.14% p.a.	Instalments:	$ 22,205.07 CAD
Insurance Premium:				Instalment date:	
Financing fees:				Frequency:	Monthly
				No. of Instalments:	36
				First Instalment date:	
Financed Amount:	707,103.96 = CAD	Daily		Original Term:	36 months

ADDITIONAL PROVISIONS
See Schedule B which is an integral part of this agreement.

In consideration of the loan (the "Loan") by Lender (as defined below) to Client in the amount specified under the heading "Financed Amount" above, the receipt of which Client hereby acknowledges, Client acknowledges itself indebted and promises to repay to Lender the Financed Amount. Client also acknowledges that it has agreed to grant to Lender a security interest in the Equipment described above to secure repayment of the Financed Amount on the terms and conditions set forth above, on pages 1, 2, 3 and 4 of document 15133E attached hereto, on all applicable schedules and other attachments hereto, all of which terms and conditions form a part of this Equipment Loan and Security Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Equipment Loan and Security Agreement at Moncton in the province of New Brunswick, this 28th day of September 2011.

Landdrill International Ltd.	**GE Canada Equipment Financing G.P.**
("CLIENT")	("LENDER")
By: ⊗ CFO TITLE	By: TITLE
SIGNATURE OF AUTHORIZED OFFICERS TITLE	SIGNATURE OF AUTHORIZED OFFICERS TITLE

GE Capital

SCHEDULE A

No: 8698749001

This SCHEDULE A is an integral part of the EQUIPMENT LOAN AND SECURITY AGREEMENT No. 8698749001 executed at Moncton in the province of New Brunswick, this 28th day of September 2011.

EQUIPMENT

UNITS	MODEL	YEAR	DESCRIPTION	SERIAL Nos.
			(1) Schramm Rotadrill, 2011, model T450GT, S/N: J104-0149	
			(1) John Deere excavator, 1999, model JD330, S/N: 80503	
			(1) Morooka crawler carrier, 1994, model MK50, S/N: T50079	
			(1) Morooka track carrier, 2011, model MST-300VD, S/N: 4026	
			(1) Morooka track carrier, 2011, model MST-300VD, S/N: 4027	
			(1) GMC water truck, 1998, model C8500, S/N: 1GDT7H4C6WJ521640	

Landdrill International Ltd. ("CLIENT")

By: CFO

TITLE

SIGNATURE OF AUTHORIZED OFFICERS TITLE

GE Canada Equipment Financing G.P. ("LENDER")

By: TITLE

SIGNATURE OF AUTHORIZED OFFICERS TITLE

GE 14133W E (12-95)

GE Capital

SCHEDULE B

No: 8698749001

This SCHEDULE B is an integral part of the EQUIPMENT LOAN AND SECURITY AGREEMENT No. 8698749001 executed at Moncton in the province of New Brunswick, this 28th day of September 2011.

ADDITIONAL PROVISIONS

CROSS DEFAULT

Section 13 of the terms and conditions attached to the present (document GE15133E), is amended to add the following paragraph:

(1) Client fails to meet any of its bank's financial covenants and Client shall remain in defalut if such bank waives the default.

INTEREST RATE (CAD SWAP)

The Financed Amount will bear interest at an annual rate equal to 720 basis points above the ask rate for a 2 year CA dollar fixed interest rate swap compounded semi-annually as indicated on the Thomson Reuters Interest Rate Spread Quick Chart CADSB3CB2Y=RR published on the Reuters 3000 Xtra Hosted Terminal Platform for the Friday preceding the disbursement date. This rate shall remain fixed for the entire term of this Agreement. For ease of reference only, Thomson Reuters makes available on the GE web site (www.gecapitalsolutions.ca) a table setting forth such 2 year CA dollar rate for the dates indicated in the table, it being understood that such rates are made available for information purposes only and should not at any time be considered the official reference rates.
For indication purposes only, the applicable 2 year swap rate today is 0.944%, plus 720 bps, resulting in a fixed interest rate of 8.144%. The Instalments and the Financing Rate on the signature page of this Agreement are for indication purposes only.

PRICING ADJUSTMENT

In order to preserve the Lender's net economic return, Lender in its sole discretion may adjust the pricing at any time prior to disbursement to reflect: (1) changes in the pricing assumptions of this Agreement; (2) a change in the Lender's funding index rate; (3) tax law changes applicable to the Client; and (4) general market conditions.

Landdrill International Ltd.	**GE Canada Equipment Financing G.P.**
("CLIENT")	("LENDER")
By: CFO TITLE	By: TITLE
SIGNATURE OF AUTHORIZED OFFICERS TITLE	SIGNATURE OF AUTHORIZED OFFICERS TITLE

GE Capital

EQUIPMENT LOAN AND SECURITY AGREEMENT

1. *Interpretation*

1.1 For the purpose of this Agreement.

(a) "Accrued Liability" at any time means the amount equal to the sum of the Financed Amount, any Prepayment Bonus and all other amounts then payable hereunder, including without limitation, any Overdue Payment and accrued interest.

(b) "Affiliate" means in respect of a person, a person or persons that, directly or indirectly through one or more intermediaries, control, are controlled by, or are under common control with, such person, and for the purposes of this definition, "control" means the power to direct or cause the direction of the management and policies of a person whether through the ownership of voting securities or otherwise, and "person" means an individual, corporation, partnership, joint venture, association, trust or unincorporated organization or any trustee, executor, administrator or other legal representative

(c) "Agreement" means this Equipment Loan and Security Agreement and any applicable schedules hereto, unless the context otherwise requires, and "hereof", "herein", "hereby", "hereunder" and similar expressions refer to this Agreement.

(d) "business day" means a day when the office of Lender at the address stated on the face hereof is open for business.

(e) "Claims" has the meaning assigned in Section 16.

(f) "control" has the meaning attributed to it in the *Canada Business Corporations Act*.

(g) "Client" means the client of Lender stated on the face hereof.

(h) "Conversion Rate" means the rate, expressed in CAD for the purchase of one US dollar, determined by adding 0.0050 CAD/USD to the highest rate which appears on the Bloomberg CAD GIT Page between 7 AM and 5 PM (EST).

(i) "Costs of Disposition" means all costs, disbursements, fees, commissions and other expenses (including legal fees and expenses) which Lender may incur, pay or be liable for in connection with recovering possession of, dismantling, removing, transporting, repairing, processing, reconditioning, storing, selling, leasing or otherwise disposing of Equipment.

(j) "Default" means any of those events or circumstances specified in Section 13.

(k) "Equipment" means the items of personal property described on the face hereof and, when required by the context, individual items thereof

(l) "Equities" means existing or future rights of counterclaim, defence, set-off, compensation, abatement or offset, legal or equitable.

(m) "Financed Amount" means the amount stated as such on the face hereof owing by Client to Lender or the unpaid outstanding balance thereof, as the context requires.

(n) "Financing Rate" means the rate per annum stated as such on the face hereof

(o) "Instalments" means the periodic repayment instalments of the Financed Amount, together with interest calculated at the Financing Rate as provided on the face hereof, such instalments stated on the face hereof.

(p) "Lender" means the Lender stated on the face hereof.

(q) "Lien" means any lien, privilege, mortgage, pledge, hypothec, charge, security interest, attachment, assignment, seizure, sequestration, distress, levy or other encumbrance of any nature or kind whatsoever.

(r) "Loss of Equipment" means:

(i) a total or constructive total loss of Equipment, or damage thereto, or theft thereof which, in the reasonable opinion of Lender, renders it impossible or impractical to use the Equipment for its intended purpose; or

(ii) expropriation or confiscation of Equipment by any authority absolutely or for more than 180 days.

(s) "Obligation" means any obligation by Client to pay any amount owing hereunder, including the Financed Amount, Overdue Payments and all other amounts owing hereunder, or to perform any other obligation of Client hereunder or which is secured hereunder.

(t) "Overdue Payment" means any amount owing by Client hereunder and any sum disbursed by Lender pursuant to Section 15 which is not paid when due hereunder, or any portion thereof.

(u) "person" means any natural person, corporation, firm, partnership, trust, sole proprietorship or governmental agency, authority or other entity, however constituted or designated.

(v) "Pledge" means to mortgage, charge, pledge, hypothecate, assign or grant a security interest and the security resulting therefrom and, as a noun, has the corresponding meaning.

(w) "Prepayment Bonus" means a prepayment bonus determined in accordance with Section 2.2.

(x) "Prime Rate" means the yearly rate of interest which National Bank of Canada announces from time to time in Canada as its prime lending rate which is a reference rate for demand loans in Canadian dollars to corporate borrowers.

(y) "Supplier" means any manufacturer, supplier, vendor of or dealer in Equipment or any other person from whom Client has acquired any of the Equipment.

(z) "Taxes" means any and all taxes, imposts, levies, fees, duties and charges imposed by any taxing authority on Lender, Client, the Equipment, its purchase, sale, ownership, security interest thereon, delivery, possession, operation or use including, without limitation, sales, excise, use, health services, property, goods and services, business transfer and value added taxes (including any penalties or interest based on late or non-payment), but excluding taxes imposed on or measured by Lender's overall net income.

(aa) "Warranties" means any and all warranties, guarantees, representations, service contracts, contracts to stock spare parts and similar agreements, oral or written, express, implied or statutory, relating to Equipment.

1.2 In this Agreement, unless the context otherwise requires, the singular includes the plural and vice-versa and words importing gender include each gender.

1.3 All references herein to statutes include the statute as it may be amended, restated or replaced with legislation of comparable effect.

1.4 Acts to be performed hereunder on non-business days shall be performed on the following business day.

2. *Instalments*

2.1 Client hereby acknowledges that it has borrowed from Lender and is thereby, or has otherwise become, indebted to and agrees to repay to Lender, at the address of Lender stated on the face hereof or such other place notified by Lender to Client, the Financed Amount, together with interest thereon, by paying the Instalments stated on the face hereof. Unless otherwise stated, instalments are due on the dates stated on the face hereof in each month, or other period (or the last day of the month, if there is no corresponding date), in arrears, throughout the term hereof. On the final Instalment date, Client shall pay Lender the outstanding balance of the Financed Amount, all accrued and unpaid interest thereon and all other amounts payable hereunder.

2.2 Client may at any time prepay the Financed Amount in whole or in part upon payment to Lender of a Prepayment Bonus determined as follows:

(a) if the Financing Rate is a variable rate based on Prime Rate, the bonus shall be three months' interest on the amount prepaid calculated at the Financing Rate in effect at the time of prepayment, or

(b) if the Financing Rate is a fixed rate, the bonus shall be either (i) three months' interest on the amount prepaid calculated at the Financing Rate (the "Minimum Bonus"), if the Financing Rate does not exceed the Prime Rate in effect at the time of prepayment ("Current Prime"), or (ii) the greater of (A) the Minimum Bonus or (B) the amount determined as the product of (x) the Financing Rate less Current Prime times (y) the amount prepaid times (z) the fraction of the number of days to elapse until the final Instalment date, disregarding prepayments, divided by 365, if the Financing Rate exceeds Current Prime.

Any portion of the Financed Amount prepaid shall be applied to the remaining Instalments in inverse order of maturity. No part of the Prepayment Bonus shall be applied in reduction of said remaining Instalments. If a Default or a Loss of Equipment occurs, the Prepayment Bonus shall also be payable by Client and shall be calculated by reference to the outstanding balance of the Financed Amount at the time of such Default or Loss of Equipment, as applicable.

3. *Interest*

3.1 The Financed Amount shall bear interest from the date hereof until paid in full to Lender (as well before as after maturity, demand, Default or judgment) at the Financing Rate.

3.2 In addition to interest payable under Section 3.1, each Overdue Payment shall bear interest from the date due until paid in full to Lender (as well before as after demand, Default or judgment) at the rate of 12% per annum, calculated as specified in Section 3.3.

3.3 Interest payable hereunder shall accrue from day to day, be payable in arrears on each Instalment date and be computed upon the daily outstanding balance of the Financed Amount or Overdue Payment, as applicable, and shall be calculated on the basis of the number of days elapsed in a 365-day year. The yearly rate of interest to which each rate of interest expressed herein is equivalent is the product of (a) such rate times (b) the fraction of the number of days in the year divided by 365.

3.4 If the Financing Rate is a variable rate based on Prime Rate, a change in Prime Rate automatically changes the rate of interest payable hereunder to the same extent and in the same manner effective with the frequency stated on the face hereof. Lender shall not be obliged to notify Client of any such change, any right to notice being hereby irrevocably waived by Client.

4. *Title, Ownership*

Title to, ownership of, and all property in Equipment shall remain with Client, but subject always to the security interests and other provisions hereof, and at Client's sole risk, until full payment in cash of all amounts repayable hereunder, prior to such payment, Client's rights therein are to quiet enjoyment and use on the terms and conditions of this Agreement so long as a Default has not occurred.

5. *Security Interest and Warranties as to Equipment*

5.1 In consideration of the Loan, Client hereby mortgages, hypothecates, charges by way of a first fixed charge, and grants to Lender a continuing security interest (herein collectively called a "security interest") in Equipment and Pledges in favour of Lender all insurance claims and all proceeds (including proceeds of proceeds) therefrom with respect to any loss or damage to Equipment or any lease or rental of Equipment, all to secure repayment of the Financed Amount and other Obligations of Client.

5.2 Client represents and warrants to Lender that the Client has good and marketable title to Equipment, free and clear of all Liens, except for the security interests of Lender hereunder. Client agrees to comply with all Warranties accruing to the Client pertaining to Equipment; however, any failure by any vendor to Client of Equipment to comply with any Warranty shall not affect Client's Obligations to Lender hereunder.

6. *Personal Property and Waivers*

6.1 Equipment shall at all times be and remain moveable personal property.

Notwithstanding any purpose for which Equipment may be used or that it may become affixed or attached to land or any structure thereon, Equipment shall remain subject to all rights of Lender hereunder as if it were not so affixed or attached.

6.2 Client agrees to obtain a waiver, if required by and in a form satisfactory to Lender, from any landlord, mortgagee, hypothecary creditor or other encumbrancer of the premises where Equipment is situated (and prior to its becoming affixed if it is to be affixed)

7. *Maintenance, Use, Operation, Alterations, Upgrades, etc.*

7.1 Client shall at its own expense:

(a) maintain Equipment in good operating condition, repair and appearance, ordinary wear and tear only excepted;

(b) comply with all recommendations or requirements of Supplier regarding Equipment so as to preserve all Warranties; and

(c) at Lender's request enter into a maintenance agreement for Equipment for the full term of this Agreement with Supplier or a competent service and maintenance agent approved by Lender.

7.2 Client shall not, without Lender's consent, make any alterations, additions, accessions or attachments to Equipment. Such consent will only be granted if such changes:

(a) do not materially decrease the value of Equipment or limit, interfere with or frustrate its intended use;

(b) do not prejudice or adversely affect any Warranties; and

(c) are free from, and do not subject Equipment to, any Lien.

7.3 All replacement parts and components, alterations, additions, accessions and attachments to Equipment shall automatically become subject to the security interests created hereby as soon as they are acquired by or on behalf of Client.

7.4 Client shall affix and keep affixed to Equipment any labels supplied by Lender identifying its security interests in Equipment.

8. *Inspection*

Any representative of Lender shall have the right to inspect Equipment at all reasonable times upon notice to Client.

9. *Insurance*

9.1 Client shall at its own expense place and maintain with insurers acceptable to Lender:

(a) comprehensive all risks insurance on Equipment for the greater of the Financed Amount or the full replacement value of the Equipment. Such insurance shall include (i) a loss payable clause in favour of Lender and (ii) a waiver of subrogation clause in favour of Lender; and

(b) general public liability and property damage insurance with limits of liability at least equal to $1,000,000 or such greater amount as Lender may require. Such insurance shall extend to all liabilities of Client under this Agreement arising out of its use or possession of Equipment and to any potential vicarious liability of Lender as holder of security interests in Equipment created hereby

9.2 All such policies of insurance shall be in place at the effective date of this Agreement and shall contain endorsements providing that: (a) 30 days' written notice shall be given to Lender before the policy lapses or is materially altered or cancelled; (b) the insurance shall be primary and not contributory; (c) Lender's interests therein shall not be invalidated or otherwise adversely affected by any act or omission, deliberate, negligent or otherwise, of Client or its agents, servants or employees (the so-called "standard mortgage clause"); (d) Lender shall not be responsible for payment of any premiums; and (e) Lender may elect to have all proceeds of loss payable only to itself.

9.3 Client shall supply Lender with certified copies of all insurance policies, endorsements or other evidence of the required coverage satisfactory to Lender within 30 days of the effective date of this Agreement and on request.

9.4 In the event of damage to any item of Equipment amounting to Loss of Equipment, Lender shall be entitled to receive immediate payment of the amount equal to the Accrued Liability with respect to such item of Equipment. Lender may retain any monies received from the insurance proceeds in an amount equal thereto, Client remaining liable for any deficiency.

10. *Taxes, etc.*

Client shall have the sole responsibility for and shall duly and punctually pay all Taxes and all licence and similar fees payable at any time upon, or in respect of, Equipment, this Agreement and any payments or transactions contemplated hereunder.

11. *Liens*

Client shall keep Equipment free of all Liens.

12. *Laws and Regulations*

Client is and shall continue to be in compliance with all laws and regulations relating to use, operation or possession of Equipment or the security interests therein in favour of Lender, and those relating to the prevention of money laundering and terrorism

13. *Default*

It shall be a Default under this Agreement if:

(a) Client fails to pay any Instalment within 10 days after its due date;

(b) any representation or warranty of Client made herein or in any instrument or document delivered to Lender in connection herewith is false or materially incorrect or misleading;

(c) any insurance coverage required to be obtained and maintained by Client under this Agreement shall lapse, expire or be cancelled;

(d) Client defaults in any other Obligation, or in any obligation under any other agreement with Lender or any Affiliate of Lender and such default continues for 10 days after notice thereof by Lender or such Affiliate, as applicable, to Client;

(e) any act of bankruptcy takes place respecting Client, or any proceeding, petition or notice, voluntary or involuntary, is commenced, made, given or filed, as the case may be, by the Client or any other person, under any present or future statute or law relating to bankruptcy, insolvency or relief from or compromise or arrangement with creditors of Client;

(f) Client ceases or threatens to cease to carry on business or makes or proposes to make any sale of the whole or any substantial portion of its assets in bulk, or otherwise out of the normal course of business;

(g) any execution, sequestration, expropriation or similar process is brought or threatened, by way of notice or otherwise, against, or a distress or analogous process is levied upon the whole or any part of the property of Client or Equipment;

(h) any trustee, receiver, interim receiver, administrator, manager or similar official is appointed with respect to all or any part of the property, assets or undertaking of Client, whether pursuant to any private instrument or agreement or by order of any court;

(i) if ownership of or control and direction over the assets or undertaking of Client or the majority of its voting shares changes, by amalgamation, merger, sale, transfer of shares or otherwise, except pursuant to death of the shareholder, or Client passes any

resolution concerning any matter referred to in paragraph (e) or with respect to, or any proceedings, voluntary or involuntary, are commenced under, any present or future law relating to amalgamation, liquidation, winding-up or dissolution;

(j) an event occurs which, in the opinion of Lender, could reasonably be expected to have a material adverse effect on the condition (financial or otherwise), business, operations, assets, liabilities or prospects of Client, Client's ability to perform any Obligation, or any obligation under any other agreement with Lender or any Affiliate of Lender, or on the rights and remedies of Lender thereunder, and continues for 10 days after notice thereof by Lender or such Affiliate, as applicable, to Client; or

(k) any event or circumstance described in any of paragraphs (c) and (e) through (j) inclusive occurs with respect to any guarantor or surety of Client respecting this Agreement or any person who controls Client or any Affiliate of Client.

A Default under this Agreement shall be deemed a default under all other present and future agreements entered into between Client and Lender or any Affiliate of Lender.

14. *Lender's Remedies on Default*

Upon Default, Lender shall be entitled to do one or more of the following:

(a) declare this Agreement to be in default (with or without terminating this Agreement) whereupon all Obligations shall be immediately due, payable and enforceable without any notice or demand whatsoever;

(b) terminate this Agreement;

(c) declare any or all of the Obligations to be immediately due and payable, or be subject to immediate performance, as the case may be, without presentment, protest or notice of dishonor, all of which are expressly waived;

(d) take possession of Equipment, without demand, notice or legal proceeding and enter on any premises of Client or any other person for such purpose;

(e) sell, lease or otherwise dispose of Equipment by public or private transaction for such consideration payable immediately and/or deferred and on such terms and conditions as Lender in its discretion determines;

(f) whether or not this Agreement may have been or be deemed to have been terminated, demand, sue for and recover the amount equal to the Accrued Liability, less, if applicable, the net proceeds to Lender derived from the sale, lease or other disposition of the Equipment, after deducting all Costs of Disposition; and

(g) exercise any other rights or remedies and/or take any proceedings available to Lender hereunder, at law or in equity.

In lieu of selling, leasing or otherwise disposing of Equipment, Lender may retain Equipment and cause Equipment to be valued by a qualified appraiser selected by it and such value shall be substituted for and deducted as net proceeds to Lender under subparagraph (f) of this Section. Proceeds of sale, lease or disposal need be deducted only when received, unless Lender elects to take the present value of payments to be received, discounted at the Financing Rate then in effect, compounded monthly.

15. *Lender's Rights to Remedy Defaults*

If Client fails to perform or comply with any Obligation, Lender may, but has no obligation to, perform same in the name of Client or Lender and make all necessary disbursements in connection therewith, which shall be reimbursed by Client immediately on demand. Lender is hereby appointed Client's lawful attorney to take any such action in Client's name.

16. *Client's General Indemnities*

Client shall indemnify and save harmless Lender from and against all existing or future losses, costs, charges, expenses, liabilities, claims, demands, penalties, damages, suits, actions and causes of action of every nature and kind whatsoever, including strict liability in tort or in delict (collectively, "Claims") sustained or suffered by Lender, or for which Lender may become liable, resulting from or arising out of:

(a) Lender's lawful exercise or performance of its rights or obligations under this Agreement;

(b) the holding by Lender of a security interest in the Equipment;

(c) any Default;

(d) any personal injury or property damage or other commercial loss arising out of the sale or delivery to, installation, ownership, use, operation, maintenance, condition, return, removal and re-delivery of Equipment; or

(e) any use or operation of Equipment which infringes any patent or other industrial or intellectual property right, unless caused by the gross negligence or wilful misconduct of Lender, its employees, servants or agents.

17. *Administrative Fees and Expenses*

Client shall pay Lender on demand Lender's prevailing fees and all costs and disbursements (including legal fees and expenses) certified by Lender as having been incurred or made in connection with the enforcement or preservation of any right or remedy arising on Default or in connection with the rendering of financial services under this Agreement including, without limitation, for processing of payments and rendering statements to Client.

18. *Pre-Authorized Payments*

Client shall execute and deliver to Lender from time to time upon request pre-authorized payment orders in such form as Lender may reasonably request. Lender is hereby authorized to deliver such orders to the financial institution named therein. Client hereby appoints Lender its lawful attorney to take all action contemplated by such payment orders to receive payment of any amount due under this Agreement. Lender may decline any other form of payment.

19. *Location of Equipment*

19.1 Except as otherwise expressly permitted hereunder, Client shall not part with possession of Equipment nor remove any of same from Canada.

19.2 Client covenants that Equipment will continue to be located where stated on the face hereof, or at any other location agreed to in writing by Lender.

20. *Assignment and Leasing*

Client shall not assign any rights hereunder and Client shall not sell or attempt to sell Equipment nor lease or rent or attempt to lease or rent Equipment, in any case without the prior consent of Lender, and such consent may be withheld by Lender in its sole and unfettered discretion. No action aforesaid by Client shall relieve Client of any of its Obligations.

21. *Client's General Representations, Warranties and Covenants*

Client represents and warrants to and covenants with Lender that: (a) if Client is a body corporate, it is and will continue to be a body corporate or other legal entity duly and validly incorporated or otherwise established, organized and existing in good standing under the laws of its jurisdiction of incorporation or establishment, with all necessary power and authority to execute, deliver and perform this Agreement; (b) if Client is a body corporate, all of the transactions contemplated herein have been and will be duly authorized by all necessary action, are not and will not be in conflict with the constating documents or by-laws of Client or any indenture, instrument, agreement or undertaking to which it is or will be a party or by which it or its assets are or may become bound; (c) this Agreement is and will continue to be the legal, valid and binding obligation of Client, enforceable against it in accordance with its terms; (d) all Information as defined in Section 41 provided by Client to Lender is accurate; and (e) all payments to Lender are and will be derived from legal sources. Client agrees to furnish to Lender a copy of its most recent annual financial statements, audited if applicable, promptly upon availability and in any event, within 90 days of each financial year-end. Upon request by Lender, Client agrees also to furnish its quarterly financial statements promptly upon availability and, in any event, within 60 days of each financial quarter-end.

22. *Statutory Waivers and Acknowledgement*

22.1 Client waives its right to receive a copy of any financing statement or financing change statement registered by Lender and of any related verification statement.

22.2 Client waives, to the fullest extent permitted by law, the application of the provisions of (a) *The Limitation of Civil* Rights Act (Saskatchewan); and (b) *The Distress Act* (Manitoba). Client agrees that the provisions of this Agreement are commercially reasonable.

23. *NO SET-OFF – EXCLUSION AND ASSIGNMENT OF WARRANTIES*

23.1 CLIENT IRREVOCABLY AND UNCONDITIONALLY WAIVES ALL EQUITIES AGAINST ANY INSTALMENT AND OTHER AMOUNT DUE TO LENDER HEREUNDER AND AGREES TO PAY EACH SUCH INSTALMENT AND OTHER AMOUNT WITHOUT REGARD TO ANY EQUITIES. NEITHER DEFECTS IN, DAMAGE TO, NOR LOSS OR DESTRUCTION OF EQUIPMENT SHALL TERMINATE THIS AGREEMENT OR REDUCE CLIENT'S OBLIGATIONS HEREUNDER, EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN.

23.2 CLIENT REPRESENTS AND WARRANTS TO AND COVENANTS WITH LENDER THAT EQUIPMENT IS AND WILL BE USED FOR COMMERCIAL, INDUSTRIAL OR BUSINESS PURPOSES ONLY AND NOT FOR PERSONAL, FAMILY, HOUSEHOLD OR FARMING PURPOSES;

23.3 (A) LENDER SHALL NOT BE BOUND BY OR BE DEEMED TO HAVE MADE OR BE LIABLE FOR ANY REPRESENTATION, WARRANTY OR PROMISE MADE BY SUPPLIER OR OTHERWISE; (B) LENDER SHALL NOT BE LIABLE FOR ANY FAILURE OF EQUIPMENT INCLUDING ANY LATENT DEFECT OR ALLEGED FUNDAMENTAL BREACH OF THIS AGREEMENT, (C) NEITHER LENDER NOR ANY OF ITS EMPLOYEES, SERVANTS OR AGENTS HAS MADE AND DOES NOT NOW MAKE ANY REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO EQUIPMENT OR ANY INTELLECTUAL OR INDUSTRIAL PROPERTY RIGHTS THEREIN

INCLUDING, WITHOUT LIMITATION, THE DESIGN, SPECIFICATIONS, CONDITION, QUALITY, MERCHANTABILITY OR FITNESS FOR CLIENT'S PURPOSES AND (D) LENDER SHALL HAVE NO LIABILITY FOR ANY DIRECT, INDIRECT, PUNITIVE, EXEMPLARY, SPECIAL OR CONSEQUENTIAL DAMAGES OR LOSS OF PROFITS, ACTUAL OR ANTICIPATED, OR FOR ANY DAMAGES BASED ON STRICT OR ABSOLUTE TORT OR DELICTUAL LIABILITY OR LENDER'S OR SUPPLIER'S NEGLIGENCE. NOTHING HEREIN SHALL DEPRIVE CLIENT OF ITS RIGHTS AGAINST SUPPLIER OR ANY PERSON OTHER THAN LENDER. CLIENT SHALL MAKE ANY CLAIMS WITH RESPECT TO EQUIPMENT DIRECTLY AGAINST SUPPLIER.

23.4 IF EQUIPMENT IS SEIZED OR SOLD BY LENDER, ALL WARRANTIES OF SUPPLIER AND RIGHTS TO ALL SOFTWARE, OTHER INTELLECTUAL AND INDUSTRIAL PROPERTY LICENSES ACCOMPANYING GOODS SHALL BE DEEMED ASSIGNED BY CLIENT TO LENDER.

24. *Notices*
Any notice, demand, consent or other communication required or permitted hereunder ("Notice") shall be in writing and may be delivered, or sent by prepaid registered mail, or by telex, telecopier or other means which produces a permanent written record (a "transmission"). Mailed Notice shall be deemed to have been given two business days after mailing provided there is no general disruption or stoppage of postal services then in effect, in which case delivery shall be made by one of the other methods permitted herein, delivered Notice shall be effective upon delivery during business hours to an apparently responsible adult, and transmissions shall be deemed to have been received at the opening of the business day immediately following transmission. Addresses for Notice shall be those addresses stated on the face hereof and may be changed in accordance with the foregoing.

25. *Remedies Cumulative*
All rights and remedies of Lender hereunder are cumulative and not exclusive or alternative and may be exercised by Lender separately or together, in any order, sequence or combination.

26. *Forbearance, Indulgence and Waivers*
Forbearance or indulgence by Lender in any instance shall not constitute a general waiver of the obligation under this Agreement to which the same applies. Any waiver by Lender of its rights must be in writing and shall not extend to any other obligation or right.

27. *Allocations*
Client hereby irrevocably and unconditionally waives any present or future right to allocate any payment made to Lender to any specific Obligation due under this Agreement or under any other agreement with Lender or any affiliate of Lender. Lender may allocate and apply any payment received to any Obligation due hereunder or under any other agreement with Lender or affiliate of Lender and may reverse, reallocate and re-apply any such payment as many times and in such manners as Lender from time to time sees fit. Payments received shall be allocated upon receipt of legal tender or cleared funds. Lender is hereby irrevocably authorized to combine and set off amounts payable by it to Client with amounts owing to it from Client (in each case whether matured or not and whether absolute or contingent) under the same or different agreements.

28. *Time*
Time is and shall remain of the essence of this Agreement.

29. *Entire Agreement*

29.1 There are no representations, warranties, covenants, agreements or acknowledgements by Lender affecting the Financed Amount, the Obligations, the Accrued Liability, this Agreement or Equipment, other than expressed in this Agreement.

29.2 No agreement purporting to amend or modify this Agreement or any other document, paper or writing relating hereto or to Equipment or connected herewith shall be binding unless in writing signed by the parties hereto.

30. *Severability*
Any term, condition or provision of this Agreement which is deemed to be void, prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be severed herefrom and ineffective to the extent of such invalidity, prohibition or unenforceability, without in any way invalidating the balance hereof.

31. *No Merger in Judgment*
The taking of any judgment by Lender under this Agreement shall not operate as a merger or novation of any term or condition hereof or of any obligation of Client or Lender hereunder.

32. *Further Assurances and Power of Attorney*

32.1 Client and Lender each shall do, execute and perform all such acts, deeds, documents and things as may be reasonably required to enable Lender to have the full benefit of all rights and remedies intended to be reserved or created hereby. Lender is hereby appointed Client's lawful attorney to complete and/or correct any information on the face hereof or in any Schedule hereto.

32.2 Each power of attorney granted in this Agreement is granted with full power of substitution, is irrevocable, is coupled with an interest, shall survive termination of this Agreement and may be exercised during any subsequent legal incapacity of Client or Lender.

33. *Currency*
Unless otherwise stated in this Agreement, all sums of money payable hereunder shall be paid in Canadian dollars. If any amount payable pursuant to this Agreement needs to be converted from US dollars to Canadian dollars, including for purposes of determining the amount of the Financed Amount or any instalment, such conversion shall be made by Lender on the relevant date at the Conversion Rate and Lender will notify Client of the Canadian dollar amount so converted.

34. *Survival*
Notwithstanding any other Section, any accrued Obligations, the Obligations of Client under Sections 9.4, 10, 15, 16, 17, 22 and 27 and all rights of Lender hereunder, whether accrued or not, shall survive the termination or expiration of this Agreement and the payment of the Accrued Liability and all other amounts payable hereunder.

35. *Section Headings*
Section headings in this Agreement are for convenience of reference only and do not affect the interpretation or construction hereof.

36. *Successors and Assigns*
This Agreement shall inure to the benefit of and be binding upon Lender and Client, their respective heirs, executors, administrators, personal representatives, successors and permitted assigns and lessees. Lender may assign or transfer in whole or in part its rights under this Agreement or Equipment, and/or Pledge its rights hereunder or in Equipment and any assignee, transferee or beneficiary of such Pledge ("Assignee") shall be unrestricted in the exercise of such rights. Client shall recognize any such assignment, transfer or Pledge and shall not assert against any Assignee any Claims or Equities which it may have against Lender respecting this Agreement or Equipment and waives all Claims and Equities against Assignee's rights to enforce this Agreement based on Lender's alleged failure to perform same or Supplier's breach of Warranties. Client shall not be entitled to assign its rights or obligations hereunder.

37. *Choice of Law*
This Agreement shall be governed, construed, performed and enforced in accordance with the laws of the Province where the address of Client is located as stated on the face of this Agreement.

38. *Language*
The parties hereto have expressly required that this Agreement and all documents, agreements and notices related thereto be drafted in the English language. Les parties aux présentes ont expressément exigé que le présent contrat et tous les autres documents, conventions ou avis qui y sont afférents soient rédigés en langue anglaise.

39. *Joint and Several Liability*
If more than one person executes this Agreement as Client their obligations hereunder shall be joint and several and, where the context so admits, each reference in this Agreement to "Client" shall include reference to any one or more or all such persons and the acts or omissions of and such persons shall bind all of them.

40. *Receipt of Agreement*
Client acknowledges receipt of an executed copy of this Agreement.

41. *Information*
Client hereby consents and authorizes Lender and its affiliates, agents, contractors and representatives, at any time, (a) to collect, verify, use, communicate with and disclose to third parties (including credit reporting agencies, financial institutions, creditors, vendors and other persons) any credit, financial and other information, including personal information (as applicable) and information related to the credit rating, financial capacity and payment history, with respect to Client ("Information"), as Lender deems necessary to process, complete, service and enforce the transactions hereby contemplated and any other existing or potential transactions, or as required or otherwise permitted by law; (b) to respond to inquiries from, and exchange any Information with, third parties concerning Client's credit rating, financial capacity and payment history; (c) to provide Information to persons to whom Lender considers assigning, granting a participation or otherwise disposing of rights or obligations under the transactions hereby contemplated; and (d) to provide to any person copies of this Agreement. This consent is in addition to and does not replace any consent previously given.

BORROWING RESOLUTION OF THE BOARD OF DIRECTORS

I **Ronald J. Goguen** hereby certify that:

1. I am the **Director** of **Landdrill International Ltd.** (the "Corporation") corporation duly incorporated under **provincial** laws, the head office of which is located at **160 MacNaughton Ave., Moncton, Nouveau Brunswick, E1H 3L9.**

2. The following text is a true copy of a resolution passed on **September 28, 2011** by the Board of Directors of the said Corporation, in compliance with acts and regulations governing it. The said resolution has not been revoked or amended in any way whatsoever and is in force at the date hereof.

   Now therefore be it resolved:

   a) That **Chief Financial Officer**
   Title

   be and is hereby authorized for and on behalf of the Corporation to borrow from **GE Canada Equipment Financing G.P.** ("GE") the principal amount of **$ 710,864.25 CAD** required by the Corporation from time to time, for a term and under such other conditions as determined by the directors, officers and employees of the Corporation hereby authorized; also to do all acts and things and to execute all documents for and on behalf of the Corporation as required by GE in order to secure the amount or amounts owed to or borrowed from GE and any renewals or extensions of such loans, including security, and any renewals or extensions thereof, in the form of mortgages, hypothecation, charges, pledges, security agreements, conditional sale contracts, assignments or transfers of any and all real or personal, movable or immovable property, both present and future, of the Corporation.

   b) That all acts and things done and documents executed on behalf of the Corporation as hereinbefore authorized may be relied upon by GE are valid and binding upon the Corporation whether or not the corporate seal of the Corporation has been affixed to any such document.

   c) That the Corporation shall provide GE with a true and correct copy of this Resolution and a list of the names of the directors, officers and employees of the Corporation hereby authorized to do any act and thing, together with specimens of their signatures, to be acted upon by each office of GE with which the Corporation does business until such time as a written notice to the contrary be given to GE and that the latter has acknowledged receipt thereof.

3. The directors, officers and employees of the Corporation authorized by the foregoing Resolution to do any act or thing for and on behalf of the Corporation are and will sign as follows:

Names	Titles	Signatures
Derrick West	**Chief Financial Officer**	⊗ [signature]

Signed at **Moncton** this **28th** day of **September, 2011**.

⊛ [signature]
(SCEAU)
Director

GE 1008A E (06-2001)

8698749001

GUARANTEE AND INDEMNITY

RESOLUTION OF THE BOARD OF DIRECTORS OF

Landdrill International Inc.
(the "Corporation")

In consideration of the leasing agreements, or master leasing agreements and all leasing schedules thereto, entered or which may be entered into by **GE Canada Equipment Financing G.P.** ("GE") with its client **Landdrill International Ltd.** ("Client") or the loans and advances of money granted or which may be granted by GE to its Client, as the case may be for the purpose of Client's business, and, generally, in consideration of the business relations between GE and its Client as well as the business relations between the said Client and this Corporation.

Now therefore be it resolved:

That this Corporation be and is hereby authorized to be a surety and to guarantee the repayment of all sums of money which the client owes or in future may owe to GE, together with the interest, costs and accessories, and this, jointly and severally with the Client towards GE and subject to all the terms and conditions set out on the form in use at GE entitled "Guarantee and Indemnity", a copy of which is attached hereto after having been submitted to the Directors and that **Derrick West, Chief Financial Officer** , be and is hereby authorized to sign such Guarantee and Indemnity for and on behalf and in the name of the Corporation.

That all acts and things done and all documents executed on behalf of the Corporation as hereinbefore authorized shall be valid and binding upon the Corporation whether or not the corporate seal of the Corporation has been affixed to any such document.

The foregoing is a true and correct copy of a resolution of the Board of Directors of **Landdrill International Inc.** duly adopted on **September 28, 2011** which resolution is in effect and has not been modified or rescinded as of the date hereof.

Dated at **Moncton** this **28th** day of **September 2011.**

⊗ Donald J. Hogan
~~Secretary~~ CEO
(Seal)

GE Capital

8698749001

GUARANTEE AND INDEMNITY

TO: **GE Canada Equipment Financing G.P. ("GE")**

In consideration of the premises and the covenants and agreements herein contained, the sum of $1.00 now paid by GE to **Landdrill International Inc.** (the "Guarantor") and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Guarantor covenants and agrees with GE as follows:

1. ***INTERPRETATION*** Wherever throughout this Guarantee, the Guarantor or GE or **Landdrill International Ltd.** (hereinafter called the "Obligor") are mentioned or referred to, such mention or reference shall extend to their respective successors and assigns, as the case may be. Reference to the term "Obligations" herein shall be to any and all obligations of the Obligor to GE under that certain **Equipment Loan and Security Agreement No: 8698749001** dated **September 28, 2011** between Obligor and GE and any other agreement, document or instrument related thereto, whether existing now or arising hereafter, and any modifications, extensions or renewals thereof from time to time, (hereinafter singularly or collectively called "Finance Instruments").

2. ***GUARANTEE***

2.1 **Guarantee** The Guarantor hereby irrevocably and unconditionally guarantees and covenants with GE as principal debtor of GE and not merely as surety, that the Obligor will duly and punctually perform all of the Obligations, and pay or cause to be paid to GE the rentals under and the principal of and interest on the Finance Instruments evidencing or securing the Obligations (including, in case of default, interest on the amount in default) as and when the same becomes due and payable, whether by lapse of time, by extension, or upon a declaration or otherwise according to the terms of the Finance Instruments and all other moneys owing on or under the Finance Instruments or in any way relating thereto including all expenses, including legal expenses and service charges. The total liability of the Guarantor hereunder for the Obligations shall be **limited to $ 710,864.25 CAD**, plus interest, fees, costs or expenses (including, without limitation, legal fees and expenses) which may now or hereafter accrue or be incurred with respect to such Obligations and any fees, costs or expenses (including without limitation, legal fees and expenses) that may be incurred by GE by reason of Guarantor's default under this Guaranty.

2.2 **Terms of the Finance Instruments** The Guarantor hereby consents to and approves of the terms of the Finance Instruments; the guarantee and the agreements of the Guarantor herein contained shall take effect and shall be and are hereby declared to be binding upon the Guarantor notwithstanding any defect in or omission from the Finance Instruments or any non-registration or non-filing or defective registration or filing of any Finance Instruments or notice of the interest of GE created thereby or by reason of any failure of the security intended to be created by the Finance Instruments or pursuant thereto.

2.3 **Guarantee Absolute** The liability of the Guarantor hereunder shall be absolute and unconditional and shall not be affected by:

a) any lack of validity or enforceability of any agreements between the Obligor and GE; any change in the time, manner or place of payment or in any other term of such agreements or the failure on the part of the Obligor to carry out any of its obligations under such agreements;
b) any impossibility, impracticability, frustration of purpose, illegality, *force majeure* or act of government;
c) the bankruptcy, winding-up, liquidation, dissolution or insolvency of the Obligor, GE or any party to any agreement to which GE is a party;
d) any lack or limitation of power, incapacity or disability on the part of the Obligor or of the directors, partners or agents thereof or any other irregularity, defect or informality on the part of the Obligor in its obligations to GE; or
e) any other law, regulation or other circumstance which might otherwise constitute a defense available to, or a discharge of, the Obligor in respect of any or all of the Obligations.

The Guarantor shall be held and bound to GE as principal debtor, and not as surety, in respect of the payment of any or all of the Obligations. All amounts payable to GE shall be paid to GE forthwith after demand therefore as provided herein.

2.4 **No Waiver** The Guarantor hereby agrees that its obligations hereunder shall be unconditional and no waiver by GE of any of its rights hereunder or under the Finance Instruments and no action by GE to enforce any of its rights hereunder or under the Finance Instruments or failure to take, or delay in taking any such action shall affect any other obligation of the Guarantor hereunder.

3. ***INDEMNITY*** The Guarantor also covenants and agrees with GE that it will at all times and from time to time hereafter, indemnify and keep indemnified and save harmless GE from any and all losses, costs, damages and expenses, including legal fees and disbursements and the costs of all distresses, actions, proceedings, claims and demands incurred or made by GE if GE does not receive payment of all amounts due and owing under the Finance Instruments or if the Obligor defaults in the payment of any instalment payable or in the performance of the Obligations under the Finance Instruments which, if the Finance Instruments were in full force and effect and good standing, would be payable or required to be performed under the Finance Instruments. In addition to the foregoing, the Guarantor agrees to pay GE, as administrative costs, an amount equal to fifteen percent (15%) of all amounts payable hereunder in the event that court proceedings are instituted against the Guarantor because the Guarantor has failed to respect its obligations hereunder.

4. ***DEALINGS WITH OBLIGOR AND OTHERS***

4.1 **No Release** The liability of the Guarantor hereunder shall not be released, discharged, limited or in any way affected by anything done, suffered or permitted by GE in connection with any duties or liabilities of the Obligor to GE of any security thereof including any loss of or in respect of any security received by GE from the Obligor or others. GE, without releasing, discharging, limiting or otherwise affecting in whole or in part the Guarantor's liability hereunder, may:

a) grant time, renewals, extensions, indulgences, releases, waivers and discharges to the Obligor;
b) grant substitutions for the Obligations or any part thereof or any agreement related thereto;
c) take or abstain from taking securities or collateral from the Obligor or from perfecting securities or collateral of the Obligor;

d) accept compromises from the Obligor;
e) apply all money at any time received from the Obligor or from securities upon such part of the Obligations as GE may see fit or change any such application in whole or in part from time to time as GE may see fit;
f) amend any of the Finance Instruments; or
g) otherwise deal with the Obligor and all other persons and securities as GE may see fit.

4.2 **No Exhaustion of Remedies** GE shall not be bound or obligated to exhaust its recourse against the Obligor or other persons or any securities or collateral it may hold or take any other action (other than to make demand pursuant to Section 6) before being entitled to demand payment from the Guarantor hereunder. The obligations of the Guarantor hereunder are joint and several with those of the Obligor and any other guarantor, security or other person liable in any way for the Obligations. This Guarantee is in addition and not in substitution for any other guarantee, by whomsoever given, at any time held by GE, and without prejudice to any other security, by whomsoever given, at any time held by GE, and GE shall be under no obligation to marshall in favour of the Guarantor any such security or any of the funds or assets GE may be entitled to receive or have a claim upon.

4.3 **Conclusive Statement** Any account settled or stated in writing by or between GE and the Obligor shall be *prima facie* evidence that the balance or amount thereof appearing due to GE is so due.

4.4 **No Set-Off** The Guarantor shall not claim any set-off or counterclaim against the Obligor in respect of any liability of the Obligor to the Guarantor.

5. CONTINUING GUARANTEE

5.1 **Continuing Guarantee** This Guarantee shall be a continuing guarantee, notwithstanding any extensions, modifications, renewals or indulgences with respect to, or substitutions for, the Obligations or any part thereof, and shall remain in full force and effect until the Obligations are performed and paid in full. This Guarantee shall continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or terminated or must otherwise be returned by GE upon the occurrence of any action or event including the insolvency, bankruptcy or reorganization of the Obligor or otherwise, all as though such payment had not been made.

6. DEMAND FOR PAYMENT

6.1 **Demand for Payment** GE shall be entitled to make demand upon the Guarantor at any time upon a default in payment of any amount owing by the Obligor to GE and upon such default GE may treat all Obligations as due and payable and may forthwith collect from the Guarantor the total amount guaranteed hereunder. The Guarantor shall make payment to or performance in favour of GE of the total amount guaranteed hereunder forthwith after demand thereof is made to the Guarantor.

6.2 **Interest** The Guarantor shall pay interest to GE at the rate of 24% per annum on the unpaid portion of all amounts payable by the Guarantor under this Guarantee, such interest to be calculated daily from the date of demand by GE on the Guarantor.

7. ASSIGNMENT, POSTPONEMENT AND SUBROGATION

7.1 **Assignment and postponement** All debts and liabilities, present and future, of the Obligor to the Guarantor are hereby assigned to GE and postponed to the Obligations, and all money received by the Guarantor in respect thereof shall be received in trust for GE and forthwith upon receipt shall be paid over to GE, the whole without in any way lessening or limiting the liability of the Guarantor hereunder and this assignment and postponement is independent of the Guarantee and shall remain in full force and effect until, in the case of the assignment, the liability of the Guarantor under this Guarantee has been discharged or terminated and, in the case of the postponement, until payment in full to GE of all obligations of the Guarantor under this Guarantee.

7.2 **Subrogation** The Guarantor will not exercise any rights which it may acquire by way of subrogation under this Guarantee and Indemnity, by any payment made hereunder or otherwise, until all Obligations shall have been paid and performed in full. If any amount shall be paid to the Guarantor on account of such subrogation rights at any time when all the Obligations shall not have been paid in full, such amount shall be held in trust for the benefit of GE and shall forthwith be paid to GE to be credited and applied upon the Obligations. If (i) the Guarantor performs or makes payment to GE of all amounts owing by the Guarantor to GE under this Guarantee and (ii) the Obligations are performed and paid in full, GE will, at the Guarantor's request and at the Guarantor's expense, execute and deliver to the Guarantor appropriate documents, without recourse and without representation and warranty, necessary to evidence the transfer by subrogation to the Guarantor of an interest in the Obligations and any security held therefor resulting from such performance or payment by the Guarantor.

8. COVENANTS OF THE GUARANTOR

The Guarantor hereby represents, covenants and warrants that:

a) if the Guarantor is a corporation, the making and performance of this Guarantee have been duly authorized by all necessary corporate actions on the part of the Guarantor, do not require any shareholders' approval, and will not violate any provisions of the Guarantor's incorporating documents or by-laws or result in the breach of, constitute a default under, contravene any provisions of or result in the creation of any lien, charge, encumbrance or security interest upon any property or assets of the Guarantor pursuant to any of the Guarantor's stocks, bonds, notes or debentures outstanding, or any agreement, indenture or other instrument to which the Guarantor is a party or by which the Guarantor or its property may be bound or affected;
b) this Guarantee constitutes a legal, valid and binding obligation of the Guarantor in accordance with the terms hereof;
c) there is no pending or, to the best of the knowledge of the Guarantor, threatened action or proceeding affecting the Guarantor or, if the Guarantor is a corporation, any of its subsidiaries before any court, governmental agency or arbitrator, which would materially adversely affect the legality, validity or enforceability of this Guarantee;
d) all Information as defined in Section 9.2 provided by Guarantor to GE is accurate;
e) all payments to GE are and will be derived from legal sources and GE may decline any form of payment; and
f) the Guarantor is and shall continue to be in compliance with all laws and regulations relating to the prevention of money laundering and terrorism.

9. GENERAL

9.1 **Waivers** The Guarantor waives notice of acceptance of this Guarantee and of the extension or continuation of the Obligations or any part thereof. The Guarantor further waives presentment, protest, notice, demand or action in respect of the Obligations or any part thereof, including any right to require GE to sue the Obligor, any other Guarantor or any other person obligated with respect to the Obligations or any part thereof, or otherwise to enforce payment thereof against any collateral securing the Obligations or any part thereof. Without limiting the generality of the foregoing, the Guarantor is jointly and severally liable with the Obligor for the due and punctual payment and performance of the Obligations, the Guarantor hereby waiving the benefit of division and discussion.

Guarantor waives its right to receive a copy of any financing statement or financing change statement registered by GE and of any related verification statement.

9.2 **Information** Guarantor hereby consents and authorizes GE and its affiliates, agents, contractors and representatives, at any time, a) to collect, verify, use, communicate with and disclose to third parties (including credit reporting agencies, financial institutions, creditors, vendors and other persons) any credit, financial and other information, including personal information (as applicable) and information related to the credit rating, financial capacity and payment history, with respect to Guarantor ("Information"), as GE deems necessary to process, complete, service and enforce the transactions hereby contemplated and any other existing or potential transactions, or as required or otherwise permitted by law; b) to respond to inquiries from, and exchange any Information with, third parties concerning Guarantor's credit rating, financial capacity and payment history; c) to provide Information to persons to whom GE considers assigning, granting a participation or otherwise disposing of rights or obligations under the transactions hereby contemplated; and d) to provide to any person copies of this Guarantee. This consent is in addition to and does not replace any consent previously given.

9.3 **Benefit of the Guarantee** This Guarantee shall enure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and permitted assigns of the Guarantor and GE.

9.4 **Entire Agreement** This Guarantee constitutes the entire agreement between GE, the Obligor and the Guarantor with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between such parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, expressed, implied or statutory, between such parties other than as expressly set forth in this Guarantee.

9.5 **No Waiver, Remedies** No failure on the part of GE to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude the other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

9.6 **Severability** If any provision of this Guarantee is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof shall continue in full force and effect.

9.7 **Notices** Any demand, notice or other communications (hereinafter in this Section 9.7 referred to as a "Communication") to be given in connection with this Guarantee shall be given in writing and may be given by personal delivery or by registered mail addressed to the recipient as follows:

To GE:	**239 Brownlow Ave., Suite 204, Dartmouth, Nova Scotia, B3B 2B2 , Tel: (902) 468-8266**	To the Guarantor:	**700-625 Howe St., Vancouver, British Columbia, V6C 2T6**

or such other address as may be designated by notice by any party to the other. Any Communication given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof and, if given by registered mail, on the third day following the deposit thereof in the mail. If the party giving any Communication knows or ought reasonably to know of any difficulties with the postal system which might affect the delivery of mail, any such Communication shall not be mailed but shall be given by personal delivery.

9.8 **Assignment** The rights of GE under this Guarantee may be assigned by GE without the prior consent of the Obligor or the Guarantor. The Guarantor may not assign its obligations under this Guarantee.

9.9 **Governing Law** This guarantee shall be governed by and construed in accordance with the laws of the Province of **British Columbia** and the laws of Canada applicable therein.

9.10 **Language** The parties hereby acknowledge that it is their express wish that this Guarantee and Indemnity be drawn in the English language; les parties reconnaissent qu'il est de leur volonté expresse que la présente caution soit rédigée en langue anglaise seulement.

IN WITNESS WHEREOF, the Guarantor has executed this Guarantee this **28th** day of **September, 2011**.

If Guarantor is a corporation:

Landdrill International Inc.
("Guarantor")

By: ⊗ [signature] (c/s)

Title: CFO

If Guarantor is an individual:

_______________________ (s)

Name: _______________________
("Guarantor")

Witness: _______________________

GUARANTEE AND INDEMNITY

RESOLUTION OF THE BOARD OF DIRECTORS OF

Landdrill Atlantic Ltd.
(the "Corporation")

In consideration of the leasing agreements, or master leasing agreements and all leasing schedules thereto, entered or which may be entered into by **GE Canada Equipment Financing G.P.** ("GE") with its client **Landdrill International Ltd.** ("Client") or the loans and advances of money granted or which may be granted by GE to its Client, as the case may be for the purpose of Client's business, and, generally, in consideration of the business relations between GE and its Client as well as the business relations between the said Client and this Corporation.

Now therefore be it resolved:

That this Corporation be and is hereby authorized to be a surety and to guarantee the repayment of all sums of money which the client owes or in future may owe to GE, together with the interest, costs and accessories, and this, jointly and severally with the Client towards GE and subject to all the terms and conditions set out on the form in use at GE entitled "Guarantee and Indemnity", a copy of which is attached hereto after having been submitted to the Directors and that **Derrick West, Chief Financial Officer** , be and is hereby authorized to sign such Guarantee and Indemnity for and on behalf and in the name of the Corporation.

That all acts and things done and all documents executed on behalf of the Corporation as hereinbefore authorized shall be valid and binding upon the Corporation whether or not the corporate seal of the Corporation has been affixed to any such document.

The foregoing is a true and correct copy of a resolution of the Board of Directors of **Landdrill Atlantic Ltd.** duly adopted on **September 28, 2011** which resolution is in effect and has not been modified or rescinded as of the date hereof.

Dated at **Moncton** this **28th** day of **September 2011.**

Ronald J Goyer
~~Secretary~~ CEO
(Seal)

GE Capital

8698749001

GUARANTEE AND INDEMNITY

TO: GE Canada Equipment Financing G.P. ("GE")

In consideration of the premises and the covenants and agreements herein contained, the sum of $1.00 now paid by GE to **Landdrill Atlantic Ltd.** (the "Guarantor") and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Guarantor covenants and agrees with GE as follows:

1. ***INTERPRETATION*** Wherever throughout this Guarantee, the Guarantor or GE or **Landdrill International Ltd.** (hereinafter called the "Obligor") are mentioned or referred to, such mention or reference shall extend to their respective successors and assigns, as the case may be. Reference to the term "Obligations" herein shall be to any and all obligations of the Obligor to GE under that certain **Equipment Loan and Security Agreement No: 8698749001** dated **September 28, 2011** between Obligor and GE and any other agreement, document or instrument related thereto, whether existing now or arising hereafter, and any modifications, extensions or renewals thereof from time to time, (hereinafter singularly or collectively called "Finance Instruments").

2. ***GUARANTEE***

2.1 **Guarantee** The Guarantor hereby irrevocably and unconditionally guarantees and covenants with GE as principal debtor of GE and not merely as surety, that the Obligor will duly and punctually perform all of the Obligations, and pay or cause to be paid to GE the rentals under and the principal of and interest on the Finance Instruments evidencing or securing the Obligations (including, in case of default, interest on the amount in default) as and when the same becomes due and payable, whether by lapse of time, by extension, or upon a declaration or otherwise according to the terms of the Finance Instruments and all other moneys owing on or under the Finance Instruments or in any way relating thereto including all expenses, including legal expenses and service charges. The total liability of the Guarantor hereunder for the Obligations shall be **limited to $ 710,864.25 CAD**, plus interest, fees, costs or expenses (including, without limitation, legal fees and expenses) which may now or hereafter accrue or be incurred with respect to such Obligations and any fees, costs or expenses (including without limitation, legal fees and expenses) that may be incurred by GE by reason of Guarantor's default under this Guaranty.

2.2 **Terms of the Finance Instruments** The Guarantor hereby consents to and approves of the terms of the Finance Instruments; the guarantee and the agreements of the Guarantor herein contained shall take effect and shall be and are hereby declared to be binding upon the Guarantor notwithstanding any defect in or omission from the Finance Instruments or any non-registration or non-filing or defective registration or filing of any Finance Instruments or notice of the interest of GE created thereby or by reason of any failure of the security intended to be created by the Finance Instruments or pursuant thereto.

2.3 **Guarantee Absolute** The liability of the Guarantor hereunder shall be absolute and unconditional and shall not be affected by:

a) any lack of validity or enforceability of any agreements between the Obligor and GE; any change in the time, manner or place of payment or in any other term of such agreements or the failure on the part of the Obligor to carry out any of its obligations under such agreements;
b) any impossibility, impracticability, frustration of purpose, illegality, *force majeure* or act of government;
c) the bankruptcy, winding-up, liquidation, dissolution or insolvency of the Obligor, GE or any party to any agreement to which GE is a party;
d) any lack or limitation of power, incapacity or disability on the part of the Obligor or of the directors, partners or agents thereof or any other irregularity, defect or informality on the part of the Obligor in its obligations to GE; or
e) any other law, regulation or other circumstance which might otherwise constitute a defense available to, or a discharge of, the Obligor in respect of any or all of the Obligations.

The Guarantor shall be held and bound to GE as principal debtor, and not as surety, in respect of the payment of any or all of the Obligations. All amounts payable to GE shall be paid to GE forthwith after demand therefore as provided herein.

2.4 **No Waiver** The Guarantor hereby agrees that its obligations hereunder shall be unconditional and no waiver by GE of any of its rights hereunder or under the Finance Instruments and no action by GE to enforce any of its rights hereunder or under the Finance Instruments or failure to take, or delay in taking any such action shall affect any other obligation of the Guarantor hereunder.

3. ***INDEMNITY*** The Guarantor also covenants and agrees with GE that it will at all times and from time to time hereafter, indemnify and keep indemnified and save harmless GE from any and all losses, costs, damages and expenses, including legal fees and disbursements and the costs of all distresses, actions, proceedings, claims and demands incurred or made by GE if GE does not receive payment of all amounts due and owing under the Finance Instruments or if the Obligor defaults in the payment of any instalment payable or in the performance of the Obligations under the Finance Instruments which, if the Finance Instruments were in full force and effect and good standing, would be payable or required to be performed under the Finance Instruments. In addition to the foregoing, the Guarantor agrees to pay GE, as administrative costs, an amount equal to fifteen percent (15%) of all amounts payable hereunder in the event that court proceedings are instituted against the Guarantor because the Guarantor has failed to respect its obligations hereunder.

4. ***DEALINGS WITH OBLIGOR AND OTHERS***

4.1 **No Release** The liability of the Guarantor hereunder shall not be released, discharged, limited or in any way affected by anything done, suffered or permitted by GE in connection with any duties or liabilities of the Obligor to GE of any security thereof including any loss of or in respect of any security received by GE from the Obligor or others. GE, without releasing, discharging, limiting or otherwise affecting in whole or in part the Guarantor's liability hereunder, may:

a) grant time, renewals, extensions, indulgences, releases, waivers and discharges to the Obligor;
b) grant substitutions for the Obligations or any part thereof or any agreement related thereto;
c) take or abstain from taking securities or collateral from the Obligor or from perfecting securities or collateral of the Obligor;

d) accept compromises from the Obligor;
e) apply all money at any time received from the Obligor or from securities upon such part of the Obligations as GE may see fit or change any such application in whole or in part from time to time as GE may see fit;
f) amend any of the Finance Instruments; or
g) otherwise deal with the Obligor and all other persons and securities as GE may see fit.

4.2 **No Exhaustion of Remedies** GE shall not be bound or obligated to exhaust its recourse against the Obligor or other persons or any securities or collateral it may hold or take any other action (other than to make demand pursuant to Section 6) before being entitled to demand payment from the Guarantor hereunder. The obligations of the Guarantor hereunder are joint and several with those of the Obligor and any other guarantor, security or other person liable in any way for the Obligations. This Guarantee is in addition and not in substitution for any other guarantee, by whomsoever given, at any time held by GE, and without prejudice to any other security, by whomsoever given, at any time held by GE, and GE shall be under no obligation to marshall in favour of the Guarantor any such security or any of the funds or assets GE may be entitled to receive or have a claim upon.

4.3 **Conclusive Statement** Any account settled or stated in writing by or between GE and the Obligor shall be *prima facie* evidence that the balance or amount thereof appearing due to GE is so due.

4.4 **No Set-Off** The Guarantor shall not claim any set-off or counterclaim against the Obligor in respect of any liability of the Obligor to the Guarantor.

5. ***CONTINUING GUARANTEE***

5.1 **Continuing Guarantee** This Guarantee shall be a continuing guarantee, notwithstanding any extensions, modifications, renewals or indulgences with respect to, or substitutions for, the Obligations or any part thereof, and shall remain in full force and effect until the Obligations are performed and paid in full. This Guarantee shall continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or terminated or must otherwise be returned by GE upon the occurrence of any action or event including the insolvency, bankruptcy or reorganization of the Obligor or otherwise, all as though such payment had not been made.

6. ***DEMAND FOR PAYMENT***

6.1 **Demand for Payment** GE shall be entitled to make demand upon the Guarantor at any time upon a default in payment of any amount owing by the Obligor to GE and upon such default GE may treat all Obligations as due and payable and may forthwith collect from the Guarantor the total amount guaranteed hereunder. The Guarantor shall make payment to or performance in favour of GE of the total amount guaranteed hereunder forthwith after demand thereof is made to the Guarantor.

6.2 **Interest** The Guarantor shall pay interest to GE at the rate of 24% per annum on the unpaid portion of all amounts payable by the Guarantor under this Guarantee, such interest to be calculated daily from the date of demand by GE on the Guarantor.

7. ***ASSIGNMENT, POSTPONEMENT AND SUBROGATION***

7.1 **Assignment and postponement** All debts and liabilities, present and future, of the Obligor to the Guarantor are hereby assigned to GE and postponed to the Obligations, and all money received by the Guarantor in respect thereof shall be received in trust for GE and forthwith upon receipt shall be paid over to GE, the whole without in any way lessening or limiting the liability of the Guarantor hereunder and this assignment and postponement is independent of the Guarantee and shall remain in full force and effect until, in the case of the assignment, the liability of the Guarantor under this Guarantee has been discharged or terminated and, in the case of the postponement, until payment in full to GE of all obligations of the Guarantor under this Guarantee.

7.2 **Subrogation** The Guarantor will not exercise any rights which it may acquire by way of subrogation under this Guarantee and Indemnity, by any payment made hereunder or otherwise, until all Obligations shall have been paid and performed in full. If any amount shall be paid to the Guarantor on account of such subrogation rights at any time when all the Obligations shall not have been paid in full, such amount shall be held in trust for the benefit of GE and shall forthwith be paid to GE to be credited and applied upon the Obligations. If (i) the Guarantor performs or makes payment to GE of all amounts owing by the Guarantor to GE under this Guarantee and (ii) the Obligations are performed and paid in full, GE will, at the Guarantor's request and at the Guarantor's expense, execute and deliver to the Guarantor appropriate documents, without recourse and without representation and warranty, necessary to evidence the transfer by subrogation to the Guarantor of an interest in the Obligations and any security held therefor resulting from such performance or payment by the Guarantor.

8. ***COVENANTS OF THE GUARANTOR***

The Guarantor hereby represents, covenants and warrants that:

a) if the Guarantor is a corporation, the making and performance of this Guarantee have been duly authorized by all necessary corporate actions on the part of the Guarantor, do not require any shareholders' approval, and will not violate any provisions of the Guarantor's incorporating documents or by-laws or result in the breach of, constitute a default under, contravene any provisions of or result in the creation of any lien, charge, encumbrance or security interest upon any property or assets of the Guarantor pursuant to any of the Guarantor's stocks, bonds, notes or debentures outstanding, or any agreement, indenture or other instrument to which the Guarantor is a party or by which the Guarantor or its property may be bound or affected;
b) this Guarantee constitutes a legal, valid and binding obligation of the Guarantor in accordance with the terms hereof;
c) there is no pending or, to the best of the knowledge of the Guarantor, threatened action or proceeding affecting the Guarantor or, if the Guarantor is a corporation, any of its subsidiaries before any court, governmental agency or arbitrator, which would materially adversely affect the legality, validity or enforceability of this Guarantee;
d) all Information as defined in Section 9.2 provided by Guarantor to GE is accurate;
e) all payments to GE are and will be derived from legal sources and GE may decline any form of payment; and
f) the Guarantor is and shall continue to be in compliance with all laws and regulations relating to the prevention of money laundering and terrorism.

9. ***GENERAL***

9.1 **Waivers** The Guarantor waives notice of acceptance of this Guarantee and of the extension or continuation of the Obligations or any part thereof. The Guarantor further waives presentment, protest, notice, demand or action in respect of the Obligations or any part thereof, including any right to require GE to sue the Obligor, any other Guarantor or any other person obligated with respect to the Obligations or any part thereof, or otherwise to enforce payment thereof against any collateral securing the Obligations or any part thereof. Without limiting the generality of the foregoing, the Guarantor is jointly and severally liable with the Obligor for the due and punctual payment and performance of the Obligations, the Guarantor hereby waiving the benefit of division and discussion.

Guarantor waives its right to receive a copy of any financing statement or financing change statement registered by GE and of any related verification statement.

9.2 **Information** Guarantor hereby consents and authorizes GE and its affiliates, agents, contractors and representatives, at any time, a) to collect, verify, use, communicate with and disclose to third parties (including credit reporting agencies, financial institutions, creditors, vendors and other persons) any credit, financial and other information, including personal information (as applicable) and information related to the credit rating, financial capacity and payment history, with respect to Guarantor ("Information"), as GE deems necessary to process, complete, service and enforce the transactions hereby contemplated and any other existing or potential transactions, or as required or otherwise permitted by law; b) to respond to inquiries from, and exchange any Information with, third parties concerning Guarantor's credit rating, financial capacity and payment history; c) to provide Information to persons to whom GE considers assigning, granting a participation or otherwise disposing of rights or obligations under the transactions hereby contemplated; and d) to provide to any person copies of this Guarantee. This consent is in addition to and does not replace any consent previously given.

9.3 **Benefit of the Guarantee** This Guarantee shall enure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and permitted assigns of the Guarantor and GE.

9.4 **Entire Agreement** This Guarantee constitutes the entire agreement between GE, the Obligor and the Guarantor with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between such parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, expressed, implied or statutory, between such parties other than as expressly set forth in this Guarantee.

9.5 **No Waiver, Remedies** No failure on the part of GE to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude the other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

9.6 **Severability** If any provision of this Guarantee is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof shall continue in full force and effect.

9.7 **Notices** Any demand, notice or other communications (hereinafter in this Section 9.7 referred to as a "Communication") to be given in connection with this Guarantee shall be given in writing and may be given by personal delivery or by registered mail addressed to the recipient as follows:

To GE:	**239 Brownlow Ave., Suite 204, Dartmouth, Nova Scotia, B3B 2B2 , Tel: (902) 468-8266**	To the Guarantor:	**160 McNaughton Avenue, Moncton, New Brunswick, E1H 3L9**

or such other address as may be designated by notice by any party to the other. Any Communication given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof and, if given by registered mail, on the third day following the deposit thereof in the mail. If the party giving any Communication knows or ought reasonably to know of any difficulties with the postal system which might affect the delivery of mail, any such Communication shall not be mailed but shall be given by personal delivery.

9.8 **Assignment** The rights of GE under this Guarantee may be assigned by GE without the prior consent of the Obligor or the Guarantor. The Guarantor may not assign its obligations under this Guarantee.

9.9 **Governing Law** This guarantee shall be governed by and construed in accordance with the laws of the Province of **New Brunswick** and the laws of Canada applicable therein.

9.10 **Language** The parties hereby acknowledge that it is their express wish that this Guarantee and Indemnity be drawn in the English language; les parties reconnaissent qu'il est de leur volonté expresse que la présente caution soit rédigée en langue anglaise seulement.

IN WITNESS WHEREOF, the Guarantor has executed this Guarantee this **28th** day of **September, 2011**.

If Guarantor is a corporation:

Landdrill Atlantic Ltd.
("Guarantor")

By: (c/s)

Title: CFO

If Guarantor is an individual:

(s)

Name:
("Guarantor")

Witness:

GUARANTEE AND INDEMNITY

RESOLUTION OF THE BOARD OF DIRECTORS OF

Nitasi Landdrill Limited Partnership, acting by its general partner Landdrill Atlantic Ltd.

(the "Corporation")

In consideration of the leasing agreements, or master leasing agreements and all leasing schedules thereto, entered or which may be entered into by **GE Canada Equipment Financing G.P.** ("GE") with its client **Landdrill International Ltd.** ("Client") or the loans and advances of money granted or which may be granted by GE to its Client, as the case may be for the purpose of Client's business, and, generally, in consideration of the business relations between GE and its Client as well as the business relations between the said Client and this Corporation.

Now therefore be it resolved:

That this Corporation be and is hereby authorized to be a surety and to guarantee the repayment of all sums of money which the client owes or in future may owe to GE, together with the interest, costs and accessories, and this, jointly and severally with the Client towards GE and subject to all the terms and conditions set out on the form in use at GE entitled "Guarantee and Indemnity", a copy of which is attached hereto after having been submitted to the Directors and that **Derrick West, Chief Financial Officer** , be and is hereby authorized to sign such Guarantee and Indemnity for and on behalf and in the name of the Corporation.

That all acts and things done and all documents executed on behalf of the Corporation as hereinbefore authorized shall be valid and binding upon the Corporation whether or not the corporate seal of the Corporation has been affixed to any such document.

The foregoing is a true and correct copy of a resolution of the Board of Directors of **Nitasi Landdrill Limited Partnership, acting by its general partner Landdrill Atlantic Ltd.** duly adopted on **September 28, 2011** which resolution is in effect and has not been modified or rescinded as of the date hereof.

Dated at **Moncton** this **28th** day of **September 2011.**

~~Secretary~~ CEO

(Seal)

GE Capital

8698749001

GUARANTEE AND INDEMNITY

TO: GE Canada Equipment Financing G.P. ("GE")

In consideration of the premises and the covenants and agreements herein contained, the sum of $1.00 now paid by GE to **Nitasi Landdrill Limited Partnership, acting by its general partner Landdrill Atlantic Ltd.** (the "Guarantor") and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Guarantor covenants and agrees with GE as follows:

1. *INTERPRETATION* Wherever throughout this Guarantee, the Guarantor or GE or **Landdrill International Ltd.** (hereinafter called the "Obligor") are mentioned or referred to, such mention or reference shall extend to their respective successors and assigns, as the case may be. Reference to the term "Obligations" herein shall be to any and all obligations of the Obligor to GE under that certain **Equipment Loan and Security Agreement No: 8698749001** dated **September 28, 2011** between Obligor and GE and any other agreement, document or instrument related thereto, whether existing now or arising hereafter, and any modifications, extensions or renewals thereof from time to time, (hereinafter singularly or collectively called "Finance Instruments").

2. *GUARANTEE*

2.1 **Guarantee** The Guarantor hereby irrevocably and unconditionally guarantees and covenants with GE as principal debtor of GE and not merely as surety, that the Obligor will duly and punctually perform all of the Obligations, and pay or cause to be paid to GE the rentals under and the principal of and interest on the Finance Instruments evidencing or securing the Obligations (including, in case of default, interest on the amount in default) as and when the same becomes due and payable, whether by lapse of time, by extension, or upon a declaration or otherwise according to the terms of the Finance Instruments and all other moneys owing on or under the Finance Instruments or in any way relating thereto including all expenses, including legal expenses and service charges. The total liability of the Guarantor hereunder for the Obligations shall be **limited to $ 710,864.25 CAD**, plus interest, fees, costs or expenses (including, without limitation, legal fees and expenses) which may now or hereafter accrue or be incurred with respect to such Obligations and any fees, costs or expenses (including without limitation, legal fees and expenses) that may be incurred by GE by reason of Guarantor's default under this Guaranty.

2.2 **Terms of the Finance Instruments** The Guarantor hereby consents to and approves of the terms of the Finance Instruments; the guarantee and the agreements of the Guarantor herein contained shall take effect and shall be and are hereby declared to be binding upon the Guarantor notwithstanding any defect in or omission from the Finance Instruments or any non-registration or non-filing or defective registration or filing of any Finance Instruments or notice of the interest of GE created thereby or by reason of any failure of the security intended to be created by the Finance Instruments or pursuant thereto.

2.3 **Guarantee Absolute** The liability of the Guarantor hereunder shall be absolute and unconditional and shall not be affected by:

a) any lack of validity or enforceability of any agreements between the Obligor and GE; any change in the time, manner or place of payment or in any other term of such agreements or the failure on the part of the Obligor to carry out any of its obligations under such agreements;
b) any impossibility, impracticability, frustration of purpose, illegality, *force majeure* or act of government;
c) the bankruptcy, winding-up, liquidation, dissolution or insolvency of the Obligor, GE or any party to any agreement to which GE is a party;
d) any lack or limitation of power, incapacity or disability on the part of the Obligor or of the directors, partners or agents thereof or any other irregularity, defect or informality on the part of the Obligor in its obligations to GE; or
e) any other law, regulation or other circumstance which might otherwise constitute a defense available to, or a discharge of, the Obligor in respect of any or all of the Obligations.

The Guarantor shall be held and bound to GE as principal debtor, and not as surety, in respect of the payment of any or all of the Obligations. All amounts payable to GE shall be paid to GE forthwith after demand therefore as provided herein.

2.4 **No Waiver** The Guarantor hereby agrees that its obligations hereunder shall be unconditional and no waiver by GE of any of its rights hereunder or under the Finance Instruments and no action by GE to enforce any of its rights hereunder or under the Finance Instruments or failure to take, or delay in taking any such action shall affect any other obligation of the Guarantor hereunder.

3. *INDEMNITY* The Guarantor also covenants and agrees with GE that it will at all times and from time to time hereafter, indemnify and keep indemnified and save harmless GE from any and all losses, costs, damages and expenses, including legal fees and disbursements and the costs of all distresses, actions, proceedings, claims and demands incurred or made by GE if GE does not receive payment of all amounts due and owing under the Finance Instruments or if the Obligor defaults in the payment of any instalment payable or in the performance of the Obligations under the Finance Instruments which, if the Finance Instruments were in full force and effect and good standing, would be payable or required to be performed under the Finance Instruments. In addition to the foregoing, the Guarantor agrees to pay GE, as administrative costs, an amount equal to fifteen percent (15%) of all amounts payable hereunder in the event that court proceedings are instituted against the Guarantor because the Guarantor has failed to respect its obligations hereunder.

4. *DEALINGS WITH OBLIGOR AND OTHERS*

4.1 **No Release** The liability of the Guarantor hereunder shall not be released, discharged, limited or in any way affected by anything done, suffered or permitted by GE in connection with any duties or liabilities of the Obligor to GE of any security thereof including any loss of or in respect of any security received by GE from the Obligor or others. GE, without releasing, discharging, limiting or otherwise affecting in whole or in part the Guarantor's liability hereunder, may:

a) grant time, renewals, extensions, indulgences, releases, waivers and discharges to the Obligor;
b) grant substitutions for the Obligations or any part thereof or any agreement related thereto;
c) take or abstain from taking securities or collateral from the Obligor or from perfecting securities or collateral of the Obligor;

d) accept compromises from the Obligor;
e) apply all money at any time received from the Obligor or from securities upon such part of the Obligations as GE may see fit or change any such application in whole or in part from time to time as GE may see fit;
f) amend any of the Finance Instruments; or
g) otherwise deal with the Obligor and all other persons and securities as GE may see fit

4.2 **No Exhaustion of Remedies** GE shall not be bound or obligated to exhaust its recourse against the Obligor or other persons or any securities or collateral it may hold or take any other action (other than to make demand pursuant to Section 6) before being entitled to demand payment from the Guarantor hereunder. The obligations of the Guarantor hereunder are joint and several with those of the Obligor and any other guarantor, security or other person liable in any way for the Obligations. This Guarantee is in addition and not in substitution for any other guarantee, by whomsoever given, at any time held by GE, and without prejudice to any other security, by whomsoever given, at any time held by GE, and GE shall be under no obligation to marshall in favour of the Guarantor any such security or any of the funds or assets GE may be entitled to receive or have a claim upon.

4.3 **Conclusive Statement** Any account settled or stated in writing by or between GE and the Obligor shall be *prima facie* evidence that the balance or amount thereof appearing due to GE is so due.

4.4 **No Set-Off** The Guarantor shall not claim any set-off or counterclaim against the Obligor in respect of any liability of the Obligor to the Guarantor.

5. CONTINUING GUARANTEE

5.1 **Continuing Guarantee** This Guarantee shall be a continuing guarantee, notwithstanding any extensions, modifications, renewals or indulgences with respect to, or substitutions for, the Obligations or any part thereof, and shall remain in full force and effect until the Obligations are performed and paid in full. This Guarantee shall continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or terminated or must otherwise be returned by GE upon the occurrence of any action or event including the insolvency, bankruptcy or reorganization of the Obligor or otherwise, all as though such payment had not been made.

6. DEMAND FOR PAYMENT

6.1 **Demand for Payment** GE shall be entitled to make demand upon the Guarantor at any time upon a default in payment of any amount owing by the Obligor to GE and upon such default GE may treat all Obligations as due and payable and may forthwith collect from the Guarantor the total amount guaranteed hereunder. The Guarantor shall make payment to or performance in favour of GE of the total amount guaranteed hereunder forthwith after demand thereof is made to the Guarantor.

6.2 **Interest** The Guarantor shall pay interest to GE at the rate of 24% per annum on the unpaid portion of all amounts payable by the Guarantor under this Guarantee, such interest to be calculated daily from the date of demand by GE on the Guarantor.

7. ASSIGNMENT, POSTPONEMENT AND SUBROGATION

7.1 **Assignment and postponement** All debts and liabilities, present and future, of the Obligor to the Guarantor are hereby assigned to GE and postponed to the Obligations, and all money received by the Guarantor in respect thereof shall be received in trust for GE and forthwith upon receipt shall be paid over to GE, the whole without in any way lessening or limiting the liability of the Guarantor hereunder and this assignment and postponement is independent of the Guarantee and shall remain in full force and effect until, in the case of the assignment, the liability of the Guarantor under this Guarantee has been discharged or terminated and, in the case of the postponement, until payment in full to GE of all obligations of the Guarantor under this Guarantee.

7.2 **Subrogation** The Guarantor will not exercise any rights which it may acquire by way of subrogation under this Guarantee and Indemnity, by any payment made hereunder or otherwise, until all Obligations shall have been paid and performed in full. If any amount shall be paid to the Guarantor on account of such subrogation rights at any time when all the Obligations shall not have been paid in full, such amount shall be held in trust for the benefit of GE and shall forthwith be paid to GE to be credited and applied upon the Obligations. If (i) the Guarantor performs or makes payment to GE of all amounts owing by the Guarantor to GE under this Guarantee and (ii) the Obligations are performed and paid in full, GE will, at the Guarantor's request and at the Guarantor's expense, execute and deliver to the Guarantor appropriate documents, without recourse and without representation and warranty, necessary to evidence the transfer by subrogation to the Guarantor of an interest in the Obligations and any security held therefor resulting from such performance or payment by the Guarantor.

8. COVENANTS OF THE GUARANTOR

The Guarantor hereby represents, covenants and warrants that:

a) if the Guarantor is a corporation, the making and performance of this Guarantee have been duly authorized by all necessary corporate actions on the part of the Guarantor, do not require any shareholders' approval, and will not violate any provisions of the Guarantor's incorporating documents or by-laws or result in the breach of, constitute a default under, contravene any provisions of or result in the creation of any lien, charge, encumbrance or security interest upon any property or assets of the Guarantor pursuant to any of the Guarantor's stocks, bonds, notes or debentures outstanding, or any agreement, indenture or other instrument to which the Guarantor is a party or by which the Guarantor or its property may be bound or affected;
b) this Guarantee constitutes a legal, valid and binding obligation of the Guarantor in accordance with the terms hereof;
c) there is no pending or, to the best of the knowledge of the Guarantor, threatened action or proceeding affecting the Guarantor or, if the Guarantor is a corporation, any of its subsidiaries before any court, governmental agency or arbitrator, which would materially adversely affect the legality, validity or enforceability of this Guarantee;
d) all Information as defined in Section 9.2 provided by Guarantor to GE is accurate;
e) all payments to GE are and will be derived from legal sources and GE may decline any form of payment; and
f) the Guarantor is and shall continue to be in compliance with all laws and regulations relating to the prevention of money laundering and terrorism.

9. GENERAL

9.1 **Waivers** The Guarantor waives notice of acceptance of this Guarantee and of the extension or continuation of the Obligations or any part thereof. The Guarantor further waives presentment, protest, notice, demand or action in respect of the Obligations or any part thereof, including any right to require GE to sue the Obligor, any other Guarantor or any other person obligated with respect to the Obligations or any part thereof, or otherwise to enforce payment thereof against any collateral securing the Obligations or any part thereof. Without limiting the generality of the foregoing, the Guarantor is jointly and severally liable with the Obligor for the due and punctual payment and performance of the Obligations, the Guarantor hereby waiving the benefit of division and discussion.

Guarantor waives its right to receive a copy of any financing statement or financing change statement registered by GE and of any related verification statement.

9.2 **Information** Guarantor hereby consents and authorizes GE and its affiliates, agents, contractors and representatives, at any time, a) to collect, verify, use, communicate with and disclose to third parties (including credit reporting agencies, financial institutions, creditors, vendors and other persons) any credit, financial and other information, including personal information (as applicable) and information related to the credit rating, financial capacity and payment history, with respect to Guarantor ("Information"), as GE deems necessary to process, complete, service and enforce the transactions hereby contemplated and any other existing or potential transactions, or as required or otherwise permitted by law; b) to respond to inquiries from, and exchange any Information with, third parties concerning Guarantor's credit rating, financial capacity and payment history; c) to provide Information to persons to whom GE considers assigning, granting a participation or otherwise disposing of rights or obligations under the transactions hereby contemplated; and d) to provide to any person copies of this Guarantee. This consent is in addition to and does not replace any consent previously given.

9.3 **Benefit of the Guarantee** This Guarantee shall enure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and permitted assigns of the Guarantor and GE.

9.4 **Entire Agreement** This Guarantee constitutes the entire agreement between GE, the Obligor and the Guarantor with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between such parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, expressed, implied or statutory, between such parties other than as expressly set forth in this Guarantee.

9.5 **No Waiver, Remedies** No failure on the part of GE to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude the other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

9.6 **Severability** If any provision of this Guarantee is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof shall continue in full force and effect.

9.7 **Notices** Any demand, notice or other communications (hereinafter in this Section 9.7 referred to as a "Communication") to be given in connection with this Guarantee shall be given in writing and may be given by personal delivery or by registered mail addressed to the recipient as follows:

To GE:	**239 Brownlow Ave., Suite 204, Dartmouth, Nova Scotia, B3B 2B2** , Tel: (902) 468-8266	To the Guarantor:	**160 McNaughton Avenue, Moncton, New Brunswick, E1H 3L9**

or such other address as may be designated by notice by any party to the other. Any Communication given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof and, if given by registered mail, on the third day following the deposit thereof in the mail. If the party giving any Communication knows or ought reasonably to know of any difficulties with the postal system which might affect the delivery of mail, any such Communication shall not be mailed but shall be given by personal delivery.

9.8 **Assignment** The rights of GE under this Guarantee may be assigned by GE without the prior consent of the Obligor or the Guarantor. The Guarantor may not assign its obligations under this Guarantee.

9.9 **Governing Law** This guarantee shall be governed by and construed in accordance with the laws of the Province of New Brunswick and the laws of Canada applicable therein.

9.10 **Language** The parties hereby acknowledge that it is their express wish that this Guarantee and Indemnity be drawn in the English language; les parties reconnaissent qu'il est de leur volonté expresse que la présente caution soit rédigée en langue anglaise seulement.

IN WITNESS WHEREOF, the Guarantor has executed this Guarantee this **28th** day of **September, 2011**.

If Guarantor is a corporation:

Nitasi Landdrill Limited Partnership, acting by its general partner Landdrill Atlantic Ltd.
("Guarantor")

By: ______ (c/s)

Title: /FO

If Guarantor is an individual:

______ (s)

Name: ______
("Guarantor")

Witness: ______

8698749001

GE Capital

PRE-AUTHORIZED DEBIT AUTHORIZATION ("PAD Agreement")
FOR BUSINESS PURPOSES

The undersigned hereby authorizes GE Canada Equipment Financing G.P. (hereinafter called the "**Payee**") to debit the account of the undersigned identified on the void cheque delivered to the Payee (the "**Account**") with the amount of each payment or other amount owing from time to time to the Payee under the Equipment Loan and Security Agreement entered into between the undersigned and the Payee on September 28, 2011 (as same may be amended or otherwise modified from time to time, the "**Financing Agreement**"), on or shortly after the due date thereof as set out in the Financing Agreement, by issuing pre-authorized debit requests (each a "PAD") to the financial institution at which the Account is held, as identified on the void cheque delivered to the Payee (the "**Processing Institution**"). The undersigned undertakes to inform the Payee in writing of any change in the information related to the Account 10 days prior to the next PAD due date.

The undersigned acknowledges that this authorization is being given for the benefit of the Payee and the benefit of the Processing Institution and is provided in consideration of the Processing Institution agreeing to process PADs against the Account in accordance with the rules of the Canadian Payments Association (the "**CPA Rules**"). The Processing Institution is hereby authorized to pay from and to debit against the Account any payment order or request whatsoever, payable to the order of the Payee and drawn on the said Account by a bank acting in the name of the Payee. Any payment order or request whatsoever thus drawn by the Payee's bank shall be considered as having been signed by the undersigned.

The undersigned hereby acknowledges the payment terms of the Financing Agreement and agrees that each PAD may be processed without prior written notice from the Payee of either the amount of the PAD or the date that the PAD is to be processed.

The undersigned acknowledges: (i) that this authorization to the Payee also constitutes delivery thereof by the undersigned to the Processing Institution, and (ii) that the Processing Institution is not required to verify that each PAD submitted by the Payee has been issued in accordance with this PAD Agreement (including the amount) or that the purpose of the payment for which a PAD was made has been fulfilled as a condition of honouring such PAD.

The undersigned may revoke this authorization at any time by giving a 10-day written prior notice to the Payee at the address set forth below. We acknowledge that we may obtain a sample cancellation form, or further information on our right to cancel this authorization at the Processing Institution or by visiting www.cdnpay.ca. We acknowledge that we have certain recourse rights if any debit does not comply with this PAD Agreement. For example, we have the right to receive reimbursement for any debit that is not authorized or is not consistent with this PAD Agreement. To obtain more information on our recourse rights, we acknowledge that we may contact our financial institution or visit www.cdnpay.ca.

This PAD Agreement only relates to the method of payment under the Financing Agreement and neither this Agreement nor cancellation thereof affects your obligations under the Financing Agreement. **The Payee may assign or transfer its rights under this PAD Agreement.**

Each person whose signature is required on the Account must sign below.

Signed this 28th day of September, 2011.

Landdrill International Ltd.

160 MacNaughton Ave.
Moncton, New Brunswick,
E1H 3L9

Authorized Signature(s) (as it appears on cheques)

N.B.:Please attach a sample of a cancelled cheque from the Processing Institution.

CONTACT INFORMATION OF THE PAYEE FOR NOTIFICATION OR INFORMATION:

GE Canada Equipment Financing G.P.
239 Brownlow Ave., Suite 204, Dartmouth, Nova Scotia, B3B 2B2

Contact: Marie-Josée Blackburn
Tel.: (514) 397-5356
Fax.: ( ) - 0
E-mail: mj.blackburn@ge.com

GE Capital

EQUIPMENT LOAN AND SECURITY AGREEMENT

No: 8724235001

239 Brownlow Ave., Suite 204
Dartmouth, Nova Scotia, B3B 2B2, Tel: (902) 468-8266, Fax: (902) 468-8270

CLIENT: **Landdrill International Ltd.**

ADDRESS: **160 MacNaughton Ave.**
Moncton,New Brunswick
E1H 3L9

CONTACT: *Camilla Cormier*
Tel: (506) 388-8100

EQUIPMENT LOCATION (if at address other than above)

INSURANCE
Assurance Goguen Champlain Insurance Inc
1040 Champlain St Ste 200
Dieppe
E1A 8L8

EQUIPMENT

UNITS	MODEL	YEAR	DESCRIPTION	SERIAL Nos.
			See Schedule A which is an integral part of this agreement.	

FINANCED AMOUNT		FINANCING RATE:		INSTALMENTS	
Amount Advanced:	1,200,000.00 CAD		**Fixed Rate 9.042% p.a.**	Instalments:	**$ 50,995.48 CAD**
Insurance Premium:				Instalment date:	
Financing fees:				Frequency:	**Monthly**
				No. of Instalments:	**30**
				First Instalment date:	
Financed Amount:	**1,200,000.00** = CAD	**Daily**		Original Term:	**30 months**

ADDITIONAL PROVISIONS
See Schedule B which is an integral part of this agreement.

In consideration of the loan (the "Loan") by Lender (as defined below) to Client in the amount specified under the heading "Financed Amount" above, the receipt of which Client hereby acknowledges, Client acknowledges itself indebted and promises to repay to Lender the Financed Amount. Client also acknowledges that it has agreed to grant to Lender a security interest in the Equipment described above to secure repayment of the Financed Amount on the terms and conditions set forth above, on pages 1, 2, 3 and 4 of document 15133E attached hereto, on all applicable schedules and other attachments hereto, all of which terms and conditions form a part of this Equipment Loan and Security Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Equipment Loan and Security Agreement at Moncton in the province of New Brunswick, this 23rd day of March 2012.

Landdrill International Ltd. ("CLIENT")

By: Ronald J Goyer CFO CEO
SIGNATURE OF AUTHORIZED OFFICERS TITLE TITLE

GE Canada Equipment Financing G.P. ("LENDER")

By: TITLE
SIGNATURE OF AUTHORIZED OFFICERS TITLE

GE 14133A E (12-95)

GE Capital

SCHEDULE A

No: 8724235001

This SCHEDULE A is an integral part of the EQUIPMENT LOAN AND SECURITY AGREEMENT No. 8724235001 executed at Moncton in the province of New Brunswick, this 23rd day of March 2012.

EQUIPMENT

UNITS	MODEL	YEAR	DESCRIPTION	SERIAL Nos.
			Komatsu Wheel Loader, enclosed cab, diesel engine, bucket & forks, 4 X 29.5R25 NEW Tires (STL-3), 1992, model WA500-L1, s/n: A20867	
			Komatsu Wheel Loader, enclosed cab, diesel engine, bucket, 26.5R25 Tires, 1986, model WA450-1, s/n: 10669	
			Kubota Utility Tractor, 2003, model M9000, s/n: 58277, enclosed cab, 4 X 4, M940, quick attach, bucket & forks, incl. Bobcat backhoe model 911 S/N 6560461-M-1037	
			Caterpillar Crawler Tractor, enclosed cab, 6-way blade, hydraulic winch, 1998, model D6M LGP, s/n: 4JN01031	
			Caterpillar Crawler Tractor, enclosed cab, 6S blade, 1994, model D6H LGP serie II, s/n: 3YG05905	
			Caterpillar Crawler Tractor, enclosed cab, 6A blade, winch, 1987, model D6D, s/n: 06X01655	
			Caterpillar Crawler Tractor, enclosed cab, 6A blade, winch, 1985, model D6D LGP, s/n: 06x01946	
			Caterpillar Crawler Tractor, enclosed cab, 6A blade, winch, New Traction, Appraised as completed, 1985, model D6D LGP, s/n: 06X01897	
			Caterpillar Crawler Tractor, open cab, 6A blade, winch, 1984, model D6D, s/n 06X01130	
			Caterpillar Crawler Tractor, enclosed cab, winch, 1984, model D6D LGP, s/n: 06X01796	
			Caterpillar Crawler Tractor, enclosed cab, 6A blade, winch, 1980, model D6D, s/n: 20X02255	
			John Deere Hydraulic Excavator, bucket with teeth, 1999, model 330LC, s/n: FF0330X080503	
			John Deere Hydraulic Excavator, bucket with teeth, 1998, model 270LC, s/n: FF027X070157	
			Morooka NEW Track Dump Carrier, open cab, rubber Track, 2011, model MST-300VD, s/n: 4026	
			Morooka New Track Dump Carrier, Forestry cab, rubber track, extended box, 2011, model MST-300VD, s/n: 4027	
			Canycom Muskeg Crawler Carrier, enclosed cab, rubber track, 1998, model S40, s/n: 6980002	
			Morako Nissan Crawler Carrier, 1995, model Hanix, s/n: R8000173	
			Morooka Muskeg Crawler Carrier, enclosed cab, rubber track, 1994, model MK-50, s/n: T-50079	
			Bombardier Muskeg Crawler Carrier, open cab, 1968, s/n: 2SAAQM304080400270	
			Bombardier All Terrain Vehicle, s/n: 321830461	
			Clark Wheel Mounted Log Skidder , 1989, model Ranger F667, s/n: 561H964CAC	
			Clark Wheel Mounted Log Skidder, 1988, model F667, s/n: 561H943CAC	
			Timberjack Wheel Mounted Log Skidder, 1990, model 450B, s/n: CK2377	
			Clark Wheel Mounted Log Skidder, 1987, model Ranger F667, s/n: 561H915CAC	
			Timberjack Wheel Mounted Log Skidder , 1988, model 450, s/n: 358238	
			JCB Rough Terrain Forklift, 8000 lb cap., 1997, model 930CA, s/n: 608904	

Initial

GE Capital

SCHEDULE A

No: 8724235001

This SCHEDULE A is an integral part of the EQUIPMENT LOAN AND SECURITY AGREEMENT No. 8724235001 executed at Moncton in the province of New Brunswick, this 23rd day of March 2012.

EQUIPMENT

UNITS	MODEL	YEAR	DESCRIPTION	SERIAL Nos.
			GMC T/A Water Truck, 2000, model 7500, s/n: 1GDL7H1C5YJ517053	
			GMC T/A Water Truck, 4000 gal cap., 1998, model C8500, s/n: 1GDT7H4C6WJ521640	
			Holden Utility 5th wheel Trailer, 1998, model HGN21, s/n: 12HGN2831WS105388	
			Roussy Off Road Warehouse Trailer, 1986, s/n: 2R1B3W3C9G1003307	
			Temisko Off Road Warehouse Trailer, 1989, s/n: 2M5921463K1022675	
			IHC Large Snowplow Truck, used only on forestry roads, 1988, s/n: 1HTZUDBR2JH550420	
			Bombardier Snowmobile, 2011, model Tundra Sport 550F, s/n: 2BPSGKBA2BV000538	
			Bombardier Snowmobile, 2011, model Tundra Sport 550F, s/n: 2BPSGKBA4BV000704	
			Bombardier Snowmobile, 2011, model Tundra Sport 550F, s/n: 2BPSGKBAXBV000710	
			Bombardier Snowmobile, 2011, model Tundra Sport 550F, s/n: 2BPSGKBA4BV000623	
			Bombardier Snowmobile, 2007, model Tundra Skandix 300F, s/n: 2BPSGA7B97V001043	
			Bombardier Snowmobile, 2011, model Expedition Sport 550F, s/n: 2BPSKABA4BV000114	
			Bombardier Snowmobile, 2011, model Expedition Sport 550F, s/n: 2BPSKABA4BV000162	
			Bombardier Snowmobile, 2011, model Tundra Sport 550, s/n: 2BPSGKBA1BV000689	
			Bombardier Snowmobile, 2011, model Tundra Sport 550, s/n: 2BPSGKBA6BV000848	
			Bombardier Snowmobile, 2011, model Tundra Sport 550F, s/n: 2BPSGKBA5BV000839	
			Bombardier Snowmobile, 2011, model Tundra Sport 550F, s/n: 2BPSGKBA8BV000365	
			Bombardier Snowmobile, 2011, model Tundra Sport 550F, s/n: 2BPSGKBA5BV00419	
			Cummins Skid Mounted Onan Genset, 175 KVA, Cummins diesel engine c/w electric panels, s/n: C080164436	
			Lincoln Electric Welder, gas engine, model Ranger 225	

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GE Capital

SCHEDULE A

No: 8724235001

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EQUIPMENT

UNITS	MODEL	YEAR	DESCRIPTION	SERIAL Nos.
			Rig 65- 2011 Schramm Rotadrill (45 °) Track mounted heat loop Rig model T450GT S/N: 0104-0149, C15 engine, Sullair Compressor model 1050/350" (1) Skid Mounted unitized Diesel Tank	
			Rig 62- "NEW 2011 Zinex Mining Corp. Helicopter Portable Exploration Diamond Drill model A5, s/n: 2011-039, Isuzu diesel engine, HQ Boyles Head, Boyles Foot Clam, Mud pump, Aluminum Boom, Skid Mounted on a unitized light container, no rod handler" "c/w accessories : (1) Skid mounted unitized rod box(1) Skid Mounted unitized clear water pump shack (1) Skid Mounted unitized Diesel Tank"	
			Rig 61- "NEW 2011 Zinex Mining Corp. s/n: 2011-035, Helicopter Portable Exploration Diamond Drill model A5, Isuzu diesel engine, HQ Boyles Head, Boyles Foot Clam, Mud pump, Aluminum Boom,no shack, no rod handler" "c/w accessories : (1) Skid mounted unitized rod box(1) Skid Mounted unitized clear water pump shack (1) Skid Mounted unitized Diesel Tank"	
			Rig 56- "2011 Usinage Marcotte Exploration Diamond Drill model HTM-2500, s/n: FLDI-089-01 / FLDI-0888 / LEM-005, Cummins diesel engine, PQ Boyles Head, Marcotte Foot Clam, Mud pump, Steel boom, Marcotte Rod handler, Skid Mounted on a unitized light container " "c/w accessories : (1) Skid mounted unitized rod box(1) Skid Mounted unitized clear water pump shack (1) Skid Mounted unitized Diesel Tank"	
			Rig 46- "2011 Usinage Marcotte Exploration Diamond Drill model HTM-2500, Cummins diesel engine, PQ Boyles Head, Marcotte Foot Clam, Mud pump, Steel boom, Marcotte Rod handler, Skid Mounted on a unitized light container" "c/w accessories : (1) Skid mounted unitized rod box(1) Skid Mounted unitized clear water pump shack (1) Skid Mounted unitized Diesel Tank"	
			Rig 45- "2011 Helicopter Portable Exploration Diamond Drill,Duralite model 1000N, s/n: DL201102, John Deere diesel engine, PQ Boyles Head, Boyles Foot Clam, Skid Mounted on a unitized light container, no rod handler, with B' drill head" "c/w accessories : (1) Skid mounted unitized rod box(1) Skid Mounted unitized clear water pump shack (1) Skid Mounted unitized Diesel Tank"	
			Rig 44- "2011 Zinex Mining Corp. Helicopter Portable Exploration Diamond Drill model A5, s/n: 2011-015, Isuzu diesel engine, HQ Boyles Head, Boyles Foot Clam, Mud pump, Aluminum Boom, Skid Mounted on a unitized light container, no rod handler" "c/w accessories : (1) Skid mounted unitized rod box(1) Skid Mounted unitized clear water pump shack (1) Skid Mounted unitized Diesel Tank"	

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GE Capital

SCHEDULE A

No: 8724235001

This SCHEDULE A is an integral part of the EQUIPMENT LOAN AND SECURITY AGREEMENT No. 8724235001 executed at Moncton in the province of New Brunswick, this 23rd day of March 2012.

EQUIPMENT

UNITS	MODEL	YEAR	DESCRIPTION	SERIAL Nos.
			Rig 43- " 2011 Zinex Mining Corp Helicopter Portable Drill ExplorationDiamond Drill model A5, Isuzu diesel engine, HQ Boyles Head, Boyles Foot Clam, Mud pump, Aluminum Boom, Skid Mounted on a unitized light container, no rod handler" "c/w accessories : (1) Skid mounted unitized rod box(1) Skid Mounted unitized clear water pump shack (1) Skid Mounted unitized Diesel Tank"	
			Rig 42- "NEW 2011 Zinex Mining Corp. Helicopter Portable Exploration Diamond Drill model A5, s/n: 2011-017, Isuzu diesel engine, HQ Boyles Head, Boyles Foot Clam, Mud pump, Aluminum Boom, assumed with Shack, no rod handler" "c/w accessories : (1) Skid mounted unitized rod box(1) Skid Mounted unitized clear water pump shack (1) Skid Mounted unitized Diesel Tank"	
			Rig 37- "2008 Duralite Helicopter Portable Exploration Diamond Drill model LEM-500FLY, s/n: CH2008021, diesel engine, Skid Mounted on a unitized light container, rod handler, assumed to have HQ Boyles Head and ready to work" "c/w accessories : (1) Skid mounted unitized rod box(1) Skid Mounted unitized clear water pump shack (1) Skid Mounted unitized Diesel Tank"	
			Rig 34- "2009 Forage Val d'Or Exploration Diamond Drill model LM1500, s/n: 0090802, Cummins diesel engine, PQ Boyles Head, Marcotte Foot Clam, Mud pump, Steel boom, Marcotte Rod handler, Skid Mounted on a unitized light container " "c/w accessories : (1) Skid mounted unitized rod box(1) Skid Mounted unitized clear water pump shack (1) Skid Mounted unitized Diesel Tank"	
			Rig 29- "2007 Usinage Marcotte Exploration Diamond Drill model HTM-2500, s/n: 46807865, Refurbished Cummins diesel engine, PQ Boyles Head, Marcotte Foot Clam , Mud pump, Steel boom, Marcotte Rod handler. Skid Mounted on a unitized light container " "c/w accessories : (1) Skid mounted unitized rod box(1) Skid Mounted unitized clear water pump shack (1) Skid Mounted unitized Diesel Tank"	
			Rig 28- "2007 Usinage Marcotte Exploration Diamond Drill model HTM-2500, s/n: 46681282, Cummins diesel engine, HQ Boyles Head, Boyles Foot Clam, Mud pump, Steel boom, Marcotte Rod handler, Skid Mounted on a unitized light container " "c/w accessories : (1) Skid mounted unitized rod box(1) Skid Mounted unitized clear water pump shack (1) Skid Mounted unitized Diesel Tank"	
			Rig 26- "2007 Usinage Marcotte Exploration Diamond Drill model HTM-2500, s/n: 46752892, Cummins diesel engine, HQ Boyles Head, Marcotte Foot Clam, Mud pump, Steel boom, Marcotte Rod handler, Skid Mounted on a unitized light container " "c/w accessories : (1) Skid mounted unitized rod box(1) Skid Mounted	

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EQUIPMENT

UNITS	MODEL	YEAR	DESCRIPTION	SERIAL Nos.
			unitized clear water pump shack (1) Skid Mounted unitized Diesel Tank"	
			Rig 25- "2004 Usinage Marcotte Exploration Diamond Drill model HTM-2500, s/n: Diesel Engine # RG6081A173601, Refurbished John Deere diesel engine, HQ Boyles Head, Marcotte Foot Clam, Mud pump, Steel boom, Marcotte Rod handler, Skid Mounted on a unitized light container " "c/w accessories : (1) Skid mounted unitized rod box(1) Skid Mounted unitized clear water pump shack (1) Skid Mounted unitized Diesel Tank"	
			Rig 23- "2008 Usinage Marcotte Exploration Diamond Drill model HTM-2500, s/n: 46888646 / UM-014-037, Refurbished Cummins diesel engine, HQ Boyles Head. Marcotte Foot Clam, Mud pump, Steel boom, Marcotte Rod handler, Skid Mounted on a unitized light container " "c/w accessories : (1) Skid mounted unitized rod box(1) Skid Mounted unitized clear water pump shack (1) Skid Mounted unitized Diesel Tank"	
			Rig 20- "2008 Usinage Marcotte Exploration Diamond Drill model LEM-2500, Refurbished Cummins diesel engine, HQ Boyles Head, Marcotte Foot Clam, Mud pump, Steel boom, Marcotte Rod handler, Skid Mounted on a unitized light container " "c/w accessories : (1) Skid mounted unitized rod box(1) Skid Mounted unitized clear water pump shack (1) Skid Mounted unitized Diesel Tank"	
			Rig 19- "2008 Orbit Garant Drilling Exploration Diamond Drill model LEM-2500, s/n: '46793507, Refurbished John Deere diesel engine, HQ Boyles Head, Marcotte Foot Clam, Mud pump, Steel boom, Marcotte Rod handler, Skid Mounted on a unitized light container, rod handler, with P' drill head" "c/w accessories : (1) Skid mounted unitized rod box(1) Skid Mounted unitized clear water pump shack (1) Skid Mounted unitized Diesel Tank"	
			Rig 18- "2008 Orbit Garant Drilling Exploration Diamond Drill model LEM-2500, s/n: '46800560, Cummins diesel engine, HQ Boyles Head, Marcotte Foot Clam, Mud pump, Steel boom, Marcotte Rod handler, Skid Mounted on a unitized light container, rod handler, with P' drill head" "c/w accessories : (1) Skid mounted unitized rod box(1) Skid Mounted unitized clear water pump shack (1) Skid Mounted unitized Diesel Tank"	
			Rig 17- "2008, Orbit Garant Drilling Exploration Diamond Drill modelLEM-2500, s/n: '46793501, Cummins diesel engine, HQ Boyles Head, Marcotte Foot Clam, Mud pump, Steel boom, Marcotte rod handler, Skid Mounted on a unitized light container " "c/w accessories : (1) Skid mounted unitized rod box(1) Skid Mounted unitized clear water pump shack (1) Skid Mounted unitized Diesel Tank" Rig 14- "2005 Atelier Val-d'Or Exploration Diamond Drill model VD-5000, s/n: VD5000-LEM-01, Refurbished John Deere diesel engine. HQ Boyles	

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SCHEDULE A

No: 8724235001

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EQUIPMENT

UNITS	MODEL	YEAR	DESCRIPTION	SERIAL Nos.
			Head, Boyles Foot Clam, Mud pump, Steel boom, Atelier Val-d'Or rod handler, Skid Mounted on a unitized light container " "c/w accessories : (1) Skid mounted unitized rod box(1) Skid Mounted unitized clear water pump shack (1) Skid Mounted unitized Diesel Tank"	
			Rig 13- "2005 Atelier Val-d'Or Exploration Diamond Drill model VD5000, s/n: VD5000-LEM-02, John Deere diesel engine, PQ Boyles Head, Boyles Foot Clam, Mud pump, Steel boom, Atelier Val-d'Or rod handler, Skid Mounted on a unitized light container " "c/w accessories : (1) Skid mounted unitized rod box(1) Skid Mounted unitized clear water pump shack (1) Skid Mounted unitized Diesel Tank"	
			Rig 27- Boyles Exploration Diamond Drill c/w Atlas Copco, s/n: SL912	
			Rig 36- "Acker Drill Co Exploration Drill model Soil Sentry, s/n: 0079081084. Mounted on a Muskeg Morooka model MST-700 s/n 70883"	
			Rig 24- "2004 Usinage Marcotte Exploration Diamond Drill model LEM-2500, Cummins diesel engine, HQ Boyles Head, Marcotte, Foot Clam , Mud pump, Steel boom, Marcotte Rod handler, Skid Mounted on a unitized light container " "c/w accessories : (1) Skid mounted unitized rod box(1) Skid Mounted unitized clear water pump shack (1) Skid Mounted unitized Diesel Tank	

Landdrill International Ltd. ("CLIENT")

By: ⊗ Ronald Hoyer — CFO — CEO

SIGNATURE OF AUTHORIZED OFFICERS — TITLE — TITLE

GE Canada Equipment Financing G.P. ("LENDER")

By: — TITLE

SIGNATURE OF AUTHORIZED OFFICERS — TITLE

GE Capital

SCHEDULE B

No: 8724235001

This SCHEDULE B is an integral part of the EQUIPMENT LOAN AND SECURITY AGREEMENT No. 8724235001 executed at Moncton in the province of New Brunswick, this 23rd day of March 2012.

ADDITIONAL PROVISIONS

TRANSACTION FEE

Client agrees to pay a transaction fee of CAD $ 19,800.00 upon signature hereof.

INTEREST RATE (CAD SWAP)

The Financed Amount will bear interest at an annual rate equal to 755 basis points above the ask rate for a 2 year CA dollar fixed interest rate swap compounded semi-annually as indicated on the Thomson Reuters Interest Rate Spread Quick Chart CADSB3CB2Y=RR published on the Reuters 3000 Xtra Hosted Terminal Platform for the Friday preceding the disbursement date. This rate shall remain fixed for the entire term of this Agreement. For ease of reference only, Thomson Reuters makes available on the GE web site (www.gecapitalsolutions.ca) a table setting forth such 2 year CA dollar rate for the dates indicated in the table, it being understood that such rates are made available for information purposes only and should not at any time be considered the official reference rates.
For indication purposes only, the applicable 2 year swap rate today is 1.492%, plus 755 bps, resulting in a fixed interest rate of 9.042%. The Instalments and the Financing Rate on the signature page of this Agreement are for indication purposes only.

PRICING ADJUSTMENT

In order to preserve the Lender's net economic return, Lender in its sole discretion may adjust the pricing at any time prior to disbursement to reflect: (1) changes in the pricing assumptions of this Agreement; (2) a change in the Lender's funding index rate; (3) tax law changes applicable to the Client; and (4) general market conditions.

LOCATION AND CONDITIONS ON THE EQUIPMENT

1. The Equipment described in Schedule A will be located in the provinces of New Brunswick, Nova Scotia, Quebec, Ontario and New Foundland and Labrador, and more particularly at the following locations: Pickle Lake, Rio Tinto, Havre St-Pierre, Moncton shop, NDDN shop, Wabush shop, Detour Lake, Champion, Trelawny, IOC Mine Labrador.

2. Client agrees that the Equipment will remain in Canada in the above mentioned provinces at all times. Client must notify Lender at least 30 days ahead of time of any proposal to transfer any of the Equipment to a province other than the above mentioned provinces. In addition, Client shall not move the equipment to any other country unless it has obtained the prior written consent of Lender to do so.

3. Client undertakes not to use the shaft access in the various locations to move or transport the Equipment. The Equipment shall only be moved or transported using the slope access.

CONDITIONS PRECEDENT TO DISBURSEMENT

The Financed Amount will not be disbursed by the Lender before all the following conditions have been met and all the following documentation have been delivered to the Lender, the whole at the Lender entire's satisfaction:

1. all security and guarantees set forth in the " Security " section have been signed and the security registered and perfected wherever appropriate with the rank and priority indicated in such section;

2. delivery of a signed and binding copy of Norepp Credit Opportunities Fund LP ("Norrep") and/or Crown Capital Partners Inc.' credit

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GE Capital

SCHEDULE B

No: 8724235001

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ADDITIONAL PROVISIONS

line facility offer for $ 8,000,000.00 and the related credit agreement;

3. delivery of evidence of disbursement of Norepp and/or Crown Capital Partners Inc.' credit line facility of $ 8,000,000.00 ("Norrep Credit Line Facility") and confirmation that Canadian Imperial Bank of Commerce's ("CIBC") credit line facility has been repaid, except for a maximum amount of $ 50,000.00 ("CIBC Credit Line Facility");

4. delivery of evidence that the CIBC Credit Line Facility is still in place, as reduced as per the requirements in 3 above, or, alternatively, that the Norrep Credit Line Facility replaces the CIBC Credit Line Facility.

TERM AND INSTALMENTS

The Financed Amount is made available to Client for a period of 30 months calculated from the disbursement date.

Notwithstanding the amount of each Instalment stated on the face hereof, the Instalments for the months of January and February, 2013 will be in the amount of $ 6,109.65, and the Instalments for the months of January and February, 2014 will be in the amount of $ 2,610.49, which amounts represent interests only. All other Instalments shall be paid in accordance with the terms hereof.

SECURITY

The repayment of the Accrued Liability and the performance by the Client of all its Obligations towards Lender shall be secured by:

1. a First ranking security interest and hypothec on the Equipment;

2. a General Security And Movable Hypothec Agreement (already in place) on all present and future moveable/personal property of the Client, which shall be:

a) first ranking on all present and after-acquired/future equipment of Client, including the Equipment and all present and futur attachments, accessories and accessions thereto and all spare parts, replacements, substitutions, exchanges and trade-ins therefor and all intangibles and proceeds related thereto;

b) second ranking, after Norrep on all other assets;

c) second ranking, after CIBC on accounts receivables and inventory.

3. a Guarantee and Indemnity Agreement from Landdrill International Inc. in an amount of $1,200,000.00;

4. a Guarantee and Indemnity Agreement from Landdrill Atlantic Ltd. in an amount of $1,200,000.00.

5. a Guarantee and Indemnity Agreement from Nitasi Landdrill Limited Partnership by its general partner Landdrill Atlantic Ltd. in an amount of $1,200,000.00.

6. A General Security Agreement with Landdrill International Inc. (already in place).

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SCHEDULE B

No: 8724235001

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ADDITIONAL PROVISIONS

UNDERTAKING

In addition to convenants and undertakings contained herein, Client undertakes not to request or draw any sum from the CIBC Credit Line Facility or any other credit facility with CIBC or any other lender without Lender's prior written consent and unless all sums have been repaid under the Norrep Credit Line Facility and all their security has been discharged.

HYPOTHEC

In addition to the security interest created in Section 5.1 of document 15133 E attached herein and in consideration of the Loan, for the purpose of securing payment of the Accrued Liability and the performance by Client of all Obligations, Client does hereby hypothecate in favour of Lender the Equipment and the Receivables (as defined below) for an amount of $1,440,000.00 with interest thereon at the rate of 24% per annum.

"Receivables" means the universality consisting of all the rights, title and interest of the Client in and to all claims directly or indirectly held or enjoyed in connection with the possession and use of the Equipment, including without limitation: (a) all income, revenues and profits and other amounts payable or derived from the use, any leasing, renting or hiring, of the Equipment; (b) all indemnities or insurance proceeds, if any, paid or to be paid or to which the Client is or may become entitled, pursuant to any insurance policies covering the Equipment; and (c) all benefits, including full power and authority to demand, sue for, recover, receive and give receipts for all moneys payable and otherwise to enforce the rights of the Client to receive and collect such moneys.

The definition of "security interest" in Section 5.1 of document 15133 E shall, for greater certainty, be deemed to include a reference to the hypothec hereby constituted.

The hypothec created herein shall be governed, construed and enforced in accordance with the laws of the Province of Québec and the federal laws of Canada applicable therein.

DEFAULT

Article 13 of document 15133 E is amended to add the following paragraph (l) to be inserted after paragraph (k):

"(l) Landdrill International Inc. fails to meet any of the financial covenants set forth in the agreements related to the Norrep Credit Line Facility or the CIBC Credit Line Facility and such default hereunder shall continue even if CIBC or Norrep waives the default under their facility."

LENDER'S REMEDIES ON DEFAULT

Section 14(g) of document 15133 E is replaced by the following:

"(g) exercise any other rights or remedies and/or take any proceedings available to Lender hereunder, at law or in equity, including the right to declare that the hypothec hereby constituted has become enforceable and forthwith, subject to the compulsory formalities provided by

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GE Capital

SCHEDULE B

No: 8724235001

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ADDITIONAL PROVISIONS

law, if any, exercise any and all of the rights provided for in Chapter V of Title III of Book VI of the Civil Code of Québec and in the Code of Civil Procedure of Québec."

ADDITIONAL ADJUSTMENTS

In the first line of Section 3.1 of document 15133 E, the words "date hereof" are replaced by the words "date of disbursement". The remainder of the section remains unmodified.

Section 11 of the Agreement is deleted and replaced by the following : "Client shall keep Equipment free of any and all Liens ranking senior to Lender's Liens. If Client creates any Liens ranking junior or posterior to Lender's Liens, Client shall inform Lender in writing of same within 15 days of the creation of such Liens."

The following sentence is added at the end of Section 16 of document 15133 E : "Notwithstanding the foregoing, under no circumstances shall Client be liable to special or consequential damages of any nature."

Landdrill International Ltd. ("CLIENT")

By: X Donald J Hogan CFO TITLE

CEO TITLE

SIGNATURE OF AUTHORIZED OFFICERS

GE Canada Equipment Financing G.P. ("LENDER")

By: TITLE

SIGNATURE OF AUTHORIZED OFFICERS TITLE

GE Capital

EQUIPMENT LOAN AND SECURITY AGREEMENT

1. *Interpretation*

1.1 For the purpose of this Agreement:

(a) "Accrued Liability" at any time means the amount equal to the sum of the Financed Amount, any Prepayment Bonus and all other amounts then payable hereunder, including without limitation, any Overdue Payment and accrued interest.

(b) "Affiliate" means in respect of a person, a person or persons that, directly or indirectly through one or more intermediaries, control, are controlled by, or are under common control with, such person, and for the purposes of this definition, "control" means the power to direct or cause the direction of the management and policies of a person whether through the ownership of voting securities or otherwise, and "person" means an individual, corporation, partnership, joint venture, association, trust or unincorporated organization or any trustee, executor, administrator or other legal representative.

(c) "Agreement" means this Equipment Loan and Security Agreement and any applicable schedules hereto, unless the context otherwise requires, and "hereof", "herein", "hereby", "hereunder" and similar expressions refer to this Agreement.

(d) "business day" means a day when the office of Lender at the address stated on the face hereof is open for business.

(e) "Claims" has the meaning assigned in Section 16.

(f) "control" has the meaning attributed to it in the *Canada Business Corporations Act*.

(g) "Client" means the client of Lender stated on the face hereof.

(h) "Conversion Rate" means the rate, expressed in CAD for the purchase of one US dollar, determined by adding 0.0050 CAD/USD to the highest rate which appears on the Bloomberg CAD GIT Page between 7 AM and 5 PM (EST).

(i) "Costs of Disposition" means all costs, disbursements, fees, commissions and other expenses (including legal fees and expenses) which Lender may incur, pay or be liable for in connection with recovering possession of, dismantling, removing, transporting, repairing, processing, reconditioning, storing, selling, leasing or otherwise disposing of Equipment.

(j) "Default" means any of those events or circumstances specified in Section 13.

(k) "Equipment" means the items of personal property described on the face hereof and, when required by the context, individual items thereof.

(l) "Equities" means existing or future rights of counterclaim, defence, set-off, compensation, abatement or offset, legal or equitable.

(m) "Financed Amount" means the amount stated as such on the face hereof owing by Client to Lender or the unpaid outstanding balance thereof, as the context requires.

(n) "Financing Rate" means the rate per annum stated as such on the face hereof.

(o) "Instalments" means the periodic repayment instalments of the Financed Amount, together with interest calculated at the Financing Rate as provided on the face hereof, such instalments stated on the face hereof.

(p) "Lender" means the Lender stated on the face hereof.

(q) "Lien" means any lien, privilege, mortgage, pledge, hypothec, charge, security interest, attachment, assignment, seizure, sequestration, distress, levy or other encumbrance of any nature or kind whatsoever.

(r) "Loss of Equipment" means:

(i) a total or constructive total loss of Equipment, or damage thereto, or theft thereof which, in the reasonable opinion of Lender, renders it impossible or impractical to use the Equipment for its intended purpose; or

(ii) expropriation or confiscation of Equipment by any authority absolutely or for more than 180 days.

(s) "Obligation" means any obligation by Client to pay any amount owing hereunder, including the Financed Amount, Overdue Payments and all other amounts owing hereunder, or to perform any other obligation of Client hereunder or which is secured hereunder.

(t) "Overdue Payment" means any amount owing by Client hereunder and any sum disbursed by Lender pursuant to Section 15 which is not paid when due hereunder, or any portion thereof.

(u) "person" means any natural person, corporation, firm, partnership, trust, sole proprietorship or governmental agency, authority or other entity, however constituted or designated.

(v) "Pledge" means to mortgage, charge, pledge, hypothecate, assign or grant a security interest and the security resulting therefrom and, as a noun, has the corresponding meaning.

(w) "Prepayment Bonus" means a prepayment bonus determined in accordance with Section 2.2.

(x) "Prime Rate" means the yearly rate of interest which National Bank of Canada announces from time to time in Canada as its prime lending rate which is a reference rate for demand loans in Canadian dollars to corporate borrowers.

(y) "Supplier" means any manufacturer, supplier, vendor of or dealer in Equipment or any other person from whom Client has acquired any of the Equipment.

(z) "Taxes" means any and all taxes, imposts, levies, fees, duties and charges imposed by any taxing authority on Lender, Client, the Equipment, its purchase, sale, ownership, security interest thereon, delivery, possession, operation or use including, without limitation, sales, excise, use, health services, property, goods and services, business transfer and value added taxes (including any penalties or interest based on late or non-payment), but excluding taxes imposed on or measured by Lender's overall net income.

(aa) "Warranties" means any and all warranties, guarantees, representations, service contracts, contracts to stock spare parts and similar agreements, oral or written, express, implied or statutory, relating to Equipment.

1.2 In this Agreement, unless the context otherwise requires, the singular includes the plural and vice-versa and words importing gender include each gender.

1.3 All references herein to statutes include the statute as it may be amended, restated or replaced with legislation of comparable effect.

1.4 Acts to be performed hereunder on non-business days shall be performed on the following business day.

2. *Instalments*

2.1 Client hereby acknowledges that it has borrowed from Lender and is thereby, or has otherwise become, indebted to and agrees to repay to Lender, at the address of Lender stated on the face hereof or such other place notified by Lender to Client, the Financed Amount, together with interest thereon, by paying the Instalments stated on the face hereof. Unless otherwise stated, instalments are due on the dates stated on the face hereof in each month, or other period (or the last day of the month, if there is no corresponding date), in arrears, throughout the term hereof. On the final instalment date, Client shall pay Lender the outstanding balance of the Financed Amount, all accrued and unpaid interest thereon and all other amounts payable hereunder.

2.2 Client may at any time prepay the Financed Amount in whole or in part upon payment to Lender of a Prepayment Bonus determined as follows:

(a) if the Financing Rate is a variable rate based on Prime Rate, the bonus shall be three months' interest on the amount prepaid calculated at the Financing Rate in effect at the time of prepayment, or

(b) if the Financing Rate is a fixed rate, the bonus shall be either (i) three months' interest on the amount prepaid calculated at the Financing Rate (the "Minimum Bonus"), if the Financing Rate does not exceed the Prime Rate in effect at the time of prepayment ("Current Prime"), or (ii) the greater of (A) the Minimum Bonus or (B) the amount determined as the product of (x) the Financing Rate less Current Prime times (y) the amount prepaid times (z) the fraction of the number of days to elapse until the final Instalment date, disregarding prepayments, divided by 365, if the Financing Rate exceeds Current Prime.

Any portion of the Financed Amount prepaid shall be applied to the remaining Instalments in inverse order of maturity. No part of the Prepayment Bonus shall be applied in reduction of said remaining Instalments. If a Default or a Loss of Equipment occurs, the Prepayment Bonus shall also be payable by Client and shall be calculated by reference to the outstanding balance of the Financed Amount at the time of such Default or Loss of Equipment, as applicable.

3. Interest

3.1 The Financed Amount shall bear interest from the date hereof until paid in full to Lender (as well before as after maturity, demand, Default or judgment) at the Financing Rate.

3.2 In addition to interest payable under Section 3.1, each Overdue Payment shall bear interest from the date due until paid in full to Lender (as well before as after demand, Default or judgment) at the rate of 12% per annum, calculated as specified in Section 3.3.

3.3 Interest payable hereunder shall accrue from day to day, be payable in arrears on each Instalment date and be computed upon the daily outstanding balance of the Financed Amount or Overdue Payment, as applicable, and shall be calculated on the basis of the number of days elapsed in a 365-day year. The yearly rate of interest to which each rate of interest expressed herein is equivalent is the product of (a) such rate times (b) the fraction of the number of days in the year divided by 365.

3.4 If the Financing Rate is a variable rate based on Prime Rate, a change in Prime Rate automatically changes the rate of interest payable hereunder to the same extent and in the same manner effective with the frequency stated on the face hereof. Lender shall not be obliged to notify Client of any such change, any right to notice being hereby irrevocably waived by Client.

4. Title, Ownership

Title to, ownership of, and all property in Equipment shall remain with Client, but subject always to the security interests and other provisions hereof, and at Client's sole risk, until full payment in cash of all amounts repayable hereunder; prior to such payment, Client's rights therein are to quiet enjoyment and use on the terms and conditions of this Agreement so long as a Default has not occurred.

5. Security Interest and Warranties as to Equipment

5.1 In consideration of the Loan, Client hereby mortgages, hypothecates, charges by way of a first fixed charge, and grants to Lender a continuing security interest (herein collectively called a "security interest") in Equipment and Pledges in favour of Lender all insurance claims and all proceeds (including proceeds of proceeds) therefrom with respect to any loss or damage to Equipment or any lease or rental of Equipment, all to secure repayment of the Financed Amount and other Obligations of Client.

5.2 Client represents and warrants to Lender that the Client has good and marketable title to Equipment, free and clear of all Liens, except for the security interests of Lender hereunder. Client agrees to comply with all Warranties accruing to the Client pertaining to Equipment; however, any failure by any vendor to Client of Equipment to comply with any Warranty shall not affect Client's Obligations to Lender hereunder.

6. Personal Property and Waivers

6.1 Equipment shall at all times be and remain moveable personal property.
Notwithstanding any purpose for which Equipment may be used or that it may become affixed or attached to land or any structure thereon, Equipment shall remain subject to all rights of Lender hereunder as if it were not so affixed or attached.

6.2 Client agrees to obtain a waiver, if required by and in a form satisfactory to Lender, from any landlord, mortgagee, hypothecary creditor or other encumbrancer of the premises where Equipment is situated (and prior to its becoming affixed if it is to be affixed).

7. Maintenance, Use, Operation, Alterations, Upgrades, etc.

7.1 Client shall at its own expense:
(a) maintain Equipment in good operating condition, repair and appearance, ordinary wear and tear only excepted;
(b) comply with all recommendations or requirements of Supplier regarding Equipment so as to preserve all Warranties; and
(c) at Lender's request, enter into a maintenance agreement for Equipment for the full term of this Agreement with Supplier or a competent service and maintenance agent approved by Lender.

7.2 Client shall not, without Lender's consent, make any alterations, additions, accessions or attachments to Equipment. Such consent will only be granted if such changes:
(a) do not materially decrease the value of Equipment or limit, interfere with or frustrate its intended use;
(b) do not prejudice or adversely affect any Warranties; and
(c) are free from, and do not subject Equipment to, any Lien.

7.3 All replacement parts and components, alterations, additions, accessions and attachments to Equipment shall automatically become subject to the security interests created hereby as soon as they are acquired by or on behalf of Client.

7.4 Client shall affix and keep affixed to Equipment any labels supplied by Lender identifying its security interests in Equipment.

8. Inspection

Any representative of Lender shall have the right to inspect Equipment at all reasonable times upon notice to Client.

9. Insurance

9.1 Client shall at its own expense place and maintain with insurers acceptable to Lender:
(a) comprehensive all risks insurance on Equipment for the greater of the Financed Amount or the full replacement value of the Equipment. Such insurance shall include: (i) a loss payable clause in favour of Lender and (ii) a waiver of subrogation clause in favour of Lender; and
(b) general public liability and property damage insurance with limits of liability at least equal to $1,000,000 or such greater amount as Lender may require. Such insurance shall extend to all liabilities of Client under this Agreement arising out of its use or possession of Equipment and to any potential vicarious liability of Lender as holder of security interests in Equipment created hereby.

9.2 All such policies of insurance shall be in place at the effective date of this Agreement and shall contain endorsements providing that: (a) 30 days' written notice shall be given to Lender before the policy lapses or is materially altered or cancelled; (b) the insurance shall be primary and not contributory; (c) Lender's interests therein shall not be invalidated or otherwise adversely affected by any act or omission, deliberate, negligent or otherwise, of Client or its agents, servants or employees (the so-called "standard mortgage clause"); (d) Lender shall not be responsible for payment of any premiums; and (e) Lender may elect to have all proceeds of loss payable only to itself.

9.3 Client shall supply Lender with certified copies of all insurance policies, endorsements or other evidence of the required coverage satisfactory to Lender within 30 days of the effective date of this Agreement and on request.

9.4 In the event of damage to any item of Equipment amounting to Loss of Equipment, Lender shall be entitled to receive immediate payment of the amount equal to the Accrued Liability with respect to such item of Equipment. Lender may retain any monies received from the insurance proceeds in an amount equal thereto, Client remaining liable for any deficiency.

10. Taxes, etc.

Client shall have the sole responsibility for and shall duly and punctually pay all Taxes and all licence and similar fees payable at any time upon, or in respect of, Equipment, this Agreement and any payments or transactions contemplated hereunder.

11. Liens

Client shall keep Equipment free of all Liens.

12. Laws and Regulations

Client is and shall continue to be in compliance with all laws and regulations relating to use, operation or possession of Equipment or the security interests therein in favour of Lender, and those relating to the prevention of money laundering and terrorism.

13. Default

It shall be a Default under this Agreement if:
(a) Client fails to pay any Instalment within 10 days after its due date;
(b) any representation or warranty of Client made herein or in any instrument or document delivered to Lender in connection herewith is false or materially incorrect or misleading;
(c) any insurance coverage required to be obtained and maintained by Client under this Agreement shall lapse, expire or be cancelled;
(d) Client defaults in any other Obligation, or in any obligation under any other agreement with Lender or any Affiliate of Lender and such default continues for 10 days after notice thereof by Lender or such Affiliate, as applicable, to Client;
(e) any act of bankruptcy takes place respecting Client, or any proceeding, petition or notice, voluntary or involuntary, is commenced, made, given or filed, as the case may be, by the Client or any other person, under any present or future statute or law relating to bankruptcy, insolvency or relief from or compromise or arrangement with creditors of Client;
(f) Client ceases or threatens to cease to carry on business or makes or proposes to make any sale of the whole or any substantial portion of its assets in bulk, or otherwise out of the normal course of business;
(g) any execution, sequestration, expropriation or similar process is brought or threatened, by way of notice or otherwise, against, or a distress or analogous process is levied upon the whole or any part of the property of Client or Equipment;
(h) any trustee, receiver, interim receiver, administrator, manager or similar official is appointed with respect to all or any part of the property, assets or undertaking of Client, whether pursuant to any private instrument or agreement or by order of any court;
(i) if ownership of or control and direction over the assets or undertaking of Client or the majority of its voting shares changes, by amalgamation, merger, sale, transfer of shares or otherwise, except pursuant to death of the shareholder, or Client passes any

resolution concerning any matter referred to in paragraph (e) or with respect to, or any proceedings, voluntary or involuntary, are commenced under, any present or future law relating to amalgamation, liquidation, winding-up or dissolution;

(j) an event occurs which, in the opinion of Lender, could reasonably be expected to have a material adverse effect on the condition (financial or otherwise), business, operations, assets, liabilities or prospects of Client, Client's ability to perform any Obligation, or any obligation under any other agreement with Lender or any Affiliate of Lender, or on the rights and remedies of Lender thereunder, and continues for 10 days after notice thereof by Lender or such Affiliate, as applicable, to Client; or

(k) any event or circumstance described in any of paragraphs (c) and (e) through (j) inclusive occurs with respect to any guarantor or surety of Client respecting this Agreement or any person who controls Client or any Affiliate of Client.

A Default under this Agreement shall be deemed a default under all other present and future agreements entered into between Client and Lender or any Affiliate of Lender.

14. *Lender's Remedies on Default*

Upon Default, Lender shall be entitled to do one or more of the following:

(a) declare this Agreement to be in default (with or without terminating this Agreement) whereupon all Obligations shall be immediately due, payable and enforceable without any notice or demand whatsoever;

(b) terminate this Agreement;

(c) declare any or all of the Obligations to be immediately due and payable, or be subject to immediate performance, as the case may be, without presentment, protest or notice of dishonor, all of which are expressly waived;

(d) take possession of Equipment, without demand, notice or legal proceeding and enter on any premises of Client or any other person for such purpose;

(e) sell, lease or otherwise dispose of Equipment by public or private transaction for such consideration payable immediately and/or deferred and on such terms and conditions as Lender in its discretion determines;

(f) whether or not this Agreement may have been or be deemed to have been terminated, demand, sue for and recover the amount equal to the Accrued Liability, less, if applicable, the net proceeds to Lender derived from the sale, lease or other disposition of the Equipment, after deducting all Costs of Disposition; and

(g) exercise any other rights or remedies and/or take any proceedings available to Lender hereunder, at law or in equity.

In lieu of selling, leasing or otherwise disposing of Equipment, Lender may retain Equipment and cause Equipment to be valued by a qualified appraiser selected by it and such value shall be substituted for and deducted as net proceeds to Lender under subparagraph (f) of this Section. Proceeds of sale, lease or disposal need be deducted only when received, unless Lender elects to take the present value of payments to be received, discounted at the Financing Rate then in effect, compounded monthly.

15. *Lender's Rights to Remedy Defaults*

If Client fails to perform or comply with any Obligation, Lender may, but has no obligation to, perform same in the name of Client or Lender and make all necessary disbursements in connection therewith, which shall be reimbursed by Client immediately on demand. Lender is hereby appointed Client's lawful attorney to take any such action in Client's name.

16. *Client's General Indemnities*

Client shall indemnify and save harmless Lender from and against all existing or future losses, costs, charges, expenses, liabilities, claims, demands, penalties, damages, suits, actions and causes of action of every nature and kind whatsoever, including strict liability in tort or in delict (collectively, "Claims") sustained or suffered by Lender, or for which Lender may become liable, resulting from or arising out of:

(a) Lender's lawful exercise or performance of its rights or obligations under this Agreement;

(b) the holding by Lender of a security interest in the Equipment;

(c) any Default;

(d) any personal injury or property damage or other commercial loss arising out of the sale or delivery to, installation, ownership, use, operation, maintenance, condition, return, removal and re-delivery of Equipment; or

(e) any use or operation of Equipment which infringes any patent or other industrial or intellectual property right, unless caused by the gross negligence or wilful misconduct of Lender, its employees, servants or agents.

17. *Administrative Fees and Expenses*

Client shall pay Lender on demand Lender's prevailing fees and all costs and disbursements (including legal fees and expenses) certified by Lender as having been incurred or made in connection with the enforcement or preservation of any right or remedy arising on Default or in connection with the rendering of financial services under this Agreement including, without limitation, for processing of payments and rendering statements to Client.

18. *Pre-Authorized Payments*

Client shall execute and deliver to Lender from time to time upon request pre-authorized payment orders in such form as Lender may reasonably request. Lender is hereby authorized to deliver such orders to the financial institution named therein. Client hereby appoints Lender its lawful attorney to take all action contemplated by such payment orders to receive payment of any amount due under this Agreement. Lender may decline any other form of payment.

19. *Location of Equipment*

19.1 Except as otherwise expressly permitted hereunder, Client shall not part with possession of Equipment nor remove any of same from Canada.

19.2 Client covenants that Equipment will continue to be located where stated on the face hereof, or at any other location agreed to in writing by Lender.

20. *Assignment and Leasing*

Client shall not assign any rights hereunder and Client shall not sell or attempt to sell Equipment nor lease or rent or attempt to lease or rent Equipment, in any case without the prior consent of Lender, and such consent may be withheld by Lender in its sole and unfettered discretion. No action aforesaid by Client shall relieve Client of any of its Obligations.

21. *Client's General Representations, Warranties and Covenants*

Client represents and warrants to and covenants with Lender that: (a) if Client is a body corporate, it is and will continue to be a body corporate or other legal entity duly and validly incorporated or otherwise established, organized and existing in good standing under the laws of its jurisdiction of incorporation or establishment, with all necessary power and authority to execute, deliver and perform this Agreement; (b) if Client is a body corporate, all of the transactions contemplated herein have been and will be duly authorized by all necessary action, are not and will not be in conflict with the constating documents or by-laws of Client or any indenture, instrument, agreement or undertaking to which it is or will be a party or by which it or its assets are or may become bound; (c) this Agreement is and will continue to be the legal, valid and binding obligation of Client, enforceable against it in accordance with its terms; (d) all Information as defined in Section 41 provided by Client to Lender is accurate; and (e) all payments to Lender are and will be derived from legal sources. Client agrees to furnish to Lender a copy of its most recent annual financial statements, audited if applicable, promptly upon availability and in any event, within 90 days of each financial year-end. Upon request by Lender, Client agrees also to furnish its quarterly financial statements promptly upon availability and, in any event, within 60 days of each financial quarter-end.

22. *Statutory Waivers and Acknowledgement*

22.1 Client waives its right to receive a copy of any financing statement or financing change statement registered by Lender and of any related verification statement.

22.2 Client waives, to the fullest extent permitted by law, the application of the provisions of (a) *The Limitation of Civil* Rights Act (Saskatchewan); and (b) *The Distress* Act (Manitoba). Client agrees that the provisions of this Agreement are commercially reasonable.

23. *NO SET-OFF – EXCLUSION AND ASSIGNMENT OF WARRANTIES*

23.1 CLIENT IRREVOCABLY AND UNCONDITIONALLY WAIVES ALL EQUITIES AGAINST ANY INSTALMENT AND OTHER AMOUNT DUE TO LENDER HEREUNDER AND AGREES TO PAY EACH SUCH INSTALMENT AND OTHER AMOUNT WITHOUT REGARD TO ANY EQUITIES. NEITHER DEFECTS IN, DAMAGE TO, NOR LOSS OR DESTRUCTION OF EQUIPMENT SHALL TERMINATE THIS AGREEMENT OR REDUCE CLIENT'S OBLIGATIONS HEREUNDER, EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN.

23.2 CLIENT REPRESENTS AND WARRANTS TO AND COVENANTS WITH LENDER THAT EQUIPMENT IS AND WILL BE USED FOR COMMERCIAL, INDUSTRIAL OR BUSINESS PURPOSES ONLY AND NOT FOR PERSONAL, FAMILY, HOUSEHOLD OR FARMING PURPOSES;

23.3 (A) LENDER SHALL NOT BE BOUND BY OR BE DEEMED TO HAVE MADE OR BE LIABLE FOR ANY REPRESENTATION, WARRANTY OR PROMISE MADE BY SUPPLIER OR OTHERWISE; (B) LENDER SHALL NOT BE LIABLE FOR ANY FAILURE OF EQUIPMENT INCLUDING ANY LATENT DEFECT OR ALLEGED FUNDAMENTAL BREACH OF THIS AGREEMENT; (C) NEITHER LENDER NOR ANY OF ITS EMPLOYEES, SERVANTS OR AGENTS HAS MADE AND DOES NOT NOW MAKE ANY REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO EQUIPMENT OR ANY INTELLECTUAL OR INDUSTRIAL PROPERTY RIGHTS THEREIN

INCLUDING, WITHOUT LIMITATION, THE DESIGN, SPECIFICATIONS, CONDITION, QUALITY, MERCHANTABILITY OR FITNESS FOR CLIENT'S PURPOSES AND (D) LENDER SHALL HAVE NO LIABILITY FOR ANY DIRECT, INDIRECT, PUNITIVE, EXEMPLARY, SPECIAL OR CONSEQUENTIAL DAMAGES OR LOSS OF PROFITS, ACTUAL OR ANTICIPATED, OR FOR ANY DAMAGES BASED ON STRICT OR ABSOLUTE TORT OR DELICTUAL LIABILITY OR LENDER'S OR SUPPLIER'S NEGLIGENCE. NOTHING HEREIN SHALL DEPRIVE CLIENT OF ITS RIGHTS AGAINST SUPPLIER OR ANY PERSON OTHER THAN LENDER. CLIENT SHALL MAKE ANY CLAIMS WITH RESPECT TO EQUIPMENT DIRECTLY AGAINST SUPPLIER.

23.4 IF EQUIPMENT IS SEIZED OR SOLD BY LENDER, ALL WARRANTIES OF SUPPLIER AND RIGHTS TO ALL SOFTWARE, OTHER INTELLECTUAL AND INDUSTRIAL PROPERTY LICENSES ACCOMPANYING GOODS SHALL BE DEEMED ASSIGNED BY CLIENT TO LENDER.

24. *Notices*
Any notice, demand, consent or other communication required or permitted hereunder ("Notice") shall be in writing and may be delivered, or sent by prepaid registered mail, or by telex, telecopier or other means which produces a permanent written record (a "transmission"). Mailed Notice shall be deemed to have been given two business days after mailing provided there is no general disruption or stoppage of postal services then in effect, in which case delivery shall be made by one of the other methods permitted herein; delivered Notice shall be effective upon delivery during business hours to an apparently responsible adult, and transmissions shall be deemed to have been received at the opening of the business day immediately following transmission. Addresses for Notice shall be those addresses stated on the face hereof and may be changed in accordance with the foregoing.

25. *Remedies Cumulative*
All rights and remedies of Lender hereunder are cumulative and not exclusive or alternative and may be exercised by Lender separately or together, in any order, sequence or combination.

26. *Forbearance, Indulgence and Waivers*
Forbearance or indulgence by Lender in any instance shall not constitute a general waiver of the obligation under this Agreement to which the same applies. Any waiver by Lender of its rights must be in writing and shall not extend to any other obligation or right.

27. *Allocations*
Client hereby irrevocably and unconditionally waives any present or future right to allocate any payment made to Lender to any specific Obligation due under this Agreement or under any other agreement with Lender or any affiliate of Lender. Lender may allocate and apply any payment received to any Obligation due hereunder or under any other agreement with Lender or affiliate of Lender and may reverse, reallocate and re-apply any such payment as many times and in such manners as Lender from time to time sees fit. Payments received shall be allocated upon receipt of legal tender or cleared funds. Lender is hereby irrevocably authorized to combine and set off amounts payable by it to Client with amounts owing to it from Client (in each case whether matured or not and whether absolute or contingent) under the same or different agreements.

28. *Time*
Time is and shall remain of the essence of this Agreement.

29. *Entire Agreement*

29.1 There are no representations, warranties, covenants, agreements or acknowledgements by Lender affecting the Financed Amount, the Obligations, the Accrued Liability, this Agreement or Equipment, other than expressed in this Agreement.

29.2 No agreement purporting to amend or modify this Agreement or any other document, paper or writing relating hereto or to Equipment or connected herewith shall be binding unless in writing signed by the parties hereto.

30. *Severability*
Any term, condition or provision of this Agreement which is deemed to be void, prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be severed herefrom and ineffective to the extent of such invalidity, prohibition or unenforceability, without in any way invalidating the balance hereof.

31. *No Merger in Judgment*
The taking of any judgment by Lender under this Agreement shall not operate as a merger or novation of any term or condition hereof or of any obligation of Client or Lender hereunder.

32. *Further Assurances and Power of Attorney*

32.1 Client and Lender each shall do, execute and perform all such acts, deeds, documents and things as may be reasonably required to enable Lender to have the full benefit of all rights and remedies intended to be reserved or created hereby. Lender is hereby appointed Client's lawful attorney to complete and/or correct any information on the face hereof or in any Schedule hereto.

32.2 Each power of attorney granted in this Agreement is granted with full power of substitution, is irrevocable, is coupled with an interest, shall survive termination of this Agreement and may be exercised during any subsequent legal incapacity of Client or Lender.

33. *Currency*
Unless otherwise stated in this Agreement, all sums of money payable hereunder shall be paid in Canadian dollars. If any amount payable pursuant to this Agreement needs to be converted from US dollars to Canadian dollars, including for purposes of determining the amount of the Financed Amount or any instalment, such conversion shall be made by Lender on the relevant date at the Conversion Rate and Lender will notify Client of the Canadian dollar amount so converted.

34. *Survival*
Notwithstanding any other Section, any accrued Obligations, the Obligations of Client under Sections 9.4, 10, 15, 16, 17, 22 and 27 and all rights of Lender hereunder, whether accrued or not, shall survive the termination or expiration of this Agreement and the payment of the Accrued Liability and all other amounts payable hereunder.

35. *Section Headings*
Section headings in this Agreement are for convenience of reference only and do not affect the interpretation or construction hereof.

36. *Successors and Assigns*
This Agreement shall inure to the benefit of and be binding upon Lender and Client, their respective heirs, executors, administrators, personal representatives, successors and permitted assigns and lessees. Lender may assign or transfer in whole or in part its rights under this Agreement or Equipment, and/or Pledge its rights hereunder or in Equipment and any assignee, transferee or beneficiary of such Pledge ("Assignee") shall be unrestricted in the exercise of such rights. Client shall recognize any such assignment, transfer or Pledge and shall not assert against any Assignee any Claims or Equities which it may have against Lender respecting this Agreement or Equipment and waives all Claims and Equities against Assignee's rights to enforce this Agreement based on Lender's alleged failure to perform same or Supplier's breach of Warranties. Client shall not be entitled to assign its rights or obligations hereunder.

37. *Choice of Law*
This Agreement shall be governed, construed, performed and enforced in accordance with the laws of the Province where the address of Client is located as stated on the face of this Agreement.

38. *Language*
The parties hereto have expressly required that this Agreement and all documents, agreements and notices related thereto be drafted in the English language. Les parties aux présentes ont expressément exigé que le présent contrat et tous les autres documents, conventions ou avis qui y sont afférents soient rédigés en langue anglaise.

39. *Joint and Several Liability*
If more than one person executes this Agreement as Client their obligations hereunder shall be joint and several and, where the context so admits, each reference in this Agreement to "Client" shall include reference to any one or more or all such persons and the acts or omissions of and such persons shall bind all of them.

40. *Receipt of Agreement*
Client acknowledges receipt of an executed copy of this Agreement.

41. *Information*
Client hereby consents and authorizes Lender and its affiliates, agents, contractors and representatives, at any time, (a) to collect, verify, use, communicate with and disclose to third parties (including credit reporting agencies, financial institutions, creditors, vendors and other persons) any credit, financial and other information, including personal information (as applicable) and information related to the credit rating, financial capacity and payment history, with respect to Client ("Information"), as Lender deems necessary to process, complete, service and enforce the transactions hereby contemplated and any other existing or potential transactions, or as required or otherwise permitted by law; (b) to respond to inquiries from, and exchange any Information with, third parties concerning Client's credit rating, financial capacity and payment history; (c) to provide Information to persons to whom Lender considers assigning, granting a participation or otherwise disposing of rights or obligations under the transactions hereby contemplated; and (d) to provide to any person copies of this Agreement. This consent is in addition to and does not replace any consent previously given.

BORROWING RESOLUTION OF THE BOARD OF DIRECTORS

I, **Ronald J. Goguen** hereby certify that:

1. I am the **Director** of **Landdrill International Ltd.** (the "Corporation") corporation duly incorporated under **provincial** laws, the head office of which is located at **160 MacNaughton Ave., Moncton, Nouveau Brunswick, E1H 3L9.**

2. The following text is a true copy of a resolution passed on **March 23, 2012** by the Board of Directors of the said Corporation, in compliance with acts and regulations governing it. The said resolution has not been revoked or amended in any way whatsoever and is in force at the date hereof.

   Now therefore be it resolved:

   a) That **Chief Financial Officer**

   Title

   be and is hereby authorized for and on behalf of the Corporation to borrow from **GE Canada Equipment Financing G.P.** ("GE") the principal amount of **$ 1,200,000.00 CAD** required by the Corporation from time to time, for a term and under such other conditions as determined by the directors, officers and employees of the Corporation hereby authorized; also to do all acts and things and to execute all documents for and on behalf of the Corporation as required by GE in order to secure the amount or amounts owed to or borrowed from GE and any renewals or extensions of such loans, including security, and any renewals or extensions thereof, in the form of mortgages, hypothecation, charges, pledges, security agreements, conditional sale contracts, assignments or transfers of any and all real or personal, movable or immovable property, both present and future, of the Corporation.

   b) That all acts and things done and documents executed on behalf of the Corporation as hereinbefore authorized may be relied upon by GE are valid and binding upon the Corporation whether or not the corporate seal of the Corporation has been affixed to any such document.

   c) That the Corporation shall provide GE with a true and correct copy of this Resolution and a list of the names of the directors, officers and employees of the Corporation hereby authorized to do any act and thing, together with specimens of their signatures, to be acted upon by each office of GE with which the Corporation does business until such time as a written notice to the contrary be given to GE and that the latter has acknowledged receipt thereof.

3. The directors, officers and employees of the Corporation authorized by the foregoing Resolution to do any act or thing for and on behalf of the Corporation are and will sign as follows:

Names	Titles	Signatures
Derrick West	**Chief Financial Officer**	⊗ [signature]

Signed at **Moncton** this **23rd** day of **March, 2012.**

⊗ [signature]

(SCEAU)

Director

GE 1008A E (06-2001)

8724235001

GUARANTEE AND INDEMNITY

RESOLUTION OF THE BOARD OF DIRECTORS OF

Landdrill International Inc.
(the "Corporation")

In consideration of the leasing agreements, or master leasing agreements and all leasing schedules thereto, entered or which may be entered into by **GE Canada Equipment Financing G.P.** ("GE") with its client **Landdrill International Ltd.** ("Client") or the loans and advances of money granted or which may be granted by GE to its Client, as the case may be for the purpose of Client's business, and, generally, in consideration of the business relations between GE and its Client as well as the business relations between the said Client and this Corporation.

Now therefore be it resolved:

That this Corporation be and is hereby authorized to be a surety and to guarantee the repayment of all sums of money which the client owes or in future may owe to GE, together with the interest, costs and accessories, and this, jointly and severally with the Client towards GE and subject to all the terms and conditions set out on the form in use at GE entitled "Guarantee and Indemnity", a copy of which is attached hereto after having been submitted to the Directors and that **Derrick West**, **Chief Financial Officer** , be and is hereby authorized to sign such Guarantee and Indemnity for and on behalf and in the name of the Corporation.

That all acts and things done and all documents executed on behalf of the Corporation as hereinbefore authorized shall be valid and binding upon the Corporation whether or not the corporate seal of the Corporation has been affixed to any such document.

The foregoing is a true and correct copy of a resolution of the Board of Directors of **Landdrill International Inc.** duly adopted on **March 23, 2012** which resolution is in effect and has not been modified or rescinded as of the date hereof.

Dated at **Moncton** this **23rd** day of **March 2012.**

Ⓧ ______________________
Secretary
(Seal)

GE Capital

8724235001

GUARANTEE AND INDEMNITY

TO: GE Canada Equipment Financing G.P. ("GE")

In consideration of the premises and the covenants and agreements herein contained, the sum of $1.00 now paid by GE to **Landdrill International Inc.** (the "Guarantor") and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Guarantor covenants and agrees with GE as follows:

1. ***INTERPRETATION*** Wherever throughout this Guarantee, the Guarantor or GE or **Landdrill International Ltd.** (hereinafter called the "Obligor") are mentioned or referred to, such mention or reference shall extend to their respective successors and assigns, as the case may be. Reference to the term "Obligations" herein shall be to any and all obligations of the Obligor to GE under that certain **Equipment Loan and Security Agreement No: 8724235001** dated **March 23, 2012** between Obligor and GE and any other agreement, document or instrument related thereto, whether existing now or arising hereafter, and any modifications, extensions or renewals thereof from time to time, (hereinafter singularly or collectively called "Finance Instruments").

2. ***GUARANTEE***

2.1 Guarantee The Guarantor hereby irrevocably and unconditionally guarantees and covenants with GE as principal debtor of GE and not merely as surety, that the Obligor will duly and punctually perform all of the Obligations, and pay or cause to be paid to GE the rentals under and the principal of and interest on the Finance Instruments evidencing or securing the Obligations (including, in case of default, interest on the amount in default) as and when the same becomes due and payable, whether by lapse of time, by extension, or upon a declaration or otherwise according to the terms of the Finance Instruments and all other moneys owing on or under the Finance Instruments or in any way relating thereto including all expenses, including legal expenses and service charges. The total liability of the Guarantor hereunder for the Obligations shall be **limited to $ 1,200,000.00 CAD**, plus interest, fees, costs or expenses (including, without limitation, legal fees and expenses) which may now or hereafter accrue or be incurred with respect to such Obligations and any fees, costs or expenses (including without limitation, legal fees and expenses) that may be incurred by GE by reason of Guarantor's default under this Guaranty.

2.2 Terms of the Finance Instruments The Guarantor hereby consents to and approves of the terms of the Finance Instruments; the guarantee and the agreements of the Guarantor herein contained shall take effect and shall be and are hereby declared to be binding upon the Guarantor notwithstanding any defect in or omission from the Finance Instruments or any non-registration or non-filing or defective registration or filing of any Finance Instruments or notice of the interest of GE created thereby or by reason of any failure of the security intended to be created by the Finance Instruments or pursuant thereto.

2.3 Guarantee Absolute The liability of the Guarantor hereunder shall be absolute and unconditional and shall not be affected by:

a) any lack of validity or enforceability of any agreements between the Obligor and GE; any change in the time, manner or place of payment or in any other term of such agreements or the failure on the part of the Obligor to carry out any of its obligations under such agreements;

b) any impossibility, impracticability, frustration of purpose, illegality, *force majeure* or act of government;

c) the bankruptcy, winding-up, liquidation, dissolution or insolvency of the Obligor, GE or any party to any agreement to which GE is a party;

d) any lack or limitation of power, incapacity or disability on the part of the Obligor or of the directors, partners or agents thereof or any other irregularity, defect or informality on the part of the Obligor in its obligations to GE; or

e) any other law, regulation or other circumstance which might otherwise constitute a defense available to, or a discharge of, the Obligor in respect of any or all of the Obligations.

The Guarantor shall be held and bound to GE as principal debtor, and not as surety, in respect of the payment of any or all of the Obligations. All amounts payable to GE shall be paid to GE forthwith after demand therefore as provided herein.

2.4 No Waiver The Guarantor hereby agrees that its obligations hereunder shall be unconditional and no waiver by GE of any of its rights hereunder or under the Finance Instruments and no action by GE to enforce any of its rights hereunder or under the Finance Instruments or failure to take, or delay in taking any such action shall affect any other obligation of the Guarantor hereunder.

3. ***INDEMNITY*** The Guarantor also covenants and agrees with GE that it will at all times and from time to time hereafter, indemnify and keep indemnified and save harmless GE from any and all losses, costs, damages and expenses, including legal fees and disbursements and the costs of all distresses, actions, proceedings, claims and demands incurred or made by GE if GE does not receive payment of all amounts due and owing under the Finance Instruments or if the Obligor defaults in the payment of any instalment payable or in the performance of the Obligations under the Finance Instruments which, if the Finance Instruments were in full force and effect and good standing, would be payable or required to be performed under the Finance Instruments. In addition to the foregoing, the Guarantor agrees to pay GE, as administrative costs, an amount equal to fifteen percent (15%) of all amounts payable hereunder in the event that court proceedings are instituted against the Guarantor because the Guarantor has failed to respect its obligations hereunder.

4. ***DEALINGS WITH OBLIGOR AND OTHERS***

4.1 No Release The liability of the Guarantor hereunder shall not be released, discharged, limited or in any way affected by anything done, suffered or permitted by GE in connection with any duties or liabilities of the Obligor to GE of any security thereof including any loss of or in respect of any security received by GE from the Obligor or others. GE, without releasing, discharging, limiting or otherwise affecting in whole or in part the Guarantor's liability hereunder, may:

a) grant time, renewals, extensions, indulgences, releases, waivers and discharges to the Obligor;

b) grant substitutions for the Obligations or any part thereof or any agreement related thereto;

c) take or abstain from taking securities or collateral from the Obligor or from perfecting securities or collateral of the Obligor;

d) accept compromises from the Obligor;
e) apply all money at any time received from the Obligor or from securities upon such part of the Obligations as GE may see fit or change any such application in whole or in part from time to time as GE may see fit;
f) amend any of the Finance Instruments; or
g) otherwise deal with the Obligor and all other persons and securities as GE may see fit.

4.2 **No Exhaustion of Remedies** GE shall not be bound or obligated to exhaust its recourse against the Obligor or other persons or any securities or collateral it may hold or take any other action (other than to make demand pursuant to Section 6) before being entitled to demand payment from the Guarantor hereunder. The obligations of the Guarantor hereunder are joint and several with those of the Obligor and any other guarantor, security or other person liable in any way for the Obligations. This Guarantee is in addition and not in substitution for any other guarantee, by whomsoever given, at any time held by GE, and without prejudice to any other security, by whomsoever given, at any time held by GE, and GE shall be under no obligation to marshall in favour of the Guarantor any such security or any of the funds or assets GE may be entitled to receive or have a claim upon.

4.3 **Conclusive Statement** Any account settled or stated in writing by or between GE and the Obligor shall be *prima facie* evidence that the balance or amount thereof appearing due to GE is so due.

4.4 **No Set-Off** The Guarantor shall not claim any set-off or counterclaim against the Obligor in respect of any liability of the Obligor to the Guarantor.

5. CONTINUING GUARANTEE

5.1 **Continuing Guarantee** This Guarantee shall be a continuing guarantee, notwithstanding any extensions, modifications, renewals or indulgences with respect to, or substitutions for, the Obligations or any part thereof, and shall remain in full force and effect until the Obligations are performed and paid in full. This Guarantee shall continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or terminated or must otherwise be returned by GE upon the occurrence of any action or event including the insolvency, bankruptcy or reorganization of the Obligor or otherwise, all as though such payment had not been made.

6. DEMAND FOR PAYMENT

6.1 **Demand for Payment** GE shall be entitled to make demand upon the Guarantor at any time upon a default in payment of any amount owing by the Obligor to GE and upon such default GE may treat all Obligations as due and payable and may forthwith collect from the Guarantor the total amount guaranteed hereunder. The Guarantor shall make payment to or performance in favour of GE of the total amount guaranteed hereunder forthwith after demand thereof is made to the Guarantor.

6.2 **Interest** The Guarantor shall pay interest to GE at the rate of 24% per annum on the unpaid portion of all amounts payable by the Guarantor under this Guarantee, such interest to be calculated daily from the date of demand by GE on the Guarantor.

7. ASSIGNMENT, POSTPONEMENT AND SUBROGATION

7.1 **Assignment and postponement** All debts and liabilities, present and future, of the Obligor to the Guarantor are hereby assigned to GE and postponed to the Obligations, and all money received by the Guarantor in respect thereof shall be received in trust for GE and forthwith upon receipt shall be paid over to GE, the whole without in any way lessening or limiting the liability of the Guarantor hereunder and this assignment and postponement is independent of the Guarantee and shall remain in full force and effect until, in the case of the assignment, the liability of the Guarantor under this Guarantee has been discharged or terminated and, in the case of the postponement, until payment in full to GE of all obligations of the Guarantor under this Guarantee.

7.2 **Subrogation** The Guarantor will not exercise any rights which it may acquire by way of subrogation under this Guarantee and Indemnity, by any payment made hereunder or otherwise, until all Obligations shall have been paid and performed in full. If any amount shall be paid to the Guarantor on account of such subrogation rights at any time when all the Obligations shall not have been paid in full, such amount shall be held in trust for the benefit of GE and shall forthwith be paid to GE to be credited and applied upon the Obligations. If (i) the Guarantor performs or makes payment to GE of all amounts owing by the Guarantor to GE under this Guarantee and (ii) the Obligations are performed and paid in full, GE will, at the Guarantor's request and at the Guarantor's expense, execute and deliver to the Guarantor appropriate documents, without recourse and without representation and warranty, necessary to evidence the transfer by subrogation to the Guarantor of an interest in the Obligations and any security held therefor resulting from such performance or payment by the Guarantor.

8. COVENANTS OF THE GUARANTOR

The Guarantor hereby represents, covenants and warrants that:

a) if the Guarantor is a corporation, the making and performance of this Guarantee have been duly authorized by all necessary corporate actions on the part of the Guarantor, do not require any shareholders' approval, and will not violate any provisions of the Guarantor's incorporating documents or by-laws or result in the breach of, constitute a default under, contravene any provisions of or result in the creation of any lien, charge, encumbrance or security interest upon any property or assets of the Guarantor pursuant to any of the Guarantor's stocks, bonds, notes or debentures outstanding, or any agreement, indenture or other instrument to which the Guarantor is a party or by which the Guarantor or its property may be bound or affected;
b) this Guarantee constitutes a legal, valid and binding obligation of the Guarantor in accordance with the terms hereof;
c) there is no pending or, to the best of the knowledge of the Guarantor, threatened action or proceeding affecting the Guarantor or, if the Guarantor is a corporation, any of its subsidiaries before any court, governmental agency or arbitrator, which would materially adversely affect the legality, validity or enforceability of this Guarantee;
d) all Information as defined in Section 9.2 provided by Guarantor to GE is accurate;
e) all payments to GE are and will be derived from legal sources and GE may decline any form of payment; and
f) the Guarantor is and shall continue to be in compliance with all laws and regulations relating to the prevention of money laundering and terrorism.

9. GENERAL

9.1 **Waivers** The Guarantor waives notice of acceptance of this Guarantee and of the extension or continuation of the Obligations or any part thereof. The Guarantor further waives presentment, protest, notice, demand or action in respect of the Obligations or any part thereof, including any right to require GE to sue the Obligor, any other Guarantor or any other person obligated with respect to the Obligations or any part thereof, or otherwise to enforce payment thereof against any collateral securing the Obligations or any part thereof. Without limiting the generality of the foregoing, the Guarantor is jointly and severally liable with the Obligor for the due and punctual payment and performance of the Obligations, the Guarantor hereby waiving the benefit of division and discussion.

Guarantor waives its right to receive a copy of any financing statement or financing change statement registered by GE and of any related verification statement.

9.2 **Information** Guarantor hereby consents and authorizes GE and its affiliates, agents, contractors and representatives, at any time, a) to collect, verify, use, communicate with and disclose to third parties (including credit reporting agencies, financial institutions, creditors, vendors and other persons) any credit, financial and other information, including personal information (as applicable) and information related to the credit rating, financial capacity and payment history, with respect to Guarantor ("Information"), as GE deems necessary to process, complete, service and enforce the transactions hereby contemplated and any other existing or potential transactions, or as required or otherwise permitted by law; b) to respond to inquiries from, and exchange any Information with, third parties concerning Guarantor's credit rating, financial capacity and payment history; c) to provide Information to persons to whom GE considers assigning, granting a participation or otherwise disposing of rights or obligations under the transactions hereby contemplated; and d) to provide to any person copies of this Guarantee. This consent is in addition to and does not replace any consent previously given.

9.3 **Benefit of the Guarantee** This Guarantee shall enure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and permitted assigns of the Guarantor and GE.

9.4 **Entire Agreement** This Guarantee constitutes the entire agreement between GE, the Obligor and the Guarantor with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between such parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, expressed, implied or statutory, between such parties other than as expressly set forth in this Guarantee.

9.5 **No Waiver, Remedies** No failure on the part of GE to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude the other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

9.6 **Severability** If any provision of this Guarantee is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof shall continue in full force and effect.

9.7 **Notices** Any demand, notice or other communications (hereinafter in this Section 9.7 referred to as a "Communication") to be given in connection with this Guarantee shall be given in writing and may be given by personal delivery or by registered mail addressed to the recipient as follows:

To GE:	**239 Brownlow Ave., Suite 204, Dartmouth, Nova Scotia, B3B 2B2 , Tel: (902) 468-8266**	To the Guarantor:	**160 MacNaughton Ave., Moncton, New Brunswick, E1H 3L9**

or such other address as may be designated by notice by any party to the other. Any Communication given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof and, if given by registered mail, on the third day following the deposit thereof in the mail. If the party giving any Communication knows or ought reasonably to know of any difficulties with the postal system which might affect the delivery of mail, any such Communication shall not be mailed but shall be given by personal delivery.

9.8 **Assignment** The rights of GE under this Guarantee may be assigned by GE without the prior consent of the Obligor or the Guarantor. The Guarantor may not assign its obligations under this Guarantee.

9.9 **Governing Law** This guarantee shall be governed by and construed in accordance with the laws of the Province of **New Brunswick** and the laws of Canada applicable therein.

9.10 **Language** The parties hereby acknowledge that it is their express wish that this Guarantee and Indemnity be drawn in the English language; les parties reconnaissent qu'il est de leur volonté expresse que la présente caution soit rédigée en langue anglaise seulement.

IN WITNESS WHEREOF, the Guarantor has executed this Guarantee this **23rd** day of **March, 2012**.

If Guarantor is a corporation:

Landdrill International Inc.
("Guarantor")

By: [signature] (c/s)

Title: CFO & Corporate Secretary

If Guarantor is an individual:

______________________ (s)

Name: ______________________
("Guarantor")

Witness: ______________________

GUARANTEE AND INDEMNITY

RESOLUTION OF THE BOARD OF DIRECTORS OF

Landdrill Atlantic Ltd.
(the "Corporation")

In consideration of the leasing agreements, or master leasing agreements and all leasing schedules thereto, entered or which may be entered into by **GE Canada Equipment Financing G.P.** ("GE") with its client **Landdrill International Ltd.** ("Client") or the loans and advances of money granted or which may be granted by GE to its Client, as the case may be for the purpose of Client's business, and, generally, in consideration of the business relations between GE and its Client as well as the business relations between the said Client and this Corporation.

Now therefore be it resolved:

That this Corporation be and is hereby authorized to be a surety and to guarantee the repayment of all sums of money which the client owes or in future may owe to GE, together with the interest, costs and accessories, and this, jointly and severally with the Client towards GE and subject to all the terms and conditions set out on the form in use at GE entitled "Guarantee and Indemnity", a copy of which is attached hereto after having been submitted to the Directors and that **Derrick West, Chief Financial Officer** , be and is hereby authorized to sign such Guarantee and Indemnity for and on behalf and in the name of the Corporation.

That all acts and things done and all documents executed on behalf of the Corporation as hereinbefore authorized shall be valid and binding upon the Corporation whether or not the corporate seal of the Corporation has been affixed to any such document.

The foregoing is a true and correct copy of a resolution of the Board of Directors of **Landdrill Atlantic Ltd.** duly adopted on **March 23, 2012** which resolution is in effect and has not been modified or rescinded as of the date hereof.

Dated at **Moncton** this **23rd** day of **March 2012.**

Secretary
(Seal)

GE Capital

8724235001

GUARANTEE AND INDEMNITY

TO: GE Canada Equipment Financing G.P. ("GE")

In consideration of the premises and the covenants and agreements herein contained, the sum of $1.00 now paid by GE to **Landdrill Atlantic Ltd.** (the "Guarantor") and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Guarantor covenants and agrees with GE as follows:

1. ***INTERPRETATION*** Wherever throughout this Guarantee, the Guarantor or GE or **Landdrill International Ltd.** (hereinafter called the "Obligor") are mentioned or referred to, such mention or reference shall extend to their respective successors and assigns, as the case may be. Reference to the term "Obligations" herein shall be to any and all obligations of the Obligor to GE under that certain **Equipment Loan and Security Agreement No: 8724235001** dated **March 23, 2012** between Obligor and GE and any other agreement, document or instrument related thereto, whether existing now or arising hereafter, and any modifications, extensions or renewals thereof from time to time, (hereinafter singularly or collectively called "Finance Instruments").

2. ***GUARANTEE***

2.1 **Guarantee** The Guarantor hereby irrevocably and unconditionally guarantees and covenants with GE as principal debtor of GE and not merely as surety, that the Obligor will duly and punctually perform all of the Obligations, and pay or cause to be paid to GE the rentals under and the principal of and interest on the Finance Instruments evidencing or securing the Obligations (including, in case of default, interest on the amount in default) as and when the same becomes due and payable, whether by lapse of time, by extension, or upon a declaration or otherwise according to the terms of the Finance Instruments and all other moneys owing on or under the Finance Instruments or in any way relating thereto including all expenses, including legal expenses and service charges. The total liability of the Guarantor hereunder for the Obligations shall be **limited to $ 1,200,000.00 CAD**, plus interest, fees, costs or expenses (including, without limitation, legal fees and expenses) which may now or hereafter accrue or be incurred with respect to such Obligations and any fees, costs or expenses (including without limitation, legal fees and expenses) that may be incurred by GE by reason of Guarantor's default under this Guaranty.

2.2 **Terms of the Finance Instruments** The Guarantor hereby consents to and approves of the terms of the Finance Instruments; the guarantee and the agreements of the Guarantor herein contained shall take effect and shall be and are hereby declared to be binding upon the Guarantor notwithstanding any defect in or omission from the Finance Instruments or any non-registration or non-filing or defective registration or filing of any Finance Instruments or notice of the interest of GE created thereby or by reason of any failure of the security intended to be created by the Finance Instruments or pursuant thereto.

2.3 **Guarantee Absolute** The liability of the Guarantor hereunder shall be absolute and unconditional and shall not be affected by:

a) any lack of validity or enforceability of any agreements between the Obligor and GE; any change in the time, manner or place of payment or in any other term of such agreements or the failure on the part of the Obligor to carry out any of its obligations under such agreements;
b) any impossibility, impracticability, frustration of purpose, illegality, *force majeure* or act of government;
c) the bankruptcy, winding-up, liquidation, dissolution or insolvency of the Obligor, GE or any party to any agreement to which GE is a party;
d) any lack or limitation of power, incapacity or disability on the part of the Obligor or of the directors, partners or agents thereof or any other irregularity, defect or informality on the part of the Obligor in its obligations to GE; or
e) any other law, regulation or other circumstance which might otherwise constitute a defense available to, or a discharge of, the Obligor in respect of any or all of the Obligations.

The Guarantor shall be held and bound to GE as principal debtor, and not as surety, in respect of the payment of any or all of the Obligations. All amounts payable to GE shall be paid to GE forthwith after demand therefore as provided herein.

2.4 **No Waiver** The Guarantor hereby agrees that its obligations hereunder shall be unconditional and no waiver by GE of any of its rights hereunder or under the Finance Instruments and no action by GE to enforce any of its rights hereunder or under the Finance Instruments or failure to take, or delay in taking any such action shall affect any other obligation of the Guarantor hereunder.

3. ***INDEMNITY*** The Guarantor also covenants and agrees with GE that it will at all times and from time to time hereafter, indemnify and keep indemnified and save harmless GE from any and all losses, costs, damages and expenses, including legal fees and disbursements and the costs of all distresses, actions, proceedings, claims and demands incurred or made by GE if GE does not receive payment of all amounts due and owing under the Finance Instruments or if the Obligor defaults in the payment of any instalment payable or in the performance of the Obligations under the Finance Instruments which, if the Finance Instruments were in full force and effect and good standing, would be payable or required to be performed under the Finance Instruments. In addition to the foregoing, the Guarantor agrees to pay GE, as administrative costs, an amount equal to fifteen percent (15%) of all amounts payable hereunder in the event that court proceedings are instituted against the Guarantor because the Guarantor has failed to respect its obligations hereunder.

4. ***DEALINGS WITH OBLIGOR AND OTHERS***

4.1 **No Release** The liability of the Guarantor hereunder shall not be released, discharged, limited or in any way affected by anything done, suffered or permitted by GE in connection with any duties or liabilities of the Obligor to GE of any security thereof including any loss of or in respect of any security received by GE from the Obligor or others. GE, without releasing, discharging, limiting or otherwise affecting in whole or in part the Guarantor's liability hereunder, may:

a) grant time, renewals, extensions, indulgences, releases, waivers and discharges to the Obligor;
b) grant substitutions for the Obligations or any part thereof or any agreement related thereto;
c) take or abstain from taking securities or collateral from the Obligor or from perfecting securities or collateral of the Obligor;

d) accept compromises from the Obligor;
e) apply all money at any time received from the Obligor or from securities upon such part of the Obligations as GE may see fit or change any such application in whole or in part from time to time as GE may see fit;
f) amend any of the Finance Instruments; or
g) otherwise deal with the Obligor and all other persons and securities as GE may see fit.

4.2 **No Exhaustion of Remedies** GE shall not be bound or obligated to exhaust its recourse against the Obligor or other persons or any securities or collateral it may hold or take any other action (other than to make demand pursuant to Section 6) before being entitled to demand payment from the Guarantor hereunder. The obligations of the Guarantor hereunder are joint and several with those of the Obligor and any other guarantor, security or other person liable in any way for the Obligations. This Guarantee is in addition and not in substitution for any other guarantee, by whomsoever given, at any time held by GE, and without prejudice to any other security, by whomsoever given, at any time held by GE, and GE shall be under no obligation to marshall in favour of the Guarantor any such security or any of the funds or assets GE may be entitled to receive or have a claim upon.

4.3 **Conclusive Statement** Any account settled or stated in writing by or between GE and the Obligor shall be *prima facie* evidence that the balance or amount thereof appearing due to GE is so due.

4.4 **No Set-Off** The Guarantor shall not claim any set-off or counterclaim against the Obligor in respect of any liability of the Obligor to the Guarantor.

5. CONTINUING GUARANTEE

5.1 **Continuing Guarantee** This Guarantee shall be a continuing guarantee, notwithstanding any extensions, modifications, renewals or indulgences with respect to, or substitutions for, the Obligations or any part thereof, and shall remain in full force and effect until the Obligations are performed and paid in full. This Guarantee shall continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or terminated or must otherwise be returned by GE upon the occurrence of any action or event including the insolvency, bankruptcy or reorganization of the Obligor or otherwise, all as though such payment had not been made.

6. DEMAND FOR PAYMENT

6.1 **Demand for Payment** GE shall be entitled to make demand upon the Guarantor at any time upon a default in payment of any amount owing by the Obligor to GE and upon such default GE may treat all Obligations as due and payable and may forthwith collect from the Guarantor the total amount guaranteed hereunder. The Guarantor shall make payment to or performance in favour of GE of the total amount guaranteed hereunder forthwith after demand thereof is made to the Guarantor.

6.2 **Interest** The Guarantor shall pay interest to GE at the rate of 24% per annum on the unpaid portion of all amounts payable by the Guarantor under this Guarantee, such interest to be calculated daily from the date of demand by GE on the Guarantor.

7. ASSIGNMENT, POSTPONEMENT AND SUBROGATION

7.1 **Assignment and postponement** All debts and liabilities, present and future, of the Obligor to the Guarantor are hereby assigned to GE and postponed to the Obligations, and all money received by the Guarantor in respect thereof shall be received in trust for GE and forthwith upon receipt shall be paid over to GE, the whole without in any way lessening or limiting the liability of the Guarantor hereunder and this assignment and postponement is independent of the Guarantee and shall remain in full force and effect until, in the case of the assignment, the liability of the Guarantor under this Guarantee has been discharged or terminated and, in the case of the postponement, until payment in full to GE of all obligations of the Guarantor under this Guarantee.

7.2 **Subrogation** The Guarantor will not exercise any rights which it may acquire by way of subrogation under this Guarantee and Indemnity, by any payment made hereunder or otherwise, until all Obligations shall have been paid and performed in full. If any amount shall be paid to the Guarantor on account of such subrogation rights at any time when all the Obligations shall not have been paid in full, such amount shall be held in trust for the benefit of GE and shall forthwith be paid to GE to be credited and applied upon the Obligations. If (i) the Guarantor performs or makes payment to GE of all amounts owing by the Guarantor to GE under this Guarantee and (ii) the Obligations are performed and paid in full, GE will, at the Guarantor's request and at the Guarantor's expense, execute and deliver to the Guarantor appropriate documents, without recourse and without representation and warranty, necessary to evidence the transfer by subrogation to the Guarantor of an interest in the Obligations and any security held therefor resulting from such performance or payment by the Guarantor.

8. COVENANTS OF THE GUARANTOR

The Guarantor hereby represents, covenants and warrants that:

a) if the Guarantor is a corporation, the making and performance of this Guarantee have been duly authorized by all necessary corporate actions on the part of the Guarantor, do not require any shareholders' approval, and will not violate any provisions of the Guarantor's incorporating documents or by-laws or result in the breach of, constitute a default under, contravene any provisions of or result in the creation of any lien, charge, encumbrance or security interest upon any property or assets of the Guarantor pursuant to any of the Guarantor's stocks, bonds, notes or debentures outstanding, or any agreement, indenture or other instrument to which the Guarantor is a party or by which the Guarantor or its property may be bound or affected;
b) this Guarantee constitutes a legal, valid and binding obligation of the Guarantor in accordance with the terms hereof;
c) there is no pending or, to the best of the knowledge of the Guarantor, threatened action or proceeding affecting the Guarantor or, if the Guarantor is a corporation, any of its subsidiaries before any court, governmental agency or arbitrator, which would materially adversely affect the legality, validity or enforceability of this Guarantee;
d) all Information as defined in Section 9.2 provided by Guarantor to GE is accurate;
e) all payments to GE are and will be derived from legal sources and GE may decline any form of payment; and
f) the Guarantor is and shall continue to be in compliance with all laws and regulations relating to the prevention of money laundering and terrorism.

9. GENERAL

9.1 **Waivers** The Guarantor waives notice of acceptance of this Guarantee and of the extension or continuation of the Obligations or any part thereof. The Guarantor further waives presentment, protest, notice, demand or action in respect of the Obligations or any part thereof, including any right to require GE to sue the Obligor, any other Guarantor or any other person obligated with respect to the Obligations or any part thereof, or otherwise to enforce payment thereof against any collateral securing the Obligations or any part thereof. Without limiting the generality of the foregoing, the Guarantor is jointly and severally liable with the Obligor for the due and punctual payment and performance of the Obligations, the Guarantor hereby waiving the benefit of division and discussion.

Guarantor waives its right to receive a copy of any financing statement or financing change statement registered by GE and of any related verification statement.

9.2 **Information** Guarantor hereby consents and authorizes GE and its affiliates, agents, contractors and representatives, at any time, a) to collect, verify, use, communicate with and disclose to third parties (including credit reporting agencies, financial institutions, creditors, vendors and other persons) any credit, financial and other information, including personal information (as applicable) and information related to the credit rating, financial capacity and payment history, with respect to Guarantor ("Information"), as GE deems necessary to process, complete, service and enforce the transactions hereby contemplated and any other existing or potential transactions, or as required or otherwise permitted by law; b) to respond to inquiries from, and exchange any Information with, third parties concerning Guarantor's credit rating, financial capacity and payment history; c) to provide Information to persons to whom GE considers assigning, granting a participation or otherwise disposing of rights or obligations under the transactions hereby contemplated; and d) to provide to any person copies of this Guarantee. This consent is in addition to and does not replace any consent previously given.

9.3 **Benefit of the Guarantee** This Guarantee shall enure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and permitted assigns of the Guarantor and GE.

9.4 **Entire Agreement** This Guarantee constitutes the entire agreement between GE, the Obligor and the Guarantor with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between such parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, expressed, implied or statutory, between such parties other than as expressly set forth in this Guarantee.

9.5 **No Waiver, Remedies** No failure on the part of GE to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude the other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

9.6 **Severability** If any provision of this Guarantee is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof shall continue in full force and effect.

9.7 **Notices** Any demand, notice or other communications (hereinafter in this Section 9.7 referred to as a "Communication") to be given in connection with this Guarantee shall be given in writing and may be given by personal delivery or by registered mail addressed to the recipient as follows:

To GE:	**239 Brownlow Ave., Suite 204, Dartmouth, Nova Scotia, B3B 2B2 , Tel: (902) 468-8266**	To the Guarantor:	**160 McNaughton Avenue, Moncton, New Brunswick, E1H 3L9**

or such other address as may be designated by notice by any party to the other. Any Communication given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof and, if given by registered mail, on the third day following the deposit thereof in the mail. If the party giving any Communication knows or ought reasonably to know of any difficulties with the postal system which might affect the delivery of mail, any such Communication shall not be mailed but shall be given by personal delivery.

9.8 **Assignment** The rights of GE under this Guarantee may be assigned by GE without the prior consent of the Obligor or the Guarantor. The Guarantor may not assign its obligations under this Guarantee.

9.9 **Governing Law** This guarantee shall be governed by and construed in accordance with the laws of the Province of **New Brunswick** and the laws of Canada applicable therein.

9.10 **Language** The parties hereby acknowledge that it is their express wish that this Guarantee and Indemnity be drawn in the English language; les parties reconnaissent qu'il est de leur volonté expresse que la présente caution soit rédigée en langue anglaise seulement.

IN WITNESS WHEREOF, the Guarantor has executed this Guarantee this **23rd** day of **March, 2012**.

If Guarantor is a corporation:

Landdrill Atlantic Ltd.
("Guarantor")

By: Ronald J. Gagnon (c/s)

Title: President

If Guarantor is an individual:

____________ (s)

Name: ____________ ("Guarantor")

Witness: ____________

RESOLUTION
OF THE BOARD OF DIRECTORS OF
Landdrill Atlantic Ltd. (the "Corporation"), as general partner of Nitasi Landdrill Limited Partnership (the "Partnership")

Guarantee and Indemnity

In consideration of the leasing agreements, or master leasing agreements and all leasing schedules thereto, entered or which may be entered into by GE Canada Equipment Financing G.P. ("GE") with its client Landdrill International Ltd. (the "Client") or the loans and advances of money granted or which may be granted by GE to its Client, as the case may be for the purpose of Client's business, and, generally, in consideration of the business relations between GE and its Client as well as the business relations between the said Client and the Partnership.

Now therefore be it resolved:

That each of the Partnership and the Corporation, as general partner of the Partnership, be and is hereby authorized to be a surety and to guarantee the repayment of all sums of money which the client owes or in future may owe to GE, together with the interest, costs and accessories, and this, jointly and severally with the Client towards GE and subject to all the terms and conditions set out on the form in use at GE entitled "Guarantee and Indemnity", a copy of which is attached hereto after having been submitted to the Directors of the Corporation and that **Derrick West, Chief Financial Officer** be and are hereby authorized to jointly sign such Guarantee and Indemnity for and on behalf and in the name of the Corporation, as general partner of the Partnership.

That all acts and things done and all documents executed on behalf of the Corporation, as general partner of the Partnership, as hereinbefore authorized shall be valid and binding upon the Corporation, as general partner of the Partnership, and the Partnership, whether or not the corporate seal of the Corporation has been affixed to any such document.

The foregoing is a true and correct copy of a resolution of the Board of Directors of Landdrill Atlantic Ltd., as general partner of Nitasi Landdrill Limited Partnership, duly adopted on March 23, 2012, which resolution is in effect and has not been modified or rescinded as of the date hereof.

Dated at Moncton, this March 23rd, 2012.

(s) ⓧ ________________
Name: Derrick West
Secretary

8724235001

GUARANTEE AND INDEMNITY

RESOLUTION OF THE BOARD OF DIRECTORS OF

Nitasi Landdrill Limited Partnership, acting by its general partner Landdrill Atlantic Ltd.
(the "Corporation")

In consideration of the leasing agreements, or master leasing agreements and all leasing schedules thereto, entered or which may be entered into by **GE Canada Equipment Financing G.P.** ("GE") with its client **Landdrill International Ltd.** ("Client") or the loans and advances of money granted or which may be granted by GE to its Client, as the case may be for the purpose of Client's business, and, generally, in consideration of the business relations between GE and its Client as well as the business relations between the said Client and this Corporation.

Now therefore be it resolved:

That this Corporation be and is hereby authorized to be a surety and to guarantee the repayment of all sums of money which the client owes or in future may owe to GE, together with the interest, costs and accessories, and this, jointly and severally with the Client towards GE and subject to all the terms and conditions set out on the form in use at GE entitled "Guarantee and Indemnity", a copy of which is attached hereto after having been submitted to the Directors and that **Derrick West, Chief Financial Officer** , be and is hereby authorized to sign such Guarantee and Indemnity for and on behalf and in the name of the Corporation.

That all acts and things done and all documents executed on behalf of the Corporation as hereinbefore authorized shall be valid and binding upon the Corporation whether or not the corporate seal of the Corporation has been affixed to any such document.

The foregoing is a true and correct copy of a resolution of the Board of Directors of **Nitasi Landdrill Limited Partnership, acting by its general partner Landdrill Atlantic Ltd.** duly adopted on **March 23, 2012** which resolution is in effect and has not been modified or rescinded as of the date hereof.

Dated at **Moncton** this **23rd** day of **March 2012.**

Ⓧ ____________________
Secretary
(Seal)

GE Capital

8724235001

GUARANTEE AND INDEMNITY

TO: GE Canada Equipment Financing G.P. ("GE")

In consideration of the premises and the covenants and agreements herein contained, the sum of $1.00 now paid by GE to **Nitasi Landdrill Limited Partnership, acting by its general partner Landdrill Atlantic Ltd.** (the "Guarantor") and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Guarantor covenants and agrees with GE as follows:

1. ***INTERPRETATION*** Wherever throughout this Guarantee, the Guarantor or GE or **Landdrill International Ltd.** (hereinafter called the "Obligor") are mentioned or referred to, such mention or reference shall extend to their respective successors and assigns, as the case may be. Reference to the term "Obligations" herein shall be to any and all obligations of the Obligor to GE under that certain **Equipment Loan and Security Agreement No: 8724235001** dated **March 23, 2012** between Obligor and GE and any other agreement, document or instrument related thereto, whether existing now or arising hereafter, and any modifications, extensions or renewals thereof from time to time, (hereinafter singularly or collectively called "Finance Instruments").

2. ***GUARANTEE***

2.1 **Guarantee** The Guarantor hereby irrevocably and unconditionally guarantees and covenants with GE as principal debtor of GE and not merely as surety, that the Obligor will duly and punctually perform all of the Obligations, and pay or cause to be paid to GE the rentals under and the principal of and interest on the Finance Instruments evidencing or securing the Obligations (including, in case of default, interest on the amount in default) as and when the same becomes due and payable, whether by lapse of time, by extension, or upon a declaration or otherwise according to the terms of the Finance Instruments and all other moneys owing on or under the Finance Instruments or in any way relating thereto including all expenses, including legal expenses and service charges. The total liability of the Guarantor hereunder for the Obligations shall be **limited to $ 1,200,000.00 CAD**, plus interest, fees, costs or expenses (including, without limitation, legal fees and expenses) which may now or hereafter accrue or be incurred with respect to such Obligations and any fees, costs or expenses (including without limitation, legal fees and expenses) that may be incurred by GE by reason of Guarantor's default under this Guaranty.

2.2 **Terms of the Finance Instruments** The Guarantor hereby consents to and approves of the terms of the Finance Instruments; the guarantee and the agreements of the Guarantor herein contained shall take effect and shall be and are hereby declared to be binding upon the Guarantor notwithstanding any defect in or omission from the Finance Instruments or any non-registration or non-filing or defective registration or filing of any Finance Instruments or notice of the interest of GE created thereby or by reason of any failure of the security intended to be created by the Finance Instruments or pursuant thereto.

2.3 **Guarantee Absolute** The liability of the Guarantor hereunder shall be absolute and unconditional and shall not be affected by:

a) any lack of validity or enforceability of any agreements between the Obligor and GE; any change in the time, manner or place of payment or in any other term of such agreements or the failure on the part of the Obligor to carry out any of its obligations under such agreements;
b) any impossibility, impracticability, frustration of purpose, illegality, *force majeure* or act of government;
c) the bankruptcy, winding-up, liquidation, dissolution or insolvency of the Obligor, GE or any party to any agreement to which GE is a party;
d) any lack or limitation of power, incapacity or disability on the part of the Obligor or of the directors, partners or agents thereof or any other irregularity, defect or informality on the part of the Obligor in its obligations to GE; or
e) any other law, regulation or other circumstance which might otherwise constitute a defense available to, or a discharge of, the Obligor in respect of any or all of the Obligations.

The Guarantor shall be held and bound to GE as principal debtor, and not as surety, in respect of the payment of any or all of the Obligations. All amounts payable to GE shall be paid to GE forthwith after demand therefore as provided herein.

2.4 **No Waiver** The Guarantor hereby agrees that its obligations hereunder shall be unconditional and no waiver by GE of any of its rights hereunder or under the Finance Instruments and no action by GE to enforce any of its rights hereunder or under the Finance Instruments or failure to take, or delay in taking any such action shall affect any other obligation of the Guarantor hereunder.

3. ***INDEMNITY*** The Guarantor also covenants and agrees with GE that it will at all times and from time to time hereafter, indemnify and keep indemnified and save harmless GE from any and all losses, costs, damages and expenses, including legal fees and disbursements and the costs of all distresses, actions, proceedings, claims and demands incurred or made by GE if GE does not receive payment of all amounts due and owing under the Finance Instruments or if the Obligor defaults in the payment of any instalment payable or in the performance of the Obligations under the Finance Instruments which, if the Finance Instruments were in full force and effect and good standing, would be payable or required to be performed under the Finance Instruments. In addition to the foregoing, the Guarantor agrees to pay GE, as administrative costs, an amount equal to fifteen percent (15%) of all amounts payable hereunder in the event that court proceedings are instituted against the Guarantor because the Guarantor has failed to respect its obligations hereunder.

4. ***DEALINGS WITH OBLIGOR AND OTHERS***

4.1 **No Release** The liability of the Guarantor hereunder shall not be released, discharged, limited or in any way affected by anything done, suffered or permitted by GE in connection with any duties or liabilities of the Obligor to GE of any security thereof including any loss of or in respect of any security received by GE from the Obligor or others. GE, without releasing, discharging, limiting or otherwise affecting in whole or in part the Guarantor's liability hereunder, may:

a) grant time, renewals, extensions, indulgences, releases, waivers and discharges to the Obligor;
b) grant substitutions for the Obligations or any part thereof or any agreement related thereto;
c) take or abstain from taking securities or collateral from the Obligor or from perfecting securities or collateral of the Obligor;

d) accept compromises from the Obligor;
e) apply all money at any time received from the Obligor or from securities upon such part of the Obligations as GE may see fit or change any such application in whole or in part from time to time as GE may see fit;
f) amend any of the Finance Instruments; or
g) otherwise deal with the Obligor and all other persons and securities as GE may see fit.

4.2 No Exhaustion of Remedies GE shall not be bound or obligated to exhaust its recourse against the Obligor or other persons or any securities or collateral it may hold or take any other action (other than to make demand pursuant to Section 6) before being entitled to demand payment from the Guarantor hereunder. The obligations of the Guarantor hereunder are joint and several with those of the Obligor and any other guarantor, security or other person liable in any way for the Obligations. This Guarantee is in addition and not in substitution for any other guarantee, by whomsoever given, at any time held by GE, and without prejudice to any other security, by whomsoever given, at any time held by GE, and GE shall be under no obligation to marshall in favour of the Guarantor any such security or any of the funds or assets GE may be entitled to receive or have a claim upon.

4.3 Conclusive Statement Any account settled or stated in writing by or between GE and the Obligor shall be *prima facie* evidence that the balance or amount thereof appearing due to GE is so due.

4.4 No Set-Off The Guarantor shall not claim any set-off or counterclaim against the Obligor in respect of any liability of the Obligor to the Guarantor.

5. CONTINUING GUARANTEE

5.1 Continuing Guarantee This Guarantee shall be a continuing guarantee, notwithstanding any extensions, modifications, renewals or indulgences with respect to, or substitutions for, the Obligations or any part thereof, and shall remain in full force and effect until the Obligations are performed and paid in full. This Guarantee shall continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or terminated or must otherwise be returned by GE upon the occurrence of any action or event including the insolvency, bankruptcy or reorganization of the Obligor or otherwise, all as though such payment had not been made.

6. DEMAND FOR PAYMENT

6.1 Demand for Payment GE shall be entitled to make demand upon the Guarantor at any time upon a default in payment of any amount owing by the Obligor to GE and upon such default GE may treat all Obligations as due and payable and may forthwith collect from the Guarantor the total amount guaranteed hereunder. The Guarantor shall make payment to or performance in favour of GE of the total amount guaranteed hereunder forthwith after demand thereof is made to the Guarantor.

6.2 Interest The Guarantor shall pay interest to GE at the rate of 24% per annum on the unpaid portion of all amounts payable by the Guarantor under this Guarantee, such interest to be calculated daily from the date of demand by GE on the Guarantor.

7. ASSIGNMENT, POSTPONEMENT AND SUBROGATION

7.1 Assignment and postponement All debts and liabilities, present and future, of the Obligor to the Guarantor are hereby assigned to GE and postponed to the Obligations, and all money received by the Guarantor in respect thereof shall be received in trust for GE and forthwith upon receipt shall be paid over to GE, the whole without in any way lessening or limiting the liability of the Guarantor hereunder and this assignment and postponement is independent of the Guarantee and shall remain in full force and effect until, in the case of the assignment, the liability of the Guarantor under this Guarantee has been discharged or terminated and, in the case of the postponement, until payment in full to GE of all obligations of the Guarantor under this Guarantee.

7.2 Subrogation The Guarantor will not exercise any rights which it may acquire by way of subrogation under this Guarantee and Indemnity, by any payment made hereunder or otherwise, until all Obligations shall have been paid and performed in full. If any amount shall be paid to the Guarantor on account of such subrogation rights at any time when all the Obligations shall not have been paid in full, such amount shall be held in trust for the benefit of GE and shall forthwith be paid to GE to be credited and applied upon the Obligations. If (i) the Guarantor performs or makes payment to GE of all amounts owing by the Guarantor to GE under this Guarantee and (ii) the Obligations are performed and paid in full, GE will, at the Guarantor's request and at the Guarantor's expense, execute and deliver to the Guarantor appropriate documents, without recourse and without representation and warranty, necessary to evidence the transfer by subrogation to the Guarantor of an interest in the Obligations and any security held therefor resulting from such performance or payment by the Guarantor.

8. COVENANTS OF THE GUARANTOR

The Guarantor hereby represents, covenants and warrants that:

a) if the Guarantor is a corporation, the making and performance of this Guarantee have been duly authorized by all necessary corporate actions on the part of the Guarantor, do not require any shareholders' approval, and will not violate any provisions of the Guarantor's incorporating documents or by-laws or result in the breach of, constitute a default under, contravene any provisions of or result in the creation of any lien, charge, encumbrance or security interest upon any property or assets of the Guarantor pursuant to any of the Guarantor's stocks, bonds, notes or debentures outstanding, or any agreement, indenture or other instrument to which the Guarantor is a party or by which the Guarantor or its property may be bound or affected;
b) this Guarantee constitutes a legal, valid and binding obligation of the Guarantor in accordance with the terms hereof;
c) there is no pending or, to the best of the knowledge of the Guarantor, threatened action or proceeding affecting the Guarantor or, if the Guarantor is a corporation, any of its subsidiaries before any court, governmental agency or arbitrator, which would materially adversely affect the legality, validity or enforceability of this Guarantee;
d) all Information as defined in Section 9.2 provided by Guarantor to GE is accurate;
e) all payments to GE are and will be derived from legal sources and GE may decline any form of payment; and
f) the Guarantor is and shall continue to be in compliance with all laws and regulations relating to the prevention of money laundering and terrorism.

9. GENERAL

9.1 Waivers The Guarantor waives notice of acceptance of this Guarantee and of the extension or continuation of the Obligations or any part thereof. The Guarantor further waives presentment, protest, notice, demand or action in respect of the Obligations or any part thereof, including any right to require GE to sue the Obligor, any other Guarantor or any other person obligated with respect to the Obligations or any part thereof, or otherwise to enforce payment thereof against any collateral securing the Obligations or any part thereof. Without limiting the generality of the foregoing, the Guarantor is jointly and severally liable with the Obligor for the due and punctual payment and performance of the Obligations, the Guarantor hereby waiving the benefit of division and discussion.

Guarantor waives its right to receive a copy of any financing statement or financing change statement registered by GE and of any related verification statement.

9.2 **Information** Guarantor hereby consents and authorizes GE and its affiliates, agents, contractors and representatives, at any time, a) to collect, verify, use, communicate with and disclose to third parties (including credit reporting agencies, financial institutions, creditors, vendors and other persons) any credit, financial and other information, including personal information (as applicable) and information related to the credit rating, financial capacity and payment history, with respect to Guarantor ("Information"), as GE deems necessary to process, complete, service and enforce the transactions hereby contemplated and any other existing or potential transactions, or as required or otherwise permitted by law; b) to respond to inquiries from, and exchange any Information with, third parties concerning Guarantor's credit rating, financial capacity and payment history; c) to provide Information to persons to whom GE considers assigning, granting a participation or otherwise disposing of rights or obligations under the transactions hereby contemplated; and d) to provide to any person copies of this Guarantee. This consent is in addition to and does not replace any consent previously given.

9.3 **Benefit of the Guarantee** This Guarantee shall enure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and permitted assigns of the Guarantor and GE.

9.4 **Entire Agreement** This Guarantee constitutes the entire agreement between GE, the Obligor and the Guarantor with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between such parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, expressed, implied or statutory, between such parties other than as expressly set forth in this Guarantee.

9.5 **No Waiver, Remedies** No failure on the part of GE to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude the other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

9.6 **Severability** If any provision of this Guarantee is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof shall continue in full force and effect.

9.7 **Notices** Any demand, notice or other communications (hereinafter in this Section 9.7 referred to as a "Communication") to be given in connection with this Guarantee shall be given in writing and may be given by personal delivery or by registered mail addressed to the recipient as follows:

To GE:	**239 Brownlow Ave., Suite 204, Dartmouth, Nova Scotia, B3B 2B2 , Tel: (902) 468-8266**	To the Guarantor:	**160 MacNaughton Avenue, Moncton, New Brunswick, E1H 3L9**

or such other address as may be designated by notice by any party to the other. Any Communication given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof and, if given by registered mail, on the third day following the deposit thereof in the mail. If the party giving any Communication knows or ought reasonably to know of any difficulties with the postal system which might affect the delivery of mail, any such Communication shall not be mailed but shall be given by personal delivery.

9.8 **Assignment** The rights of GE under this Guarantee may be assigned by GE without the prior consent of the Obligor or the Guarantor. The Guarantor may not assign its obligations under this Guarantee.

9.9 **Governing Law** This guarantee shall be governed by and construed in accordance with the laws of the Province of **New Brunswick** and the laws of Canada applicable therein.

9.10 **Language** The parties hereby acknowledge that it is their express wish that this Guarantee and Indemnity be drawn in the English language; les parties reconnaissent qu'il est de leur volonté expresse que la présente caution soit rédigée en langue anglaise seulement.

IN WITNESS WHEREOF, the Guarantor has executed this Guarantee this **23rd** day of **March, 2012.**

If Guarantor is a corporation:

Nitasi Landdrill Limited Partnership, acting by its general partner Landdrill Atlantic Ltd.

("Guarantor")

By: ⓧ Donald J. Gog (c/s)

Title: President

If Guarantor is an individual:

_______________________ (s)

Name: _______________________ ("Guarantor")

Witness: _______________________

DIRECTION TO PAY
(ELSA)

March 23, 2012

TO: GE Canada Equipment Financing G.P. ("Lender")

RE: Equipment Loan and Security Agreement No. 8724235001 dated March 23, 2012 between you as Lender and the Undersigned as Client

The undersigned hereby authorizes and directs you to pay the Financed Amount (as defined in the above-captioned agreement) as follows:

Pay to client: **$ 940 780.82 CAD**

This amount is valid until March 26, 2012, after which an amount of $42.49 will be deducted.

Pay to: Agence du revenu du Québec (Ministre du Revenu du Québec) **$ 259 219.18 CAD**

This amount is valid until March 26, 2012, after which an amount of $42.49 will be added.

FINANCED AMOUNT (TOTAL): **$ 1 200 000.00 CAD**

Landdrill International Ltd.

By: CFO/Secretary
Title

Signature of Authorized Officers Title

8724235001

GE Capital

PRE-AUTHORIZED DEBIT AUTHORIZATION ("PAD Agreement")
FOR BUSINESS PURPOSES

The undersigned hereby authorizes GE Canada Equipment Financing G.P. (hereinafter called the "**Payee**") to debit the account of the undersigned identified on the void cheque delivered to the Payee (the "**Account**") with the amount of each payment or other amount owing from time to time to the Payee under the Equipment Loan and Security Agreement entered into between the undersigned and the Payee on March 23, 2012 (as same may be amended or otherwise modified from time to time, the "**Financing Agreement**"), on or shortly after the due date thereof as set out in the Financing Agreement, by issuing pre-authorized debit requests (each a "**PAD**") to the financial institution at which the Account is held, as identified on the void cheque delivered to the Payee (the "**Processing Institution**"). The undersigned undertakes to inform the Payee in writing of any change in the information related to the Account 10 days prior to the next PAD due date.

The undersigned acknowledges that this authorization is being given for the benefit of the Payee and the benefit of the Processing Institution and is provided in consideration of the Processing Institution agreeing to process PADs against the Account in accordance with the rules of the Canadian Payments Association (the "**CPA Rules**"). The Processing Institution is hereby authorized to pay from and to debit against the Account any payment order or request whatsoever, payable to the order of the Payee and drawn on the said Account by a bank acting in the name of the Payee. Any payment order or request whatsoever thus drawn by the Payee's bank shall be considered as having been signed by the undersigned.

The undersigned hereby acknowledges the payment terms of the Financing Agreement and agrees that each PAD may be processed without prior written notice from the Payee of either the amount of the PAD or the date that the PAD is to be processed.

The undersigned acknowledges: (i) that this authorization to the Payee also constitutes delivery thereof by the undersigned to the Processing Institution, and (ii) that the Processing Institution is not required to verify that each PAD submitted by the Payee has been issued in accordance with this PAD Agreement (including the amount) or that the purpose of the payment for which a PAD was made has been fulfilled as a condition of honouring such PAD.

The undersigned may revoke this authorization at any time by giving a 10-day written prior notice to the Payee at the address set forth below. We acknowledge that we may obtain a sample cancellation form, or further information on our right to cancel this authorization at the Processing Institution or by visiting www.cdnpay.ca. We acknowledge that we have certain recourse rights if any debit does not comply with this PAD Agreement. For example, we have the right to receive reimbursement for any debit that is not authorized or is not consistent with this PAD Agreement. To obtain more information on our recourse rights, we acknowledge that we may contact our financial institution or visit www.cdnpay.ca.

This PAD Agreement only relates to the method of payment under the Financing Agreement and neither this Agreement nor cancellation thereof affects your obligations under the Financing Agreement. **The Payee may assign or transfer its rights under this PAD Agreement.**

Each person whose signature is required on the Account must sign below.

Signed this 23rd day of March, 2012.

Landdrill International Ltd.

160 MacNaughton Ave.
Moncton, New Brunswick,
E1H 3L9

X CFO

Authorized Signature(s) (as it appears on cheques)

X

N.B.:Please attach a sample of a cancelled cheque from the Processing Institution.

CONTACT INFORMATION OF THE PAYEE FOR NOTIFICATION OR INFORMATION:

GE Canada Equipment Financing G.P.
239 Brownlow Ave., Suite 204, Dartmouth, Nova Scotia, B3B 2B2

Contact: Marie-Josée Blackburn
Tel.: (514) 397-5356
Fax.: ( ) - 0
E-mail: mj.blackburn@ge.com

GE Capital

239 Brownlow Ave., Suite 204,
Dartmouth, Nova Scotia, B3B 2B2 Tel: (902) 468-8266

Invoice

2012-03-23

Client Information

Name	**Landdrill International Ltd.**
Address	**160 MacNaughton Ave. Moncton, New Brunswick, E1H 3L9**
Phone	**(506) 388-8100**

Account Manager	**Roland Burn**
Contract Type	**Equipment Loan and Security Agreement**
Date of Contract	**2012-03-23**
Contract Number	**8724235001**

Description	Total
Fees	**$ 19,800.00 CAD**

Method of Payment

- ○ Manual
- ⓧ EFT

	Sub-Total	**$ 19,800.00 CAD**
(144785417)	GST/HST	
(_______________)	PST	
	Total	**$ 19,800.00 CAD**

* already paid via good faith deposit *
R.B.

GE 1086E (03-99)

PRIORITIES AGREEMENT

THIS AGREEMENT is dated as of the 21st day of March, 2012,

AMONG:

LANDDRILL INTERNATIONAL LTD., a New Brunswick corporation with its head office located at 160 MacNaughton Avenue, Moncton, NB, E1H 3L9

(hereinafter referred to as "**Landdrill**")

- and -

CANADIAN IMPERIAL BANK OF COMMERCE, a Canadian chartered bank with offices located at 761 Main Street, 2nd Floor, Moncton, NB, E1C 1E5

(hereinafter referred to as "**CIBC**")

- and -

GE CANADA EQUIPMENT FINANCING G.P., a Quebec general partnership, having a place of business at 1250 Rene-Levesque West Blvd., Montreal, QC, H3B 4W8

(hereinafter referred to as "**GE**")

- and -

NORREP CREDIT OPPORTUNITIES FUND LP, an **[Ontario]** limited partnership, having a place of business at 77 King Street West, Suite 3730, Toronto, ON, M5K 2A1

(hereinafter referred to as "**NCOF**")

(CIBC, GE, and NCOF, collectively, the "**Creditors**")

(Landdrill, CIBC, GE and NCOF, each, a "**Party**", collectively, the "**Parties**")

WHEREAS Landdrill International Ltd. ("**Landdrill**") has granted certain security over its assets to each of CIBC and GE as security for indebtedness of Landdrill to each of CIBC and GE;

AND WHEREAS CIBC and GE entered into an Intercreditor Agreement dated as of July 29, 2008, as amended September 2008, as attached hereto as Appendix "A"(the "**Intercreditor Agreement**") whereby CIBC and GE confirmed their respective rights and obligations as creditors of Landdrill, including the respective priorities of CIBC and GE in connection with the indebtedness and obligations of Landdrill to CIBC and GE and the security therefor;

AND WHEREAS Landdrill International Inc. ("**LDI**"), the parent company of Landdrill, has entered into a Credit Agreement dated as of March 21, 2012 with *inter alia* NCOF (the "**Credit Agreement**") pursuant to which LDI will be indebted to NCOF (the "**NCOF Indebtedness**");

AND WHEREAS the subsidiaries of LDI, including Landdrill, have entered into the Credit Agreement as guarantors of LDI's obligations in respect of the NCOF Indebtedness (the "**Landdrill Guarantee**");

AND WHEREAS the NCOF Indebtedness will be used to *inter alia* repay all outstanding CIBC Indebtedness (as such term is defined in the Intercreditor Agreement);

AND WHEREAS, as security for the payment in full of the NCOF Indebtedness, Landdrill shall grant in favour of NCOF a security interest in the Collateral (as such term is defined in the Intercreditor Agreement) (the "**NCOF Security**")

AND WHEREAS the Parties have agreed to enter into this Agreement in order to set out the respective rights of priority of the Creditors in respect of their security in the Collateral.

NOW THEREFORE THIS INDENTURE WITNESSETH that in consideration of the mutual premises and covenants contained herein (and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged), the parties hereto hereby covenant, undertake, declare and agree as follows:

ARTICLE 1 - CONSENT

1.01 CIBC hereby acknowledges and consents to the creation and issue by Landdrill to NCOF of the NCOF Security and to the guarantee by Landdrill of the NCOF Indebtedness and that the creation, issue, existence and incurring of the same does not constitute a default or event of default under CIBC Security (as defined in the Intercreditor Agreement).

1.02 GE hereby acknowledges and consents to the creation and issue by Landdrill to NCOF of the NCOF Security and to the guarantee by Landdrill of the NCOF Indebtedness and that the creation, issue, existence and incurring of the same does not constitute a default or event of default under the GE Security (as defined in the Intercreditor Agreement).

ARTICLE 2 – PRIORITIES

2.01 CIBC Security and the GE Security are each hereby postponed and subordinated to the NCOF Security, to the extent of the NCOF Indebtedness, together with all accrued interest thereon and all costs, charges and expenses incurred by NCOF in connection therewith, except as for all present, future and after-acquired equipment of Landdrill and all present and future attachments, accessories and accessions thereto and all spare parts, replacements, substitutions, exchanges and trade-ins therefor and all intangibles and proceeds (as defined by law) related thereto, including all insurance payments and other indemnities or compensation for loss or damage thereto (collectively, the "**Equipment**"). The GE Security shall not be postponed or subordinated on the Equipment and shall remain first-ranking thereon.

2.02 The priority as between CIBC Security and the GE Security shall continue to be governed by the Intercreditor Agreement.

2.03 The subordination and postponement herein shall apply in all events and circumstances regardless of:

(a) the date of execution, attachment, registration or perfection of any security interest held by any of the Creditors, or;

(b) the date of any advance or advances made to Landdrill or LDI by any of the Creditors; or

(c) the date of default by Landdrill or LDI under any of CIBC Security, GE Security or the NCOF Security; or

(d) any priority granted by any principle of law or any statute.

2.04 Any proceeds, including, without limitation, any insurance proceeds received by Landdrill or LDI or by NCOF, GE or CIBC in respect of the collateral charged by the NCOF Security, the GE Security, or the CIBC Security shall be dealt with according to the preceding provisions hereof as though such proceeds were paid or payable as proceeds of realization of the collateral for which they compensate.

2.05 If any of the NCOF Security, GE Security, or CIBC Security is claimed or found by a trustee in bankruptcy or a court of competent jurisdiction to be unenforceable, invalid, unregistered or unperfected, then the foregoing provisions of this Article 2 shall not apply to such security to the extent that such security is so found to be unenforceable, invalid, unregistered or unperfected as against a third party unless the secured party shall be diligently contesting such a claim and has provided the other party with a satisfactory indemnity.

2.06 Each of the Parties hereto shall permit any of the other Parties hereto and their employees, agents and contractors, access at all reasonable times to any property and assets of Landdrill upon which it has a prior charge or security interest in accordance with the terms hereof and to permit such other party to remove such property and assets from the premises of Landdrill at all reasonable times without interference, provided that such other Party shall promptly repair any damage caused to the premises by the removal of any such property or assets.

2.07 Each of the Creditors shall provide to the others a copy of any written demand for payment, notice of the acceleration of debt and any notice respecting the enforcement security given by Landdrill, forthwith after delivery of such demand or notice to Landdrill, provided that any failure to give the notice required hereby shall not affect the priorities established by this Agreement or give rise to any liability on the part of Landdrill. Such written notices shall be given by courier or by fax to the following addresses:

If to CIBC:

CIBC
761 Main Street
2nd Floor
Moncton, NB E1C 1E5

Attention:	Manager, Commercial banking
Fax:	(506) 859-4550

If to GE:

GE Canada Equipment Financing G.P.
1250 Rene-Levesque West Blvd.
Suite 1100
Montreal, QC H3B 4W8

Attention:	Marcelyne Vigneault
Fax:	(514) 394-3246

If to NCOF:

Norrep Credit Opportunities Fund LP
77 King Street West
Suite 3730
Toronto, ON M5K 2A1

Attention:	Chris Johnson
Fax:	(416) 397-1506

and such notice shall be deemed to be received and shall be effective (i) if given by courier, when delivered and (ii) if given by fax, on the first business day following faxing.

2.08 Landdrill and CIBC covenant and agree that the CIBC Security shall not be amended and CIBC shall make no further loans or advances to Landdrill in excess of $50,000 without first obtaining the written consent of NCOF and GE.

ARTICLE 3 - COVENANTS OF LANDDRILL

3.01 Landdrill hereby confirms to and agrees with the Creditors that:

(1) so long as any of the obligations of Landdrill herein referred to remain outstanding, it shall stand possessed of its property and assets so charged for each of the Creditors in accordance with their respective interests and priorities as herein set out; and

(2) none of the provisions of this Agreement create any right in favour of Landdrill or affect the manner in which any of the Creditors or any receiver and manager appointed by them over the property, assets and undertaking of Landdrill exercises its rights under the GE Security, the CIBC Security and the NCOF Security on or after a notice is delivered pursuant to Section 2.07.

ARTICLE 4 - COVENANTS OF THE CREDITORS IN FAVOUR OF LANDDRILL

4.01 The Creditors each acknowledge that in the event of any conflict between the provisions of this Agreement and the provisions of the Credit Agreement, CIBC Security, Intercreditor Agreement, GE Security or the NCOF Security, the provisions of this Agreement shall prevail, and in particular, that compliance by Landdrill with the terms of this Agreement shall not constitute default by Landdrill under any of the aforesaid. However, between GE and CIBC, the provisions of the Intercreditor Agreement shall prevail, except that Section 2.08 above of this Agreement shall prevail.

ARTICLE 5 - GENERAL

5.01 No Creditor shall take any action to defeat the priorities set forth in this Agreement. Each Creditor hereby waives any right the other may have to require the other to marshal in its favour.

5.02 Each of the Parties shall do, perform, execute and deliver all acts, deeds and documents as may be necessary from time to time to give full force and effect to the intent of this Agreement; provided, however, that no consent of Landdrill shall be necessary to any amendment of the terms hereof by the Creditors unless the interests of Landdrill are directly affected thereby.

5.03 This Agreement may be executed in several counterparts and by electronic copy, each of which when so executed shall be deemed to be an original and all such counterparts when taken together shall constitute one and the same instrument.

5.04 This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

5.05 Neither CIBC nor GE shall assign all or part of any of CIBC Security or the GE Security, as the case may be, without first obtaining a written agreement from the assignee under which the assignee agrees to be bound by the terms of this Agreement, except that GE may syndicate or securitize the whole or any party of the GE Security in the course of its regular syndication or securitization activities.

5.06 This Agreement shall be governed by and construed in accordance with the laws of the Province of New Brunswick and the laws of Canada applicable therein.

5.07 This Agreement shall continue in full force until the earlier of the date on which it is terminated by the mutual consent of the Creditors and the date on which payment in full is made of Landdrill's indebtedness to the Creditors and all facilities established by such party for Landdrill have been cancelled by such payment.

5.08 The parties confirm that it is their wish that this Agreement as well as all other documents relating hereto, including communications and notices, have been and shall be drawn up in English only. *Les parties aux présentes confirment leur volonté que cette convention de même que tous les documents, y compris tous avis, s'y rattachant, soient rédigés en anglais seulement.*

IN WITNESS WHEREOF the parties hereto have executed this Agreement under the hands of their duly authorized officers.

CANADIAN IMPERIAL BANK OF COMMERCE

Per: Coghlin
Name: D. B. COUGHLIN
Title: Authorized Signatory

Per:
Name: Bernie Brayton
Title: Authorized Signatory

GE CANADA EQUIPMENT FINANCING G.P.

Per: ____________________
Name:
Title:

Per: ____________________
Name:
Title:

NORREP CREDIT FINANCING LP, by its General Partner, **Norrep Credit Opportunities Fund Inc.**

Per: ____________________
Name: Chris Johnson
Title: President

Per: ____________________
Name: Brent Hughes
Title: Executive Vice-President

IN WITNESS WHEREOF the parties hereto have executed this Agreement under the hands of their duly authorized officers.

CANADIAN IMPERIAL BANK OF COMMERCE

Per: ______________________
Name:
Title:

Per: ______________________
Name:
Title:

GE CANADA EQUIPMENT FINANCING G.P.

Per: ______________________
Name: Roland Burn
Title: Sr. Account Manager

Per: ______________________
Name: [illegible] Vigneault
Title: Senior Manager, Structured Deals Team.

NORREP CREDIT FINANCING LP, by its General Partner, **Norrep Credit Opportunities Fund Inc.**

Per: ______________________
Name: Chris Johnson
Title: President

Per: ______________________
Name: Brent Hughes
Title: Executive Vice-President

IN WITNESS WHEREOF the parties hereto have executed this Agreement under the hands of their duly authorized officers.

CANADIAN IMPERIAL BANK OF COMMERCE

Per: ______________________________
Name:
Title:

Per: ______________________________
Name:
Title:

GE CANADA EQUIPMENT FINANCING G.P.

Per: ______________________________
Name:
Title:

Per: ______________________________
Name:
Title:

NORREP CREDIT FINANCING LP, by its General Partner, **Norrep Credit Opportunities Fund Inc.**

Per: ______________________________
Name: Chris Johnson
Title: President

Per: ______________________________
Name: Brent Hughes
Title: Executive Vice-President

LANDDRILL INTERNATIONAL LTD.

Per: ______________________

Name: Ron Goguen, Sr.
Title: President

LANDDRILL INTERNATIONAL INC. ACKNOWLEDGES the Priorities Agreement by and between Canadian Imperial Bank of Commerce, GE Canada Equipment Financing G.P. and Norrep Credit Opportunities Fund LP dated as of March 21, 2012 and consents to all matters set out therein.

LANDDRILL INTERNATIONAL INC.

Per: ______________________

Name: Ron Goguen
Title: Chief Executive Officer

APPENDIX "A"
INTERCREDITOR AGREEMENT

CIBC
CERTIFIED TRUE COPY
D. B. COUGHLIN,

1 B 29 NW

INTERCREDITOR AGREEMENT made on July ~~28~~ 29, 2008

BETWEEN: **CANADIAN IMPERIAL BANK OF COMMERCE**

(hereinafter called "**CIBC**")

AND: **GE CANADA EQUIPMENT FINANCING G.P.**

(hereinafter called "**GE**")

WHEREAS Landdrill International Ltd. (the "**Corporation**") is or will be indebted to CIBC (the "**CIBC Indebtedness**") pursuant to an operating credit agreement (the "**Credit Agreement**") to be entered into between the Corporation, as borrower, and CIBC, as lender;

WHEREAS it is contemplated that the Corporation shall grant security and hypothecs over the universality of its present and future movable property, assets and undertaking (collectively, the "**Collateral**") in favour of CIBC, as security for the CIBC Indebtedness;

NW B

WHEREAS the Corporation is or may in the future be indebted to GE (the "**GE Indebtedness**") pursuant to one or more financing arrangements (collectively, the "**GE Agreements**"), including, without limitation, the following agreements: an equipment loan and security agreement dated July ~~28~~ 29, 2008 entered into between the Corporation, as borrower, and GE, as lender, an equipment loan and security agreement dated January 16, 2008 entered into between the Corporation, as borrower, and GE, as lender, and a conditional sale agreement dated July 21, 2008 entered into between the Corporation, as purchaser, and GE, as seller;

WHEREAS the GE Agreements contemplate that the Corporation shall grant security and hypothecs over all or part of the Collateral in favour of GE as security for the GE Indebtedness;

AND WHEREAS CIBC and GE wish to confirm their respective rights and obligations as creditors of the Corporation, including the respective priorities of CIBC and GE in connection with the indebtedness and obligations of the Corporation to CIBC and GE and the security therefor.

THEREFORE, THE LENDERS HEREBY AGREE AS FOLLOWS:

I. RANKING OF SECURITY AND OBLIGATIONS

1. The GE Agreements provide that the Corporation shall, as security for the payment in full of the GE Indebtedness, grant in favour of GE, *inter alia*, a security interest and hypothec on all or part of the Collateral (the "**GE Security**").

CIBC
CERTIFIED TRUE COPY
Coughlin 2/5
D. B. COUGHLIN

2. The Credit Agreement provides that the Corporation shall, as security for the payment in full of the CIBC Indebtedness, grant in favour of CIBC a security interest and hypothec on the Collateral, (the **"CIBC Security"** and, collectively with the GE Security, the "**Lenders Security**").

3. CIBC and GE irrevocably agree that, notwithstanding the date or dates of its registration or perfection, the CIBC Security shall rank in priority to the GE Security with respect to the following Collateral:

   (a) all present and future inventory;

   (b) all present and future accounts receivable arising from the sale of inventory or the rendition of services by the Corporation;

   (c) all proceeds of any of the foregoing including insurance and other amounts payable as indemnity or compensation for loss or damage to such property.

4. CIBC and GE agree that, except as set forth in Section 3, and notwithstanding the date or dates of its registration or perfection, the GE Security shall rank in priority to the CIBC Security in respect of all other Collateral.

5. The priorities in rank granted by GE and CIBC hereunder shall be valid in all circumstances, notwithstanding:

   (a) the date of creation or execution, the taking of effect or the registration or perfection of the GE Security and the CIBC Security;

   (b) the date of any guarantee, agreement or offer of finance signed by the Corporation in favour of CIBC or GE as well as the date of any advance;

   (c) the date of occurrence of any default by the Corporation pursuant to the terms of any of the GE Security and CIBC Security as well as the giving or failure to give any notice; and

   (d) the lack of validity or enforceability of any CIBC Security or GE Security.

6. Notwithstanding any provision to the contrary contained herein or in the GE Loan Agreements, the Credit Agreement or the Lenders Security, any Proceeds of Realization (as hereinafter defined) from the Collateral of the Corporation shall be distributed in accordance with the priorities established in Sections 3 and 4 hereof.

7. In this Agreement, **"Proceeds of Realization"** shall mean all cash or other proceeds derived from the Collateral of the Corporation arising or resulting from the realization, sale or disposition thereof and includes all proceeds of insurance policies covering the Collateral of the Corporation, all proceeds of expropriation and any amount paid to CIBC or GE under or by virtue of its security in the event

of the dissolution, liquidation, bankruptcy, winding-up or other distribution of the property and assets of the Corporation, net of all proper costs, charges and expenses or liabilities incurred in connection with enforcement or realization including, without limitation, reasonable legal fees and all proper costs, charges, expenses and liabilities of any receiver or trustee in bankruptcy.

II. GENERAL

1. Any notice to CIBC or GE hereunder, shall be in writing and may be made by personal delivery or by facsimile transmission as follows:

To CIBC:

Canadian Imperial Bank of Commerce
761 Main Street,
2nd Floor
Moncton, NB E1C 1E5

Attention : Manager, Commercial Banking
Fax : (506) 859-4550

To GE:

GE Canada Equipment Financing G.P.
1 Place Ville-Marie
Suite 1401
Montreal QC H3B 2B2

Attention: Marcelyne Vigneault
Fax: (514) 397-1506

A notice may be given or made by personal delivery or by fax on a Business Day, provided that if any such notice is given or made on a day which is not a Business Day or after 5:00 p.m. Montreal time on a Business Day, then in such case, any such notice shall be deemed to have been delivered on the next following Business Day. In this Agreement, a "Business Day" shall mean any day other than a Saturday, Sunday or statutory holiday in the Province of Quebec.

2. This Agreement shall be governed by and construed in accordance with the laws of the Province of Quebec and the federal laws of Canada applicable therein.

CIBC
CERTIFIED TRUE COPY

D. B. COUGHLIN

3. Each party shall do such acts and shall execute and deliver such further agreements, documents, deeds, assignments and transfers and shall cause the doing of such acts and the execution and delivery of such further items as are within its power and as any other party may in writing at any time and from time to time reasonably request, in order to give full effect to the provisions and intent of this Agreement.

4. It is the express wish of CIBC and GE that this Agreement and any related documents be drawn up and executed in English. *Les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés et signés en anglais.*

IN WITNESS WHEREOF each of the parties hereto has executed this Agreement on the date hereinabove mentioned.

CANADIAN IMPERIAL BANK OF COMMERCE

Per: ______________________
Name: Mike Bagnall
Title: Authorized Signatory

Per: ______________________
Name: DAVID COUGHLIN
Title: AUTHORIZED SIGNATORY

GE CANADA EQUIPMENT FINANCING G.P.

Per: ______________________
Name:
Title:

Per: ______________________
Name: A.B. RUTHERFORD
Title: SENIOR MANAGER - ATLANTIC CANADA

Landdrill International Ltd. acknowledges the present Intercreditor Agreement and consent to all matters set out therein.

LANDDRILL INTERNATIONAL LTD.

Per: ______________________
Name: Derik West
Title: CFO

Per: ______________________
Name:
Title:

Addendum made as of ~~July~~ September 29, 2008.

BETWEEN: **CANADIAN IMPERIAL BANK OF COMMERCE** (hereinafter called "CIBC")

AND: **GE CANADA EQUIPMENT FINANCING G.P.** (hereinafter called "GE")

WHEREAS the parties entered into an Intercreditor Agreement (the "Agreement") dated July 29, 2008;

AND WHEREAS the parties wish to clarify certain matters and amend the Agreement as herein provided.

THEREFORE, the parties hereto agree as follows:

1. This Addendum shall form part of the Agreement and any defined terms used in the Agreement shall have the same meaning when used herein.

2. The term Credit Agreement shall include all amendments and addendums thereto and all restatements or replacements therefor.

3. The term "inventory" when used in the Agreement shall include all present and future consumables, including, without limitation, drilling rods and drilling bits, and shall also include all parts, stores (including, without limitation, replacement pumps, starters and engines), and fluids used in operating and maintaining the business, machinery and equipment now or hereafter conducted or used, as the case may be, by the Corporation.

4. The phrase "insurance and other amounts payable" used in Article I. 3.(c) shall include all amounts paid by way of receivable insurance (eg: EDC or similar insurance).

(continued on page following)

5. Except as herein specifically provided the Agreement shall remain in full force and effect unamended.

IN WITNESS WHEREOF each of the parties hereto has executed this Agreement as of the date hereinabove mentioned.

CANADIAN IMPERIAL BANK OF COMMERCE

Per:______________________________
Name:
Title:

Per:______________________________
Name:
Title:

GE CANADA EQUIMENT FINANCING G.P.

Per:______________________________
Name:
Title:

Landdrill International Ltd. acknowledges the foregoing and consents thereto.

LANDDRILL INTERNATIONAL LTD.

Per:______________________________
Name:
Title: