Attached is Exhibit "7" to the

Affidavit of Michael Pisani sworn the

12th day of April, 2013.

Lara FH

A Commissioner, Etc.

Lara Fitzgerald-Husek, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires April 29, 2014.

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:	If Guarantor is an individual:
Landdrill International Inc. ("Guarantor")	_______________ (s)
By: X _______________ (c/s)	Name: _______________ ("Guarantor")
Title: C F O	Witness: _______________

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 MAROS

BRAD GAGNON

GE 1015A E (11-97)

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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:	If Guarantor is an individual:
Landdrill International Inc. ("Guarantor")	_______________ (s)
By: ⓧ [signature] (c/s)	Name: _______________ ("Guarantor")
Title: CFO	Witness: _______________

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**.

(X) ______________________
Secretary
(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: ________________ (c/s)

Title: CFO

If Guarantor is an individual:

________________ (s)

Name: ________________ ("Guarantor")

Witness: ________________

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.**

X Donald [signature]
~~Secretary~~ CEO
(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: ________________ (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 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)

Attached is Exhibit "8" to the
Affidavit of Michael Pisani sworn the
12th day of April, 2013.

Lara GA

A Commissioner, Etc.

Lara Fitzgerald-Husek, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law
Expires April [illegible], 2013

9512659.1

GE Capital

GENERAL SECURITY AGREEMENT

THIS AGREEMENT is made as of July 20, 2010

BETWEEN:

Landdrill International Inc., a corporation, organized under the laws of New Brunswick (the "Debtor")

- AND -

THE SECURED PARTY (as hereinafter defined)

WHEREAS the Debtor has agreed to grant a security interest and assignment, mortgage and charge in the Collateral in order to secure the performance of its Obligations to the Secured Party;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the covenants and agreements herein contained the parties hereto agree as follows:

ARTICLE 1 — INTERPRETATION

1.01 Interpretation

In this Agreement, unless something in the subject matter or context is inconsistent therewith,

"Agreement" means this agreement and all amendments made hereto by written agreement between the Secured Party and the Debtor.

"Collateral" has the meaning set out in Section 2.01.

"Event of Default" has the meaning set out in Section 6.01.

"Obligations" means all obligations of the Debtor to the Secured Party including, without limiting the generality of the foregoing:

(a) all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, whenever and howsoever incurred, in any currency at any time owing by the Debtor to the Secured Party or remaining unpaid by the Debtor to the Secured Party and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether arising from dealings between the Secured Party and the Debtor or from other dealings or proceedings by which the Secured Party may be or become in any manner whatsoever a creditor of the Debtor and wherever incurred and whether incurred by the Debtor alone or with another or others and whether as principal or surety, including all interest, commissions, legal and other costs, charges and expenses; and

(b) all debts and liabilities of any kind whatsoever of the Debtor to the Secured Party in connection with or relating to the Specific Agreements

"Secured Party" means GE Canada Equipment Financing G.P., GE Canada Leasing Services Company, General Electric Canada Equipment Finance G.P., GE Canada Asset Financing Holding Company, GE Technology Finance, GE VFS Canada Limited Partnership and GE Capital Canada Equipment Financing & Leasing Company collectively and each of them individually, and the predecessors, successors and assigns of each of them, including, without limitation, each successor arising as a result of an amalgamation or other corporate and business reorganization.

"Specific Agreements" means all agreements made between the Debtor and the Secured Party as the same may be amended from time to time.

The terms "accessions", "accounts", "chattel paper", "documents of title", "goods", "instruments", "intangibles", "inventory", "money", "proceeds", "purchase money security interest" and "securities" whenever used herein have the meanings given to those terms in the Personal Property Security Act (New Brunswick), as now enacted or as the same may from time to time be amended, re-enacted or replaced.

1.02 **Sections and Headings**

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, reference herein to Articles and Sections are to Articles and Sections of this Agreement.

1.03 **Extended Meanings**

In this Agreement words importing the singular number only include the plural and *vice versa*, words importing any gender include all genders and words importing persons include individuals, partnerships, associations, trusts, unincorporated organizations and corporations.

ARTICLE 2 — GRANT OF SECURITY INTEREST

2.01 **Security Interest**

As general and continuing security for the payment and performance of all Obligations of the Debtor to the Secured Party, the Debtor hereby grants to the Secured Party a security interest in the present and future undertaking and property, both real and personal, of the Debtor (collectively, the "Collateral"), and as further general and continuing security for the payment and performance of the Obligations, the Debtor hereby assigns the Collateral to the Secured Party and mortgages and charges the Collateral as and by way of a fixed and specific mortgage and charge to the Secured Party. Without limiting the generality of the foregoing, the Collateral will include all right, title and interest that the Debtor now has or may hereafter have, be possessed of, be entitled to, or acquire, by way of amalgamation or otherwise, now or hereafter or may hereafter have in all property of the following kinds:

(a) Receivables: all debts, accounts, claims and choses in action for monetary amounts which are now or which may hereafter become due, owing or accruing due to the Debtor (collectively, the "Receivables");

(b) Inventory: all inventory of whatever kind and wherever situated including, without limiting the generality of the foregoing, all goods held for sale or lease or furnished or to be furnished under contracts for service or used or consumed in the business of the Debtor (collectively, the "Inventory");

(c) Equipment: all machinery, equipment, fixtures, furniture, plant, vehicles and other tangible personal property which are not Inventory (collectively, the "Equipment");

(d) Chattel Paper: all chattel paper;

(e) Documents of Title: all warehouse receipts, bills of lading and other documents of title, whether negotiable or not;

(f) Securities and Instruments: all shares, stock, warrants, bonds, debentures, debenture stock and other securities and all instruments (collectively, the "Securities");

(g) Intangibles: all intangibles not otherwise described in this Section 2.01 including, without limiting the generality of the foregoing, all goodwill, patents, trademarks, copyrights and other industrial property;

(h) Money: all coins or bills or other medium of exchange adopted for use as part of the currency of Canada or of any foreign government;

(i) Books, Records, Etc.: all books, papers, accounts, invoices, documents and other records in any form evidencing or relating to any of the property described in this Section 2.01 and all contracts, securities, instruments and other rights and benefits in respect thereof;

(j) Substitutions, Etc.: all replacements of, substitutions for and increases, additions and accessions to any of the property described in this Section 2.01; and

(k) Proceeds: all proceeds of any Collateral in any form derived directly or indirectly from any dealing with the Collateral or that indemnifies or compensates for the loss of or damage to the Collateral;

provided that the said assignment and mortgage and charge will not (i) extend or apply to the last day of the term of any lease or any agreement therefor now held or hereafter acquired by the Debtor, but should the Secured Party enforce the said assignment or mortgage and charge, the Debtor will thereafter stand possessed of such last day and must hold it in trust to assign the same to any person acquiring such term in the course of the enforcement of the said assignment and mortgage and charge, or (ii) render the Secured Party liable to observe or perform any term, covenant or condition of any agreement, document or instrument to which the Debtor is a party or by which it is bound.

2.02 **Attachment of Security Interest**

The Debtor acknowledges that value has been given and agrees that the security interest granted hereby will attach when the Debtor signs this Agreement and the Debtor has any rights in the Collateral.

ARTICLE 3 — GENERAL REPRESENTATIONS,WARRANTIES AND COVENANTS OF THE DEBTOR

3.01 **Representations and Warranties**

The Debtor hereby represents and warrants to the Secured Party that:

(a) the Debtor is duly organized and subsisting under the laws of its jurisdiction of organization, with the power to enter into this Agreement; this Agreement has been duly authorized by all necessary action on the part of the Debtor and constitutes a legal and valid agreement binding upon the Debtor enforceable in accordance with its terms; the making and performance of this Agreement will not result in the breach of, constitute a default under, contravene any provision of, or result in the creation of, any lien, charge, security interest, encumbrance or any other rights of others upon any property of the Debtor pursuant to any agreement, indenture or other instrument to which the Debtor is a party or by which the Debtor or any of its property may be bound or affected;

(b) all financial information provided by the Debtor to the Secured Party is true, correct and complete; all financial statements have been prepared in accordance with Canadian generally accepted accounting principles consistently applied; there has been no material adverse change in the Debtor's financial condition since the date of the most recent financial statements provided to the Secured Party;

(c) except as otherwise disclosed in a schedule hereto, all of the Collateral is the sole property of the Debtor free from any liens, charges, security interests, encumbrances or any rights of others; and

(d) the address of the Debtor's chief executive office and the office where it keeps its records respecting the Receivables, is that given in the Schedule hereto.

3.02 **Covenants**

The Debtor covenants with the Secured Party that the Debtor will:

(a) ensure that the representations and warranties set forth in Section 3.01 will be true and correct at all times;

(b) maintain, use and operate the Collateral and carry on and conduct its business in a lawful and business-like manner;

(c) not permit the Collateral to be affixed to real or personal property so as to become a fixture or accession without the prior written consent of the Secured Party;

(d) defend the Collateral against all claims and demands respecting the Collateral made by all persons at any time and, except as otherwise provided herein, will keep the Collateral free and clear of all security interests, mortgages, charges, liens and other encumbrances or interests except for those disclosed in a schedule hereto or hereafter approved in writing by the Secured Party prior to their creation or assumption;

(e) not change its chief executive office and the location of the office where it keeps its records respecting the Receivables, or move any of the Inventory, Securities or Equipment from the locations specified in any schedule hereto, without the prior written consent of the Secured Party;

(f) pay all rents, taxes, levies, assessments and government fees or dues lawfully levied, assessed or imposed in respect of the Collateral or any part thereof as and when the same become due and payable, and will exhibit to the Secured Party, when required, the receipts and vouchers establishing such payment;

(g) keep proper books of account in accordance with sound accounting practice, will furnish to the Secured Party such financial information and statements and such information and statements relating to the Collateral as the Secured Party may from time to time require, and the Debtor will permit the Secured Party or its authorized agents at any time at the expense of the Debtor to examine the books of account and other financial records and reports relating to the Collateral and to make copies thereof and take extracts therefrom;

(h) from time to time forthwith at the request of the Secured Party furnish to the Secured Party in writing all information requested relating to the Collateral, and the Secured Party will be entitled from time to time at any reasonable time to inspect the Collateral and make copies of all information relating to the Collateral and for such purposes the Secured Party will have access to all premises occupied by the Debtor or where the Collateral may be found;

(i) from time to time forthwith at the request of the Secured Party execute and deliver all such financing statements, schedules, assignments and documents, and do all such further acts and things as may be reasonably required by the Secured Party to effectively carry out the full intent and meaning of this Agreement or to better evidence and perfect the security interest, assignment and mortgage and charge granted hereby, and the Debtor hereby irrevocably constitutes and appoints the Secured Party, or any Receiver appointed by the court or the Secured Party, the true and lawful attorney of the Debtor, with full power of substitution, to do any of the foregoing in the name of the Debtor whenever and wherever the Secured Party or any such Receiver may consider it to be necessary or expedient;

(j) not change its name or, if the Debtor is a corporation, will not amalgamate with any other corporation without first giving notice to the Secured Party of its new name and the names of all amalgamating corporations and the date when such new name or amalgamation is to become effective; and

(k) pay to the Secured Party forthwith upon demand all reasonable costs and expenses (including, without limiting the generality of the foregoing, all legal, Receiver's and accounting fees and expenses) incurred by or on behalf of the Secured Party in connection with the preparation, execution and perfection of this Agreement and the carrying out of any of the provisions of this Agreement including, without limiting the generality of the foregoing, protecting and preserving the security interest, assignment and mortgage and charge granted hereby and enforcing by legal process or otherwise the remedies provided herein; and all such costs and expenses will be added to and form part of the Obligations secured hereunder.

ARTICLE 4 — INSURANCE

4.01 Insurance

The Debtor must obtain and maintain, at its own expense, insurance against loss or damage to the Collateral including, without limiting the generality of the foregoing, loss by fire (including so-called extended coverage), theft, collision and such other risks of loss as are customarily insured against on this type of Collateral, in an amount not less than the full replacement value thereof, in such form and with such insurers as are reasonably satisfactory to the Secured Party. If any such policies of insurance contain a co-insurance clause, the Debtor will either cause any such co-insurance clause to be waived or maintain at all times a sufficient amount of insurance to meet the requirements of any such co-insurance clause so as to prevent the Debtor from becoming a co-insurer under the terms of any such policy. All such policies must name the Secured Party as an additional insured and loss payee thereof, as the Secured Party's interests may appear, and must provide that the insurer will give the Secured Party at least 10 days written notice of intended cancellation. At the Secured Party's request, the Debtor must furnish the Secured Party with a copy of any policy of insurance and certificate of insurance or other evidence satisfactory to the Secured Party that such insurance coverage is in effect. The Debtor must give the Secured Party notice of any damage to, or loss of, the Collateral forthwith upon the occurrence of any such damage or loss. Should the Debtor fail to make any payment or perform any other obligation provided in this Section, the Secured Party will have the right, but not the obligation, without notice or demand upon the Debtor and without releasing the Debtor from any obligation hereunder or waiving any rights to enforce this Agreement, to perform any or all of such obligations. The amount of all such payments made and all costs, fees and expenses incurred by the Secured Party in performing such obligations will be immediately due and payable by the Debtor.

ARTICLE 5 — DEALING WITH COLLATERAL

5.01 Dealing with Collateral by the Debtor

The Debtor must not sell, lease or otherwise dispose of any of the Collateral without the prior written consent of the Secured Party, except that the Debtor may, until an Event of Default occurs, deal with its money or sell items of Inventory in the ordinary course of its business so that the purchaser thereof takes title thereto free and clear of the security interest, assignment and mortgage and charge granted hereby, but all proceeds of any such sale will continue to be subject to the security interest, assignment and mortgage and charge granted hereby and all money received by the Debtor will be received as trustee for the Secured Party and must be held separate and apart from other money of the Debtor and must be paid over to the Secured Party upon request.

5.02 **Rights and Duties of the Secured Party**

(1) The Secured Party may perform any of its rights and duties hereunder by or through agents and is entitled to retain counsel and to act in reliance upon the advice of such counsel concerning all matters pertaining to its rights and duties hereunder.

(2) In the holding of the Collateral, the Secured Party and any nominee on its behalf is only bound to exercise the same degree of care as it would exercise with respect to similar property of its own of similar value held in the same place. The Secured Party and any nominee on its behalf will be deemed to have exercised reasonable care with respect to the custody and preservation of the Collateral if it takes such action for that purpose as the Debtor reasonably requests in writing, but failure of the Secured Party or its nominee to comply with any such request will not of itself be deemed a failure to exercise reasonable care.

5.03 **Registration of Securities**

The Secured Party may have any Securities registered in its name or in the name of its nominee and will be entitled but not bound or required to exercise any of the rights that any holder of such Securities may at any time have, provided that until an Event of Default has occurred and is continuing, the Debtor will be entitled to exercise, in a manner not prejudicial to the interests of the Secured Party or which would violate or be inconsistent with this Agreement, all voting power from time to time exercisable in respect of the Securities. The Secured Party will not be responsible for any loss occasioned by its exercise of any of such rights or by failure to exercise the same within the time limited for the exercise thereof. The Debtor must from time to time forthwith upon the request of the Secured Party deliver to the Secured Party those Securities requested by the Secured Party duly endorsed for transfer to the Secured Party or its nominee to be held by the Secured Party subject to the terms of this Agreement.

5.04 **Notification of Account Debtors**

Before an Event of Default occurs, the Secured Party may give notice of this Agreement and the security interest and assignment granted hereby to any account debtors of the Debtor or to any other person liable to the Debtor and, after the occurrence of an Event of Default, may give notice to any such account debtors or other person to make all further payments to the Secured Party, and any payment or other proceeds of Collateral received by the Debtor from account debtors or from any other person liable to the Debtor whether before or after any notice is given by the Secured Party must be held by the Debtor in trust for the Secured Party and paid over to the Secured Party on request.

5.05 **Application of Funds**

Except where the Debtor, when not in default hereunder, so directs in writing at the time of payment, all money collected or received by the Secured Party in respect of the Collateral may be applied on account of such parts of the Obligations as the Secured Party in its sole discretion determines, or may be held unappropriated in a collateral account, or in the discretion of the Secured Party may be released to the Debtor, all without prejudice to the Secured Party's rights against the Debtor.

ARTICLE 6 — DEFAULT AND REMEDIES

6.01 Events of Default

The Debtor will be in default under this Agreement upon the occurrence of any of the following events (herein referred to as an "Event of Default"):

(a) the Debtor does not pay to the Secured Party any amount owing in connection with any of the Obligations within 10 days of its due date;

(b) the Debtor does not observe or perform any covenant or obligation of the Debtor contained in this Agreement or in respect of the Obligations (other than a covenant or condition the breach or default in performance of which is specifically dealt with elsewhere in this Section 6.01) and, if such default is capable of being remedied, such default is not remedied within 10 days after notice has been given by the Secured Party to the Debtor specifying such default;

(c) any information, representation or warranty made by the Debtor herein or in any document or certificate provided at any time to the Secured Party in connection herewith is proven to be incorrect or misleading in any material respect;

(d) the Debtor defaults under any material agreement with any other person;

(e) the Debtor ceases or threatens to cease to carry on the business currently being carried on by it or a substantial portion thereof or makes or agrees to make an assignment, disposition or conveyance, whether by way of sale or otherwise, of its assets in bulk;

(f) the Debtor is an insolvent person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) or commits or threatens to commit any act of bankruptcy;

(g) the commencement of any proceeding or the taking of any step by or against the Debtor for the dissolution, liquidation or winding-up of the Debtor or for any relief under the laws of any jurisdiction relating to bankruptcy, insolvency, reorganization, arrangement, compromise or winding-up, or for the appointment of one or more of a trustee, receiver, receiver and manager, custodian, liquidator or any other person with similar powers with respect to the Debtor or the Collateral or any part thereof;

(h) the Collateral or any part thereof is seized or otherwise attached by anyone pursuant to any legal process or other means, including distress, execution or any other step or proceeding with similar effect, and the same is not released, bonded, satisfied, discharged or vacated within the shorter of a period of 15 days and 10 days less than such period as would permit such property or any part thereof to be sold pursuant thereto; or

(i) the Secured Party believes in good faith that the prospect of payment or performance of any of the Obligations is impaired or that the Collateral is in danger of being lost, damaged or confiscated, or of being encumbered by the Debtor or seized or otherwise attached by anyone pursuant to any legal process.

6.02 **Remedies**

(1) On or after the occurrence of any Event of Default, (i) any or all of the Obligations will at the option of the Secured Party become immediately due and payable or be subject to immediate performance, as the case may be, without presentment, protest or notice of dishonour, all of which are expressly waived; (ii) the obligation, if any, of the Secured Party to extend further credit to the Debtor will cease; (iii) any or all security granted hereby will, at the option of the Secured Party, become immediately enforceable; and (iv) in addition to any right or remedy provided by law, the Secured Party will have the rights and remedies set out below, all of which rights and remedies will be enforceable successively, concurrently or both:

(a) the Secured Party may by appointment in writing appoint a receiver or receiver and manager (each herein referred to as the "Receiver") of the Collateral (which term when used in this Section 6.02 will include the whole or any part of the Collateral) and may remove or replace such Receiver from time to time or may institute proceedings in any court of competent jurisdiction for the appointment of a Receiver of the Collateral; and the term "Secured Party" when used in this Section 6.02 will include any Receiver so appointed and the agents, officers and employees of such Receiver; and the Secured Party will not be in any way responsible for any misconduct or negligence of any such Receiver;

(b) the Secured Party may take possession of the Collateral and require the Debtor to assemble the Collateral and deliver or make the Collateral available to the Secured Party at such place or places as may be specified by the Secured Party;

(c) the Secured Party may take such steps as it considers desirable to maintain, preserve or protect the Collateral;

(d) the Secured Party may carry on or concur in the carrying on of all or any part of the business of the Debtor;

(e) the Secured Party may enforce any rights of the Debtor in respect of the Collateral by any manner permitted by law;

(f) the Secured Party may sell, lease or otherwise dispose of the Collateral at public auction, by private tender, by private sale or otherwise either for cash or upon credit upon such terms and conditions as the Secured Party may determine and without notice to the Debtor unless required by law;

(g) the Secured Party may accept the Collateral in satisfaction of the Obligations upon notice to the Debtor of its intention to do so in the manner required by law;

(h) the Secured Party may, for any purpose specified herein, borrow money on the security of the Collateral in priority to the security interest, assignment and mortgage and charge granted by this Agreement;

(i) the Secured Party may enter upon, occupy and use all or any of the premises, buildings and plant occupied by the Debtor and use all or any of the Equipment and other personal property of the Debtor for such time as the Secured Party requires to facilitate the realization of the Collateral, free of charge, and the Secured Party will not be liable to the Debtor for any neglect in so doing or in respect of any rent, charges, depreciation or damages in connection with such actions;

(j) the Secured Party may charge on its own behalf and pay to others all reasonable amounts for expenses incurred and for services rendered in connection with the exercise of the rights and remedies of the Secured Party hereunder, including, without limiting the generality of the foregoing, reasonable legal, Receiver and accounting fees and expenses, and in every such case the amounts so paid together with all costs, charges and expenses incurred in connection therewith, including interest thereon at such rate as the Secured Party deems reasonable, will be added to and form part of the Obligations hereby secured; and

(k) the Secured Party may discharge any claim, lien, mortgage, charge, security interest, encumbrance or any rights of others that may exist or be threatened against the Collateral, and in every such case the amounts so paid together with costs, charges and expenses incurred in connection therewith will be added to the Obligations hereby secured.

(2) The Secured Party may (i) grant extensions of time, (ii) take and perfect or abstain from taking and perfecting security, (iii) give up securities, (iv) accept compositions or compromises, (v) grant releases and discharges, and (vi) release any part of the Collateral or otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with the Collateral and other security as the Secured Party sees fit without prejudice to the liability of the Debtor to the Secured Party or the Secured Party's rights hereunder.

(3) The Secured Party will not be liable or responsible for any failure to seize, collect, realize, or obtain payment with respect to the Collateral and is not bound to institute proceedings or to take other steps for the purpose of seizing, collecting, realizing or obtaining possession or payment with respect to the Collateral or for the purpose of preserving any rights of the Secured Party, the Debtor or any other person, in respect of the Collateral.

(4) The Secured Party may apply any proceeds of realization of the Collateral to payment of expenses in connection with the preservation and realization of the Collateral as above described and the Secured Party may apply any balance of such proceeds to payment of the Obligations in such order as the Secured Party sees fit. If there is any surplus remaining, the Secured Party may pay it to any person having a claim thereto in priority to the Debtor of whom the Secured Party has knowledge and any balance remaining must be paid to the Debtor. If the disposition of the Collateral fails to satisfy the Obligations secured by this Agreement and the aforesaid expenses, the Debtor will be liable to pay any deficiency to the Secured Party forthwith on demand.

ARTICLE 7 — GENERAL

7.01 Benefit of the Agreement

This Agreement will enure to the benefit of and be binding upon the successors and permitted assigns of the parties hereto.

7.02 **Entire Agreement**

This Agreement has been entered into pursuant to the provisions of the Specific Agreements and is subject to all the terms and conditions thereof and, if there is any conflict or inconsistency between the provisions of this Agreement and the provisions of any Specific Agreement, the rights and obligations of the parties will be governed by the provisions of the Specific Agreement. This Agreement cancels and supersedes any prior understandings and agreements between the parties hereto with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the Secured Party and the Debtor with respect to the subject matter hereof except as expressly set forth herein or in the Specific Agreements.

7.03 **Amendments and Waivers**

No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by all of the parties hereto. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided in the written waiver, will be limited to the specific breach waived.

7.04 **Assignment**

The rights of the Secured Party under this Agreement may be assigned by the Secured Party without the prior consent of the Debtor. The Debtor may not assign its obligations under this Agreement.

7.05 **Severability**

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

7.06 **Notices**

Any demand, notice or other communication to be given in connection with this Agreement must be given in writing and may be given by personal delivery, by registered mail or by electronic means of communication, addressed to the recipient as follows:

To the Debtor:

Landdrill International Inc.

Address 160 MacNaughton Avenue.

New Brunswick, E1H 2H6

Telecopier No.:

Attention:

To the Secured Party:

	GE Capital, Canada
Address	239 Brownlow Avenue, suite 204
	Dartmouth
Telecopier No.:	1 (902) 468-8270
Attention:	Roland Burn

or such other address, individual or electronic communication number as may be designated by notice given by any party to the other. Any demand, notice or other communication given by personal delivery will be conclusively deemed to have been given on the day of actual delivery thereof and, if given by registered mail, on the third business day following the deposit thereof in the mail and, if given by electronic communication, on the day of transmittal thereof if given during the normal business hours of the recipient and on the next business day during which such normal business hours next occur if not given during such hours on any day. If the party giving any demand, notice or other communication knows or ought reasonably to know of any difficulties with the postal system that might affect the delivery of mail, any such demand, notice or other communication must not be mailed but must be given by personal delivery or by electronic communication.

7.07 **Additional Continuing Security**

This Agreement and the security interest, assignment and mortgage and charge granted hereby are in addition to and not in substitution for any other security now or hereafter held by the Secured Party and this Agreement is a continuing agreement and security that will remain in full force and effect until discharged by the Secured Party.

7.08 **Further Assurances**

The Debtor must at its expense from time to time do, execute and deliver, or cause to be done, executed and delivered, all such financing statements, further assignments, documents, acts, matters and things as may be reasonably requested by the Secured Party for the purpose of giving effect to this Agreement or for the purpose of establishing compliance with the representations, warranties and covenants herein contained.

7.09 **Power of Attorney**

Upon the occurrence of an Event of Default that is continuing, the Debtor hereby irrevocably constitutes and appoints any officer for the time being of the Secured Party the true and lawful attorney of the Debtor, with full power of substitution, to do, make and execute all such statements, assignments, documents, acts, matters or things with the right to use the name of the Debtor whenever and wherever the officer may deem necessary or expedient and from time to time to exercise all rights and powers and to perform all acts of ownership in respect to the Collateral in accordance with this Agreement.

7.10 **Discharge**

The Debtor will not be discharged from any of the Obligations or from this Agreement except by a release or discharge signed in writing by the Secured Party.

7.11 **Governing Law**

This Agreement will be governed by and construed in accordance with the laws of the Province where the address of Client is located (as stated below, or if no such address is specified, with the laws of the Province of New Brunswick) and the laws of Canada applicable therein.

7.12 **Executed Copy**

The Debtor acknowledges receipt of a fully executed copy of this Agreement.

IN WITNESS WHEREOF the parties have executed this Agreement.

DEBTOR:

LANDDRILL INTERNATIONAL INC.

Per: ⊗ Donald Hogan
Name:
Title:

Date of Execution

Per: ⊗
Name: David Way
Title: CFO

Address of Debtor

SECURED PARTY:

GE CANADA EQUIPMENT FINANCING G.P.
GE CANADA LEASING SERVICES COMPANY
GENERAL ELECTRIC CANADA EQUIPMENT FINANCE G.P.
GE CANADA ASSET FINANCING HOLDING COMPANY
GE TECHNOLOGY FINANCE
GE VFS CANADA LIMITED PARTNERSHIP
GE CAPITAL CANADA EQUIPMENT FINANCING & LEASING COMPANY

July 20, 2010
Date of Execution

Per:
Name:
Title:

SCHEDULE

To the General Security Agreement ("GSA") made as of July 20, 2010 between Landdrill International Inc., as Debtor, GE Canada Equipment Financing G.P., GE Canada Leasing Services Company, General Electric Canada Equipment Finance G.P., GE Canada Asset Financing Holding Company, GE Technology Finance, GE VFS Canada Limited Partnership and GE Capital Canada Equipment Financing & Leasing Company as Secured Party

A. The Specific Agreements are the following (Section 1.01 of the GSA):

- - the Guarantee and Indemnity Agreement dated January 16, 2008,
- - the Guarantee and Indemnity Agreement dated July 21, 2008,
- - the Guarantee and Indemnity Agreement dated July 29, 2008,

B. The permitted liens are the following (Sections 3.01(c) and 3.02(d) of the GSA):

- n/a

C. The Collateral locations and chief executive office of the Debtor are the following (Section 3.02(e) of the GSA):

- Chief Executive Office: 160 MacNaughton Avenue,
- New Brunswick, E1H 2H6
- Location of Business Records: 160 MacNaughton Avenue,
- New Brunswick, E1H 2H6
- Location(s) of Collateral: New Brunswick, Nova Scotia, Ontario, Québec and Newfoundland and Labrador

D. Other Special Provisions: n/a

The parties acknowledge receipt of a fully executed copy of this Schedule which is incorporated by reference and deemed to be a part of the above-mentioned General Security Agreement.

DEBTOR: LANDDRILL INTERNATIONAL INC.

July 20, 2010
Date of Execution

Per: (X) [signature]
Name:
Title:

Per: ⊗ ______________________________
Name: Derrick [illegible]
Title: CFO

SECURED PARTY:

GE CANADA EQUIPMENT FINANCING G.P.
GE CANADA LEASING SERVICES COMPANY
GENERAL ELECTRIC CANADA EQUIPMENT FINANCE G.P.
GE CANADA ASSET FINANCING HOLDING COMPANY
GE TECHNOLOGY FINANCE
GE VFS CANADA LIMITED PARTNERSHIP
GE CAPITAL CANADA EQUIPMENT FINANCING & LEASING COMPANY

Per: ______________________________
Name:
Title:

____
Date of Execution

GE Capital

HYPOTHECATION AND PLEDGE AGREEMENT

No:

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

HYPOTHECARY DEBTOR **Landdrill International Inc.**

ADDRESS. **160 MacNaughton Avenue**

New Brunswick, E1H 2H6

CONTACT:
Tel:

EQUIPMENT LOCATION (if at address other than above)

INSURANCE

EQUIPMENT

UNITS	MODEL	YEAR	DESCRIPTION	SERIAL Nos.
			All of the Hypothecary Debtor's movable property, corporeal and incorporeal, present and fiuture.	

AMOUNT OF HYPOTHEC. **$ 1 950,381.09 CAD**
RATE OF INTEREST: **24.00% p.a.**

Obligations Secured: [X] SPECIFIC OBLIGATIONS SECURED [ ] GENERAL OBLIGATIONS SECURED

SPECIFIC OBLIGATIONS SECURED:
See Schedule 1 which is an integral part of this agreement.

ADDITIONAL PROVISIONS
See Schedule 2 which is an integral part of this agreement.

Hypothecary Debtor acknowledges that it is or will be indebted, obliged or under a liability towards Hypothecary Creditor (as defined below) and has agreed to grant Hypothecary Creditor a hypothec on the terms and conditions set forth above, on pages 1, 2, 3, 4 and 5 of document 15142 E (Québec) attached hereto, on all applicable schedules and other attachments hereto, all of which terms and conditions form a part of this Hypothecation and Pledge Agreement. HYPOTHECARY DEBTOR EXPRESSLY ACKNOWLEDGES THAT ALL EXTERNAL CLAUSES, IF ANY, REFERRED TO IN THIS AGREEMENT WERE EXPRESSLY BROUGHT TO HYPOTHECARY DEBTOR'S ATTENTION AND KNOWLEDGE AT THE TIME OF SIGNING OF THIS AGREEMENT. HYPOTHECARY DEBTOR ACKNOWLEDGES THAT, BEFORE SIGNING, HYPOTHECARY DEBTOR WAS GIVEN SUFFICIENT TIME TO READ AND STUDY THE TERMS AND CONDITIONS OF THIS AGREEMENT, THAT HYPOTHECARY DEBTOR WAS ALSO GIVEN THE OPPORTUNITY TO ASK FOR EXPLANATIONS AND CLARIFICATIONS AND TO CONSULT ADVISORS OF ITS CHOICE AND AS A RESULT HYPOTHECARY DEBTOR DECLARES THAT IT UNDERSTANDS AND IS SATISFIED WITH ALL OF THE PROVISIONS OF THIS AGREEMENT.

IN WITNESS WHEREOF the parties hereto have executed this Hypothecation and Pledge Agreement at Moncton in the province of New Brunswick, this 20th day of July 2010.

Landdrill International Inc. ("Hypothecary Debtor")

B : ⊗ TITLE

CFO TITLE

SIGNATURE OF AUTHORIZED OFFICERS

GE Canada Equipment Financing G.P. ("Hypothecary Creditor")

B :

SIGNATURE OF AUTHORIZED OFFICERS

GE 14142A E (05-94) (QUÉBEC)

GE Capital

SCHEDULE 1

No:

This SCHEDULE 1 is an integral part of the HYPOTHECATION AND PLEDGE AGREEMENT No.1 executed at Moncton in the province of New Brunswick, this 20th dav of Julv 2010.

SPECIFIC OBLIGATIONS SECURED:

OBLIGATIONS SECURED:

Notwithstanding the reference in this Agreement to Schedule 1, the "Obligations" are as described in this Schedule, namely: any and all present and future indebtedness, liabilities and obligations of Hypothecary Debtor to Hypothecary Creditor now or hereafter arising under :

- the Guarantee and Indemnity Agreement dated January 16, 2008,
- the Guarantee and Indemnity Agreement dated July 21, 2008,
- the Guarantee and Indemnity Agreement dated July 29, 2008,

as the same may be amended from time to time and any other agreement, document or instrument related thereto, and any modifications, extensions and renewals thereof from time to time.

Landdrill International Inc. ("Hypothecary Debtor")

By: CEO TITLE

CFO TITLE

SIGNATURE OF AUTHORIZED OFFICERS

GE Canada Equipment Financing G.P. ("Hypothecary Creditor")

By: TITLE

SIGNATURE OF AUTHORIZED OFFICERS TITLE

GE 14142W E (05-94)(QUÉBEC)

GE
Capital Solutions

SCHEDULE 2

No:

This SCHEDULE 2 is an integral part of the HYPOTHECATION AND PLEDGE AGREEMENT No.1 executed at Moncton in the province of New Brunswick, this 20th day of July 2010.

ADDITIONAL PROVISIONS

UNIVERSALITIES OF HYPOTHECATED PROPERTY (RECEIVABLES):

In addition to the Equipment described on the face of this Agreement (and notwithstanding the reference in this Agreement to Schedule 2), Hypothecary Debtor hypothecates the universality consisting of all the rights, title and interest of Hypothecary Debtor in and to all claims directly or indirectly held or enjoyed in connection with the possession and use of such 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 such Equipment; (b) all indemnities or insurance proceeds, if any, paid or to be paid or to which Hypothecary Debtor is or may become entitled, pursuant to any insurance policies covering such 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 Hypothecary Debtor to receive and collect such moneys.

UNIVERSALITIES OF HYPOTHECATED PROPERTY (GECEF ACCOUNT):

In addition to the Equipment described on the face of this Agreement (and notwithstanding the reference in this Agreement to Schedule 2), Hypothecary Debtor hypothecates all of Hypothecary Debtor's present and future rights, title and interest in and to the Equipment described on the face of this Agreement, including all rights of Hypothecary Debtor to purchase or acquire title to any such items of Equipment from GE Canada Equipment Financing G.P. and/or GE Canada Leasing Services Company at any time.

Landdrill International Inc. ("Hypothecary Debtor")

By: [signature] CEO

[signature] CFO

SIGNATURE OF AUTHORIZED OFFICERS — TITLE

GE Canada Equipment Financing G.P. ("Hypothecary Creditor")

By: [signature]

TITLE

SIGNATURE OF AUTHORIZED OFFICERS — TITLE

GE 14142A E (05-94)(QUÉBEC)

GE Capital

HYPOTHECATION AND PLEDGE AGREEMENT

1. ***Interpretation***

1.1 For the purpose of this Agreement:

(a) "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.

(b) "Agreement" means this Hypothecation and Pledge Agreement and any applicable schedules or attachments hereto, unless the context otherwise requires, and "hereof", "herein", "hereby", "hereunder" and similar expressions refer to the whole of, and not to any particular section, subsection, paragraph or subparagraph of, this Agreement.

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

(d) "Claims" has the meaning assigned in Section 14.

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

(f) "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).

(g) "Costs of Disposition" means all costs, disbursements, fees, commissions and other expenses which Hypothecary Creditor 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 Hypothecated Property.

(h) "Default" means the occurrence or happening of any of those events or circumstances specified in Section 11.

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

(j) "Hypothecary Creditor" means Hypothecary Creditor stated on the face hereof.

(k) "Hypothecary Debtor" means Hypothecary Debtor of Hypothecary Creditor stated on the face hereof

(l) "Hypothecated Property" means the Equipment described on the face hereof or the universalities of movable property described in Schedule 2 and where applicable, Schedule 3 to this Agreement and hypothecated by Hypothecary Debtor in favour of Hypothecary Creditor under Section 3 hereof, as the case may be.

(m) "Obligation" means (i) where, as shown on the face hereof or in Schedule 1 to this Agreement, specific obligations are hereby secured, all present and future indebtedness, liabilities and obligations of Hypothecary Debtor to Hypothecary Creditor under the contracts and agreements described on the face hereof or in Schedule 1 hereto, as the case may be and (ii) where, as shown on the face hereof, general obligations are hereby secured, all present and future indebtedness, liabilities and obligations of any kind which Hypothecary Debtor has from time to time incurred or may incur or be under to Hypothecary Creditor, including those that are direct or indirect, absolute or contingent, solidary, joint or several, due or to become due or that arise from dealings between Hypothecary Debtor and Hypothecary Creditor or Hypothecary Debtor and any other Person, and whether the liability of Hypothecary Debtor is as principal, surety, solidary co-debtor guarantor, endorser or otherwise;

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

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

(p) "Supplier" means any manufacturer, supplier, vendor of or dealer in Hypothecated Property or any other person from whom Hypothecary Debtor has acquired any of Hypothecated Property.

(q) "Taxes" means any and all taxes, imposts, levies, fees, duties and charges imposed by any federal, provincial, territorial or other taxing authority on Hypothecary Creditor, Hypothecary Debtor, Hypothecated Property, its purchase, sale, ownership, hypothec 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 Hypothecary Creditor's overall net income.

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

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. ***Title, Ownership***

Title to, ownership of, and all property in Hypothecated Property shall remain with Hypothecary Debtor, but subject always to the hypothec and other provisions hereof, and at Hypothecary Debtor's sole risk, until full payment in cash and satisfaction of all Obligations; prior to such payment and satisfaction, Hypothecary Debtor'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.

3. ***Hypothec***

3.1 As security for the payment and performance of all Obligations Hypothecary Debtor hereby hypothecates in favour of Hypothecary Creditor for the Amount of Hypothec shown on the face hereof together with interest thereon at the Rate of Interest shown on the face hereof and all other expenses which may be incurred from time to time by Hypothecary Creditor for the protection of its rights or in pursuance of its recourses hereunder or at law, the Equipment described on the face hereof or the universalities of corporeal and incorporeal movable property described in Schedule 2 and, where applicable, Schedule 3 hereto, as the case may be.

3.2 The Hypothec herein created constitutes a pledge of such of the Hypothecated Property which is now delivered to or now is in the possession of Hypothecary Creditor as well as a pledge of any of Hypothecated Property which may in the future be delivered to or held by Hypothecary Creditor.

3.3 Hypothecary Debtor represents and warrants to Hypothecary Creditor that Hypothecary Debtor has good and marketable title to Hypothecated Property, free and clear of all Hypothecs except for the hypothec of Hypothecary Creditor hereunder. Hypothecary Debtor agrees to comply with all Warranties accruing to Hypothecary Debtor pertaining to Hypothecated Property however, any failure by any Supplier of Hypothecated Property to comply with any Warranty shall not in any manner affect Hypothecary Debtor's Obligations to Hypothecary Creditor

3.4 Hypothecary Creditor hereby authorizes Hypothecary Debtor to collect the Claims referred to in Schedule 2 hereto and hereby hypothecated in favour of Hypothecary Creditor until such time as Hypothecary Creditor withdraws its authorization to collect pursuant to Article 2745 of the *Civil Code of Québec*.

4. *Movable Property*

4.1 Hypothecary Debtor hereby represents and warrants to Hypothecary Creditor that Hypothecated Property will be used by Hypothecary Debtor for the purposes of use in and the carrying on of its enterprise.

4.2 Hypothecary Debtor shall not attach or join any Hypothecated Property to any immovable property in such a manner or to such an extent that Hypothecated Property loses its individuality

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

5.1 Hypothecary Debtor shall at its own expense:

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

(b) comply with all recommendations or requirements of Supplier regarding Hypothecated Property so as to preserve all Warranties, and

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

5.2 Hypothecary Debtor shall not, without Hypothecary Creditor's consent, make any alterations, additions, accessions or attachments to Hypothecated Property Such consent will only be granted if such changes:

(a) do not materially decrease the value of Hypothecated Property 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 Hypothecated Property to, any Hypothec.

5.3 All replacement parts and components, alterations, additions, accessions and attachments to Hypothecated Property shall automatically become subject to the hypothec created hereby as soon as they are acquired by or on behalf of Hypothecary Debtor.

5.4 Hypothecary Debtor shall affix and keep affixed to Hypothecated Property any labels supplied by Hypothecary Creditor identifying its hypothec in Hypothecated Property.

6. *Inspection*

Any representative of Hypothecary Creditor shall have the right to inspect Hypothecated Property at all reasonable times upon reasonable notice to Hypothecary Debtor.

7. *Insurance*

7.1 Hypothecary Debtor shall at its own expense place and maintain with insurers acceptable to Hypothecary Creditor:

(a) comprehensive first party all risks insurance on all Hypothecated Property that is corporeal in nature for its full replacement value. Such insurance shall include:
(i) Hypothecary Creditor as a beneficiary under a broad form of Secured Creditor Endorsement Clause; (ii) a waiver of subrogation clause in favour of Hypothecary Creditor; and

(b) comprehensive general liability and property damage insurance with limits of liability at least equal to $1,000,000 or such greater amount as Hypothecary Creditor may require. Such insurance shall (i) extend to all liabilities of Hypothecary Debtor under this Agreement arising out of its use or possession of Hypothecated Property; (ii) include Hypothecary Creditor 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.

7.2 All policies of insurance shall be in place at the effective date of this Agreement, shall cover Hypothecary Creditor and Hypothecary Debtor as their respective interests appear and shall contain endorsements providing that:

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

(b) the insurance shall be primary and not contributory

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

(d) Hypothecary Creditor shall not be responsible or liable for payment of any premiums;

(e) Hypothecary Creditor may elect to have all proceeds of loss payable only to itself, and

(f) Hypothecary Creditor's realization of the security created herein on Hypothecated Property or any part thereof shall not affect or otherwise hinder the rights of Hypothecary Creditor under all policies of insurance.

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

7.4 In the event of damage to any item of Hypothecated Property amounting to actual total loss or constructive total loss of Hypothecated Property, this Agreement respecting such Hypothecated Property shall be deemed to have terminated and Hypothecary Creditor shall be entitled to receive immediate payment of all monies owing or to become owing by Hypothecary Debtor and secured by this Agreement and Hypothecary Creditor may retain from the insurance proceeds an amount equal thereto, Hypothecary Debtor remaining liable for any deficiency.

8. *Taxes, etc.*

Hypothecary Debtor 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, Hypothecated Property, this Agreement and any payments or transactions contemplated hereunder.

9. *Hypothecs*

Hypothecary Debtor shall keep Hypothecated Property free of all Hypothecs.

10. *Laws and Regulations*

Hypothecary Debtor is and shall continue to be in compliance with all laws, regulations, permits, licenses and consents relating to use, operation, maintenance, safety, environmental protection or possession and use of Hypothecated Property, and those relating to the prevention of money laundering and terrorism.

11. *Default*

It shall be a Default under this Agreement if:

(a) Hypothecary Debtor fails to make the payment on the due date thereof of any payment of principal, interest or any other amount owing by Hypothecary Debtor to Hypothecary Creditor in connection with any of the Obligations within 10 days after its due date; any insurance coverage required to be obtained and maintained by Hypothecary Debtor under this Agreement shall lapse, expire or be cancelled; Hypothecary Debtor fails to observe, perform or fulfill any or comply with all or any part of its undertaking, obligations, provisions or conditions, whether absolute, contingent, direct, indirect, expressed or implied in respect of the Obligations or this Agreement or any agreement or instrument heretofore or hereafter evidencing or given in connection with the Obligations or this Agreement, and such is not cured within 10 days after notice thereof is given by Hypothecary Creditor to Hypothecary Debtor;

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

(c) any representation or warranty of Hypothecary Debtor made herein or in any instrument or document delivered to Hypothecary Creditor in connection herewith is at any material time false or materially incorrect or misleading;

(d) Hypothecary Debtor defaults in any other obligation under any other agreement with Hypothecary Creditor or any Affiliate of Hypothecary Creditor (whether secured by this Agreement or not) and such default continues for 10 days after notice thereof by Hypothecary Creditor or such Affiliate, as applicable, to Hypothecary Debtor;

(e) any act of bankruptcy takes place respecting Hypothecary Debtor or any proceeding petition or notice, voluntary or involuntary, is commenced, made, given or filed, as the case may be, by Hypothecary Debtor 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 Hypothecary Debtor.

(f) Hypothecary Debtor 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 enterprise, 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 Hypothecary Debtor or Hypothecated Property;

(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 Hypothecary Debtor, 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, undertaking or enterprise of Hypothecary Debtor or the majority of its voting shares changes, by amalgamation, merger, sale, transfer of shares or otherwise, except pursuant to death of the controlling shareholder, or Hypothecary Debtor 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 Hypothecary Creditor, could reasonably be expected to have a material adverse effect on the condition (financial or otherwise), business, operations, assets, liabilities or prospects of Hypothecary Debtor, Hypothecary Debtor's ability to perform any Obligation, or any obligation under any other agreement with Hypothecary Creditor or any Affiliate of Hypothecary Creditor, or on the rights and remedies of Hypothecary Creditor thereunder, and continues for 10 days after notice thereof by Hypothecary Creditor or such Affiliate, as applicable, to Hypothecary Debtor;
(k) any event or circumstance described in any of paragraphs (c) and (e) through (j) inclusive occurs with respect to any solidary-co-debtor or surety of Hypothecary Debtor respecting this Agreement or any Affiliate of Hypothecary Debtor; or

A Default under this Agreement shall be deemed a default under all other present and future agreements entered into between Hypothecary Debtor and Hypothecary Creditor or any Affiliate of Hypothecary Creditor

12. ***Hypothecary Creditor's Remedies on Default***

Upon Default, Hypothecary Creditor shall be entitled to do one or more of the following:
(a) declare this Agreement to be in default whereupon all monies owing or to become owing by Hypothecary Debtor to Hypothecary Creditor shall immediately become due and payable without notice or demand;
(b) declare that the hypothec hereby constituted has become enforceable and forthwith Hypothecary Creditor shall be entitled, subject to the compulsory formalities provided by law, if any, to 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* and all provisional measures available hereunder or at law, and more specifically but without limitation:
   (i) take possession of Hypothecated Property for purposes of administration,
   (ii) sell or otherwise dispose of Hypothecated Property by public or private sale, public tender, auction or as Hypothecary Creditor otherwise determines reasonable, for such consideration payable immediately and/or deferred and on such terms and conditions as Hypothecary Creditor in its reasonable discretion determines, bearing in mind the interest of Hypothecary Creditor as a secured creditor and the interest of all parties involved;
   (iii) take Hypothecated Property in payment of the Obligations and any other monies owing or to become owing by Hypothecary Debtor hereunder, or
   (iv) exercise any other rights or remedies and/or take any proceedings available to Hypothecary Creditor hereunder at law or in equity including without limitation, the right to demand, sue for and recover from Hypothecary Debtor any deficiency which may exist between all monies owing by Hypothecary Debtor and secured by this Agreement and the proceeds of any sale or other disposition of Hypothecated Property pursuant to sub-paragraph (ii) above after deduction of Costs of Disposition

Should Hypothecary Creditor exercise its right to take possession for purposes of administration pursuant to sub-paragraph (i) above, Hypothecary Creditor shall have, in addition to the rights, remedies and powers provided by law as administrator entrusted with full administration of the property of others, the following rights and powers: (a) after having fulfilled all formalities provided for at law for the exercise of its hypothecary right of taking possession for purposes of administration, Hypothecary Creditor shall have the right and power to enter into and take possession of, through its officers, representatives or other lawful attorney, all or any part of Hypothecated Property, with full power of a person entrusted with full administration of the property of others, including the full power to carry on, manage and conduct the enterprise, business operations or contracts of Hypothecary Debtor relating to all or any part of Hypothecated Property, complete, maintain and preserve Hypothecated Property, carry on or put an end, in whole or in part, to the exploitation of any enterprise, business operations and contracts of Hypothecary Debtor in relation with all or any part of Hypothecated Property, and enter on any premises of Hypothecary Debtor or any other person; (b) lease or rent Hypothecated Property for such consideration payable immediately and/or deferred and on such terms and conditions as Hypothecary Creditor in its reasonable discretion determines, bearing in mind the interest of Hypothecary Creditor as a secured creditor and the interest of all parties involved; and (c) demand, sue for and recover damages arising out of such Default;

In exercising any of the rights and recourses available hereunder or at law, Hypothecary Creditor may, at its option, in respect of all or any part of Hypothecated Property, exercise such rights and recourses as is available hereunder or at law, as it chooses to exercise, without prejudicing Hypothecary Creditor's other rights and recourses available in respect of all or part of the other Hypothecated Property. Furthermore, Hypothecary Creditor may exercise any of its rights and recourses in respect of all or any part of Hypothecated Property simultaneously or successively. Hypothecary Creditor shall be entitled to acquire all or any part of Hypothecated Property or any or all of them, unless prohibited by law.

13. ***Hypothecary Creditor's Rights to Remedy Defaults***

If Hypothecary Debtor fails to perform or comply with any of its Obligations hereunder with respect to Hypothecated Property, Hypothecary Creditor may, but has no obligation to, perform same in the name of Hypothecary Debtor or Hypothecary Creditor and make all necessary disbursements in connection therewith, which disbursements shall be deemed part of the Obligations secured by the hypothec herein created which shall be reimbursed by Hypothecary Debtor immediately on demand and which shall bear interest from the date advanced or incurred by Hypothecary Creditor until paid in full to Hypothecary Creditor (as well before as after demand, Default or judgement) at rate of 12% per annum, computed on the daily amount outstanding calculated on the basis of the number of days elapsed in a 365 day year. Hypothecary Creditor is hereby appointed Hypothecary Debtor's mandatary to take any such action in Hypothecary Debtor's name.

14. ***Hypothecary Debtor's General Indemnities***

Hypothecary Debtor shall indemnify and save harmless Hypothecary Creditor 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 civil responsibility (collectively, "Claims") sustained or suffered by Hypothecary Creditor, or for which Hypothecary Creditor may become liable, resulting from or arising out of:
(a) Hypothecary Creditor's lawful exercise or performance of its rights or obligations under this Agreement;
(b) the holding by Hypothecary Creditor of a hypothec on Hypothecated Property;
(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 Hypothecated Property;
(e any use or operation of Hypothecated Property which infringes any patent or other industrial or intellectual property right, unless caused by the gross negligence or willful misconduct of Hypothecary Creditor, its employees, servants or agents; or the state of repair and maintenance of Hypothecated Property or any failure of Hypothecated Property or of Hypothecary Creditor to comply with environmental protection laws.

15. ***Administrative Fees and Expenses***

Hypothecary Debtor shall pay Hypothecary Creditor on demand Hypothecary Creditor's prevailing fees and all costs and disbursements certified by Hypothecary Creditor 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, but without limitation, for processing of payments and rendering statements to Hypothecary Debtor.

16. *Location of Hypothecated Property*

16.1 Except as otherwise expressly permitted hereunder, Hypothecary Debtor shall not part with possession of Hypothecated Property nor remove same from Canada.

16.2 Hypothecary Debtor covenants that Hypothecated Property will continue to be located where stated on the face hereof, or at any other location agreed to in writing by Hypothecary Creditor.

17. *Assignment and Leasing*

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

18. *Hypothecary Debtor's General Representations, Warranties and Covenants*

Hypothecary Debtor represents and warrants to and covenants with Hypothecary Creditor that: (a) if Hypothecary Debtor 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 Hypothecary Debtor 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 bylaws of Hypothecary Debtor 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 Hypothecary Debtor enforceable against it in accordance with its terms; (d) all Information as defined in Section 38 provided by Hypothecary Debtor to Hypothecary Creditor is accurate, and (e) all payments to Hypothecary Creditor are and will be derived from legal sources. Hypothecary Debtor agrees to furnish to Hypothecary Creditor 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 Hypothecary Creditor, Hypothecary Debtor agrees also to furnish its quarterly financial statements promptly upon availability and, in any event within 60 days of each financial quarter-end.

19. *Statutory Waivers and Acknowledgement*

19.1 Hypothecary Debtor waives its right to receive a copy of any financing statement or financing change statement registered by Hypothecary Creditor and of any related verification statement.

19.2 Hypothecary Debtor 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 Law of Property Act* (Alberta), insofar as they relate to its Obligations, this Agreement, Hypothecary Creditor or Hypothecary Creditor's rights hereunder. Hypothecary Debtor acknowledges that seizure or repossession of Equipment shall not, by operation of law, extinguish any Obligations. Hypothecary Debtor grants to Hypothecary Creditor the right to recover from Hypothecary Debtor the amount equal to the Accrued Liability notwithstanding any such seizure or repossession. Hypothecary Debtor agrees that the provisions of this Agreement are commercially reasonable.

20. *NO COMPENSATION – EXCLUSION AND ASSIGNMENT OF WARRANTIES*

20.1 HYPOTHECARY DEBTOR IRREVOCABLY AND UNCONDITIONALLY WAIVES ALL RIGHTS OF COMPENSATION AGAINST ANY PAYMENT AND OTHER AMOUNT DUE TO HYPOTHECARY CREDITOR HEREUNDER OR SECURED HEREBY AND AGREES TO PAY EACH SUCH PAYMENT AND OTHER AMOUNT WITHOUT REGARD TO ANY RIGHTS OF COMPENSATION. NEITHER DEFECTS IN, DAMAGE TO, NOR LOSS DESTRUCTION LATE DELIVERY OR NON-DELIVERY OF HYPOTHECATED PROPERTY SHALL TERMINATE THIS AGREEMENT OR REDUCE HYPOTHECARY DEBTOR'S OBLIGATIONS HEREUNDER OR SECURED HEREBY, EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN.

20.2 HYPOTHECARY DEBTOR REPRESENTS AND WARRANTS TO AND COVENANTS WITH HYPOTHECARY CREDITOR THAT HYPOTHECATED PROPERTY IS AND WILL BE USED FOR COMMERCIAL, INDUSTRIAL OR BUSINESS PURPOSES ONLY AND NOT FOR PERSONAL, FAMILY, HOUSEHOLD OR FARMING PURPOSES;

20.3 (A) HYPOTHECARY CREDITOR 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) HYPOTHECARY CREDITOR SHALL NOT BE LIABLE FOR ANY FAILURE OF HYPOTHECATED PROPERTY INCLUDING ANY LATENT DEFECT, OR ALLEGED FUNDAMENTAL BREACH OF THIS AGREEMENT; (C) NEITHER HYPOTHECARY CREDITOR 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 HYPOTHECATED PROPERTY OR ANY INTELLECTUAL OR INDUSTRIAL PROPERTY RIGHTS THEREIN INCLUDING, WITHOUT LIMITATION, THE DESIGN, SPECIFICATIONS, CONDITION, QUALITY, MERCHANTABILITY OR FITNESS FOR HYPOTHECARY DEBTOR'S PURPOSES; AND (D) HYPOTHECARY CREDITOR SHALL HAVE NO LIABILITY FOR ANY DIRECT OR 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 CIVIL LIABILITY OR HYPOTHECARY CREDITOR'S OR SUPPLIER'S NEGLIGENCE. NOTHING HEREIN SHALL DEPRIVE HYPOTHECARY DEBTOR OF ITS RIGHTS AGAINST SUPPLIER OR ANY PERSON OTHER THAN HYPOTHECARY CREDITOR. HYPOTHECARY DEBTOR SHALL MAKE ANY CLAIMS WITH RESPECT TO HYPOTHECATED PROPERTY DIRECTLY AGAINST SUPPLIER.

20.4 IF HYPOTHECATED PROPERTY IS SEIZED OR SOLD BY HYPOTHECARY CREDITOR, ALL WARRANTIES OF SUPPLIER AND RIGHTS TO ALL SOFTWARE, OTHER INTELLECTUAL AND INDUSTRIAL PROPERTY LICENSES ACCOMPANYING GOODS SHALL BE AUTOMATICALLY ASSIGNED BY HYPOTHECARY DEBTOR TO HYPOTHECARY CREDITOR WITHOUT FURTHER ACT OR DEED.

21. *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.

22. *Remedies Cumulative*

All rights and remedies of Hypothecary Creditor hereunder are cumulative and not exclusive or alternative and may be exercised by Hypothecary Creditor successively, separately or together, in any order, sequence or combination.

23. *Forbearance, Indulgence and Waivers*

Forbearance or indulgence by Hypothecary Creditor in any instance shall not constitute a general waiver of the Obligation under this Agreement to which the same applies. Any waiver by Hypothecary Creditor of its rights must be in writing and shall not extend to any other Obligation or right.

24. *Imputations*

Hypothecary Debtor hereby irrevocably and unconditionally waives any present or future right to impute any payment made to Hypothecary Creditor to any specific Obligations secured under this Agreement or under any other agreement with Hypothecary Creditor or any Affiliate of Hypothecary Creditor. Hypothecary Creditor may impute and apply any payment received to any of the Obligations due hereunder or under any other agreement with Hypothecary Creditor or Affiliate of Hypothecary Creditor and may reverse, re-impute and re-apply any such payment as many times and in such manners as Hypothecary Creditor from time to time sees fit. Payments received shall be imputed upon receipt of legal tender or cleared funds. Hypothecary Creditor is hereby irrevocably authorized to combine and compensate amounts payable by it to

Hypothecary Debtor with amounts owing to it from Hypothecary Debtor (in each case whether matured or not and whether absolute or contingent) under the same or different agreements.

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

26. *Entire Agreement*
26.1 There are no representations, warranties, covenants, agreements or acknowledgements by Hypothecary Creditor affecting the Obligations, this Agreement or Hypothecated Property, other than expressed in this Agreement.
26.2 No agreement purporting to amend or modify this Agreement or any other statement, document, paper or writing relating hereto or to Hypothecated Property or connected herewith shall be binding unless in writing signed by both Hypothecary Debtor and Hypothecary Creditor

27. *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 be ineffective to the extent of such invalidity, prohibition or unenforceability, without in any way invalidating the balance hereof.

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

29. *Further Assurances and Mandate*
29.1 Hypothecary Debtor and Hypothecary Creditor each shall do, execute and perform all such acts, deeds, documents and things as may be reasonably required to enable Hypothecary Creditor to have the full benefit of all rights and remedies intended to be reserved or created hereby. Hypothecary Creditor is hereby appointed Hypothecary Debtor's mandatary to complete and/or correct any information on the face hereof or in any schedule or attachment hereto.
29.2 Each 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 Hypothecary Debtor or Hypothecary Creditor

30. *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 any Obligation, such conversion shall be made by Hypothecary Creditor on the relevant date at the Conversion Rate and Hypothecary Creditor will notify Hypothecary Debtor of the Canadian dollar amount so converted

31. *Survival*
Notwithstanding any other Section, any accrued Obligations the Obligations of Hypothecary Debtor under Sections 13 14, 15 and 25 and all rights, powers and remedies of Hypothecary Creditor hereunder, whether accrued or not, shall survive the termination or expiration of this Agreement and the payment of the Obligations and all other amounts payable or secured hereunder

32. *Section Headings*
Section headings in this Agreement are for convenience of reference only, do not affect and shall be ignored in the interpretation or construction hereof

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

34. *Choice of Law*
This Agreement shall be governed, construed, performed and enforced in accordance with the laws of the Province of Quebec.

35. *Language*
The parties hereto have expressly required that this Agreement and all documents, agreements and notices related hereto 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.

36. *Solidary Obligation*
If more than one person executes this Agreement as Hypothecary Debtor their Obligations shall be solidary and, where the context so admits, each reference in this Agreement to "Hypothecary Debtor" shall include reference to any one or more or all such persons as solidary co-debtors and the acts or omissions of any such persons shall bind all of them. Each such person hereby waives the benefits of division and discussion which means that Hypothecary Creditor shall not be obliged to proceed against Hypothecary Debtor or to enforce or exhaust any security before proceeding to enforce the obligations of each or all such persons as solidary co-debtor, and that enforcement of such obligations may take place before, after, or contemporaneously with the enforcement of any hypothec for any such obligation.

37. *Receipt of Agreement*
Hypothecary Debtor acknowledges receipt of an executed copy of this Agreement.

38. *Information*
Hypothecary Debtor hereby consents and authorizes Hypothecary Creditor 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 Hypothecary Debtor ("Information"), as Hypothecary Creditor 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 Hypothecary Debtor's credit rating, financial capacity and payment history; (c) to provide Information to persons to whom Hypothecary Creditor 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

Nova Scotia

PPRS Notice to Secured Party
Avis de partie garantie RENBIP

Nouvelle-Écosse

GE Canada Equipment Financing G.P.
1250, boul. René-Lévesque West
Montreal PQ H3B 4W8
Canada

NOTICE: The following registration has amended a registration in which you are identified. This report is intended to notify you of the nature of the activity.

AVIS : L'enregistrement suivant à modifié un enregistrement dans lequel vous êtes identifié. Ce rapport à pour objet de vous aviser de la nature de l'activité.

Registration Number (Amendment):	16979767	**Numéro d'enregistrement (Modification) :**
Registration Date/Time (Atlantic):	2010-07-29 12:08	**Date et heure de l'enregistrement (Atlantique) :**
Expiry Date:	2020-07-22	**Date d'expiration :**
File Number:	GSA	**Numéro de dossier :**
Original Registration Number:	16949935	**Numéro original d'enregistrement :**

Registrant Name and Address

Registrant User ID: H174883

GE CANADA EQUIPMENT FINANCING G.P.
SUITE 204
239 BROWNLOW AV
DARTMOUTH NS B3B 2B2
Canada

Nom et adresse de l'enregistreur

Identité de l'enregistreur : H174883

Registration Details for Registration Number: 16949935

Province or Territory: Nova Scotia

Registration Type:
PPSA Financing Statement

Détails d'enregistrement pour le numéro d'enregistrement : 16949935

Province ou territoire : Nouvelle-Écosse

Genre d'enregistrement :
État de financement - PPSA (Loi SURBIP)

Registration History

Historique d'enregistrement

Registration Activity / Activité d'enregistrement	Registration Number / Numéro d'enregistrement	Date and Time (Atlantic) / Date et heure (Atlantique)	Expiry Date / Date d'expiration	File Number / Numéro de dossier
Original / Original	16949935	2010-07-22 11:23	2020-07-22	GSA
Amendment / Modification	16979767	2010-07-29 12:08	2020-07-22	GSA

As listed in the Registration History section above, this registration has been the subject of an Amendment or Global Change to add or delete information. The following registration details provide the registration number for the Amendment that added or deleted information. If no "added by" or "deleted by" registration number is provided, the information was added by the original registration

Comme l'indique la section Historique d'enregistrement ci-dessus, cet enregistrement a fait l'objet d'une modification ou d'un changement global pour ajouter ou supprimer de l'information. Les détails d'enregistrement qui suivent indiquent le numéro d'enregistrement de la modification qui a ajouté ou supprimé de l'information. Si aucun numéro d'enregistrement « ajouté par » ou

Canada

The Secured Party below was added by registration number 16979767

La partie garantie ci-dessous a été ajoutée par le numéro d'enregistrement 16979767

Type: Enterprise

Genre : Entreprise

GE Technology Finance
239, Brownlow Avenue, suite 204
Dartmouth NS B3B 2B2
Canada

The Secured Party below was added by registration number 16979767

La partie garantie ci-dessous a été ajoutée par le numéro d'enregistrement 16979767

Type: Enterprise

Genre : Entreprise

GE VFS Canada Limited Partnership
239, Brownlow Avenue, suite 204
Dartmouth NS B3B 2B2
Canada

The Secured Party below was added by registration number 16979767

La partie garantie ci-dessous a été ajoutée par le numéro d'enregistrement 16979767

Type: Enterprise

Genre : Entreprise

GE Capital Canada Equipment Financing & Leasing Services
239, Brownlow Avenue, suite 204
Dartmouth NS B3B 2B2
Canada

General Collateral

Bien grevé à description générale

A security interest is taken in all of the Debtor's present and after-acquired personal property.

****** End of Report ******
****** Fin du Rapport ******

GE Canada Equipment Financing G.P.
1250, boul. Rene-Levesque West
Montreal PQ H3B 4W8
Canada

Registration Number (Amendment): 19080787
Registration Date/Time (Atlantic): 2010-07-29 12:13
Expiry Date: 2020-07-22
File Number: GSA
Original Registration Number: 19051747

All registration date/time values are stated in Atlantic Time.

Registrant Name and Address

Registrant User ID: H174883
GE CANADA EQUIPMENT FINANCING G.P.
SUITE 204
239 BROWNLOW AV
DARTMOUTH NS B3B 2B2
Canada

Registration Details for Registration Number: 19051747

Province or Territory: New Brunswick
Registration Type: PPSA Financing Statement

Registration History

Registration Activity	Registration Number	Date/Time (Atlantic)	Expiry Date	File Number
Original	19051747	2010-07-22 11:27	2020-07-22	GSA
Amendment	19080787	2010-07-29 12:13	2020-07-22	GSA

As listed in the Registration History section above, this registration has been the subject of an Amendment or Global Change to add or delete information. The following registration details provide the registration number for the Amendment that added or deleted information. If no "added by" or "deleted by" registration number is provided, the information was added by the original registration and has not been deleted.

Debtors

Type: Enterprise
Landdrill International Inc.
160, MacNaughton Avenue
Moncton NL E1H 3L9
Canada

Secured Parties

The Secured Party below was deleted by registration number 19080787

~~Type: Enterprise~~
~~GE Canada Equipment Financing G.P.~~
~~1250, boul. Rene Levesque West~~
~~Montreal PQ H3B 4W8~~
~~Canada~~

The Secured Party below was added by registration number 19080787

Type: Enterprise
GE Canada Equipment Financing G.P.
239, Brownlow Avenue, suite 204
Dartmouth NS B3B 2B2
Canada

The Secured Party below was added by registration number 19080787

Type: Enterprise
GE Canada Leasing Services Company
239, Brownlow Avenue, suite 204
Dartmouth NS B3B 2B2
Canada

The Secured Party below was added by registration number 19080787

Type: Enterprise
General Electric Canada Equipment Finance G.P.
239, Brownlow Avenue, suite 204
DARTMOUTH NS B3B 2B2
Canada

The Secured Party below was added by registration number 19080787

Type: Enterprise
GE Canada Asset Financing Holding Company
239, Brownlow Avenue, suite 204
DARTMOUTH NS B3B 2B2
Canada

The Secured Party below was added by registration number 19080787

Type: Enterprise
GE Technology Finance
239, Brownlow Avenue, suite 204
DARTMOUTH NS B3B 2B2
Canada

The Secured Party below was added by registration number 19080787

Type: Enterprise
GE VFS Canada Limited Partnership
239, Brownlow Avenue, suite 204
DARTMOUTH NS B3B 2B2
Canada

The Secured Party below was added by registration number 19080787

Type: Enterprise
GE Capital Canada Equipment Financing & Leasing Services
239, Brownlow Avenue, suite 204
DARTMOUTH NS B3B 2B2

Canada

General Collateral

A security interest is taken in all of the Debtor's present and after-acquired personal property.

*** *End of Report* ***

GE Canada Equipment Financing G.P.
1250, boul. Rene-Levesque West
Montreal PQ H3B 4W8
Canada

Numéro d'enregistrement (Modification) :	19080787
Date et heure de l'enregistrement (Atlantique) :	2010-07-29 12:13
Date d'expiration :	2020-07-22
Numéro de dossier :	GSA
Numéro original d'enregistrement :	19051747

Toutes les valeurs relatives à la date et à l'heure correspondent à l'heure de l'Atlantique.

Nom et adresse de l'enregistreur

Identité de l'enregistreur : H174883
GE CANADA EQUIPMENT FINANCING G.P.
SUITE 204
239 BROWNLOW AV
DARTMOUTH NS B3B 2B2
Canada

Détails d'enregistrement pour le numéro d'enregistrement : 19051747

Province ou territoire : Nouveau-Brunswick
Genre d'enregistrement : État de financement - Loi SURBIP

Historique d'enregistrement

Activité d'enregistrement	Numéro d'enregistrement	Date / heure (Atlantique)	Date d'expiration	Numéro de dossier
Original	19051747	2010-07-22 11:27	2020-07-22	GSA
Modification	19080787	2010-07-29 12:13	2020-07-22	GSA

Comme l'indique la section Historique d'enregistrement ci-dessus, cet enregistrement a fait l'objet d'une modification ou d'un changement global pour ajouter ou supprimer de l'information. Les détails d'enregistrement qui suivent indiquent le numéro d'enregistrement de la modification qui a ajouté ou supprimé de l'information. Si aucun numéro d'enregistrement « ajouté par » ou « supprimé par » n'est fourni, l'information a été ajoutée par l'enregistrement original et n'a pas été supprimée.

Débiteurs

Genre : Entreprise
Landdrill International Inc.
160, MacNaughton Avenue
Moncton NL E1H 3L9
Canada

Partie garantie

La partie garantie ci-dessous a été supprimée par le numéro d'enregistrement 19080787

~~Genre : Entreprise~~
~~GE Canada Equipment Financing G.P.~~
~~1250, boul. Rene-Levesque West~~
~~Montreal PQ H3B 4W8~~
~~Canada~~

La partie garantie ci-dessous a été ajoutée par le numéro d'enregistrement 19080787

Genre : Entreprise
GE Canada Equipment Financing G.P.
239, Brownlow Avenue, suite 204
Dartmouth NS B3B 2B2
Canada

La partie garantie ci-dessous a été ajoutée par le numéro d'enregistrement 19080787

Genre : Entreprise
GE Canada Leasing Services Company
239, Brownlow Avenue, suite 204
Dartmouth NS B3B 2B2
Canada

La partie garantie ci-dessous a été ajoutée par le numéro d'enregistrement 19080787

Genre : Entreprise
General Electric Canada Equipment Finance G.P.
239, Brownlow Avenue, suite 204
DARTMOUTH NS B3B 2B2
Canada

La partie garantie ci-dessous a été ajoutée par le numéro d'enregistrement 19080787

Genre : Entreprise
GE Canada Asset Financing Holding Company
239, Brownlow Avenue, suite 204
DARTMOUTH NS B3B 2B2
Canada

La partie garantie ci-dessous a été ajoutée par le numéro d'enregistrement 19080787

Genre : Entreprise
GE Technology Finance
239, Brownlow Avenue, suite 204
DARTMOUTH NS B3B 2B2
Canada

La partie garantie ci-dessous a été ajoutée par le numéro d'enregistrement 19080787

Genre : Entreprise
GE VFS Canada Limited Partnership
239, Brownlow Avenue, suite 204
DARTMOUTH NS B3B 2B2
Canada

La partie garantie ci-dessous a été ajoutée par le numéro d'enregistrement 19080787

Genre : Entreprise
GE Capital Canada Equipment Financing & Leasing Services

239, Brownlow Avenue, suite 204
DARTMOUTH NS B3B 2B2
Canada

Bien grevé à description générale

A security interest is taken in all of the Debtor's present and after-acquired personal property.

*** *Fin du Rapport* ***

Attached is Exhibit "9" to the
Affidavit of Michael Pisani sworn the
12th day of April, 2013.

A Commissioner, Etc.

Lara Fitzgerald-Husek, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires April 29, 2014.

BC OnLine: PPRS SEARCH RESULT 2012/08/02
Lterm: XPSP0050 For: PA14549 LIEN MARKETING INC. 06:59:54

Index: BUSINESS DEBTOR
Search Criteria: LANDDRILL INTERNATIONAL INC

**************** P P S A S E C U R I T Y A G R E E M E N T ****************

Reg. Date: MAR 29, 2011 Reg. Length: 10 YEARS
Reg. Time: 09:18:24 Expiry Date: MAR 29, 2021
Base Reg. #: 067946G Control #: D0484194

Block#

S0001 Secured Party: GE CANADA EQUIPMENT FINANCING G.P.
1100 - 1250 RENE-LEVESQUE W.
MONTREAL QC H3B 4W8

S0002 Secured Party: GE CANADA LEASING SERVICES COMPANY
1100 - 1250 RENE-LEVESQUE W.
MONTREAL QC H3B 4W8

S0003 Secured Party: GENERAL ELECTRIC CANADA EQUIPMENT
FINANCE G.P.
1100 - 1250 RENE-LEVESQUE W.
MONTREAL QC H3B 4W8

S0004 Secured Party: GE CANADA ASSET FINANCING HOLDING
COMPANY
1100 - 1250 RENE-LEVESQUE W.
MONTREAL QC H3B 4W8

S0005 Secured Party: GE TECHNOLOGY FINANCE
1100 - 1250 RENE-LEVESQUE W.
MONTREAL QC H3B 4W8

S0006 Secured Party: GE VFS CANADA LIMITED PARTNERSHIP
1100 - 1250 RENE-LEVESQUE W.
MONTREAL QC H3B 4W8

S0007 Secured Party: GE CAPITAL CANADA EQUIPMENT FINANCING
& LEASING COMPANY
1100 - 1250 RENE-LEVESQUE W.
MONTREAL QC H3B 4W8

=D0001 Base Debtor: LANDDRILL INTERNATIONAL INC.
(Business) 700-625 HOWE ST
VANCOUVER BC V6C 2T6

General Collateral:
A SECURITY INTEREST IS TAKEN IN ALL OF THE DEBTOR'S PRESENT AND
AFTER-ACQUIRED PERSONAL PROPERTY.

Registering
Party: SECUREFACT TRANSACTION SERVICES, INC.
350 BAY STREET, SUITE 300
TORONTO ON M5H 2S6

Continued on Page 2

**************** P P S A S E C U R I T Y A G R E E M E N T ****************

```
           Reg. Date: JUL 28, 2011          Reg. Length: 5 YEARS
           Reg. Time: 14:52:29              Expiry Date: JUL 28, 2016
         Base Reg. #: 273674G                 Control #: D0693767
Block#

 S0001  Secured Party: SPROTT RESOURCE LENDING PARTNERSHIP
                       550 BURRARD ST, SUITE 1028
                       VANCOUVER BC  V6C 2B5

 S0002  Secured Party: SPROTT LENDING CONSULTING LP
                       550 BURRARD ST, SUITE 1028
                       VANCOUVER BC  V6C 2B5

 S0003  Secured Party: SPROTT LENDING CONSULTING GP, INC
                       550 BURRARD ST, SUITE 1028
                       VANCOUVER BC  V6C 2B5

=D0001    Base Debtor: LANDDRILL INTERNATIONAL INC
           (Business) 625 HOWE STREET, SUITE 700
                       VANCOUVER BC  V6C 2TC

 D0002    Bus. Debtor: LANDDRILL INTERNATIONAL LTD
                       160 MACNAUGHTON AVENUE
                       MONCTON NB  E1H 3L9

       General Collateral:
        WITH RESPECT TO EACH DEBTOR:
        ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY,
        INCLUDING WITHOUT LIMITATION FIXTURES, AND AN UNCRYSTALLIZED
        FLOATING CHARGE ON LAND (AND TERMS USED HEREIN THAT ARE DEFINED IN
        THE PERSONAL PROPERTY SECURITY ACT OF BRITISH COLUMBIA OR THE
        REGULATIONS MADE THEREUNDER HAVE THOSE DEFINED MEANINGS).

         Registering
               Party: FASKEN MARTINEAU DUMOULIN LLP
                      SUITE 2900, 550 BURRARD STREET
                      VANCOUVER BC  V6C 0A3
```

**************** P P S A S E C U R I T Y A G R E E M E N T ****************

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           Reg. Date: AUG 05, 2011          Reg. Length: 5 YEARS
           Reg. Time: 14:45:54              Expiry Date: AUG 05, 2016
         Base Reg. #: 286636G                 Control #: D0707749
Block#

 S0001  Secured Party: SPROTT RESOURCE LENDING PARTNERSHIP
                       550 BURRARD STREET, SUITE 1028
                       VANCOUVER BC  V6C 2B5
```

S0002 Secured Party: SPROTT LENDING CONSULTING LP
550 BURRARD STREET, SUITE 1028
VANCOUVER BC V6C 2B5

S0003 Secured Party: SPROTT LENDING CONSULTING GP, INC
550 BURRARD STREET, SUITE 1028
VANCOUVER BC V6C 2B5

Continued on Page 3

=D0001 Base Debtor: LANDDRILL INTERNATIONAL INC
(Business) 625 HOWE STREET, SUITE 700
VANCOUVER BC V6C 2T6

General Collateral:
ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED SHARES IN THE CAPITAL OF LANDDRILL INTERNATIONAL LTD., INCLUDING WITHOUT LIMITATION, ONE HUNDRED (100) CLASS "A" COMMON SHARES REPRESENTED BY SHARE CERTIFICATE NO. 3, AND ALL NEWLY ISSUED AND FUTURE SHARES (COLLECTIVELY, THE "SHARES"), TOGETHER WITH ALL CERTIFICATES OR OTHER INSTRUMENTS EVIDENCING THE SHARES, TOGETHER WITH ALL RENEWALS AND REPLACEMENTS THEREOF, SUBSTITUTIONS THEREFOR AND ACCRETIONS THERETO AND ANY FURTHER OR ADDITIONAL SHARES AND CERTIFICATES AND OTHER INSTRUMENTS HELD BY OR FOR THE BENEFIT OF THE DEBTOR (THE WHOLE HEREINAFTER CALLED THE "PLEDGED SECURITIES");
ALL OF THE DEBTOR'S RIGHT, TITLE, CLAIM AND INTEREST IN AND TO THE MONEYS (COMPRISING CAPITAL OR INTEREST) DUE AND PAYABLE OR TO BECOME DUE AND PAYABLE TO THE DEBTOR UNDER THE TERMS OF ANY OF THE PLEDGED SECURITIES AND ALL INCOME AND PROCEEDS (INCLUDING PROCEEDS OF SALE, REDEMPTION OR REPURCHASE OF ANY OF THE PLEDGED SECURITIES) THEREFROM AND UNDER ANY FURTHER PLEDGED SECURITIES EVIDENCING RE-INVESTMENT OF THE WHOLE OR ANY PART OF ANY MONEYS PAID UNDER ANY OF THE PLEDGED SECURITIES WHETHER BY SALE THEREOF OR OTHERWISE;
AND ALL PROCEEDS THAT ARE GOODS, INTANGIBLES, INVESTMENT PROPERTY, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS OR MONEY.
TERMS USED HEREIN THAT ARE DEFINED IN THE PERSONAL PROPERTY SECURITY ACT OF BRITISH COLUMBIA OR THE REGULATIONS MADE THEREUNDER HAVE HAVE THOSE DEFINED MEANINGS.

Registering
Party: FASKEN MARTINEAU DUMOULIN LLP
SUITE 2900, 550 BURRARD STREET
VANCOUVER BC V6C 0A3

****

Some, but not all, tax liens and other Crown claims are registered at the Personal Property Registry (PPR) and if registered, will be displayed on this search result. HOWEVER, it is possible that a particular chattel is subject to a Crown claim that is not registered at the PPR. Please consult the Miscellaneous Registrations Act, 1992 for more details. If you are concerned that a particular chattel may be subject to a Crown claim not registered at the PPR, please consult the agency administering the type of Crown claim.

>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>> END OF SEARCH <<<<<<<<<<<<<<<<<<<<<<<<<<<<<<<<

Attached is Exhibit "10" to the
Affidavit of Michael Pisani sworn the
12th day of April, 2013.

A Commissioner, Etc.

Lara Fitzgerald-Husek, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires April 29, 2014.

9512659.1

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: ______________________
Name: D. B. COUGHLIN
Title: Authorized Signatory

Per: ______________________
Name: Bernie Drayton
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: Roland Burn
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

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;

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**").

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:

<u>To CIBC</u>:

Canadian Imperial Bank of Commerce
761 Main Street,
2^{nd} Floor
Moncton, NB E1C 1E5

Attention : Manager, Commercial Banking
Fax : (506) 859-4550

<u>To GE</u>:

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: A.B. R
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:

COPY

Sent to Marcylene Vignaugh
2/23/09

29
INTERCREDITOR AGREEMENT made on July ~~28~~, 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;

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 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;

MV

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:

1. **RANKING OF SECURITY AND OBLIGATIONS**

1.1 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")

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.

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: Coughlin
Name: D. B. COUGHLIN
Title: AUTHORIZED SIGNATORY

Per:
Name: Mike Bagnall
Title: Authorized Signatory

GE CANADA EQUIPMENT FINANCING G.P.

Per: Marilyne Vignault
Name:
Title:

Per: A.B.R.
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: Ronald J. Nguyen
Name: Ron Nguyen
Title: President & CEO

Per:
Name:
Title: