COURT FILE NUMBER	1501-00681	
COURT	COURT OF QUEEN'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY	
PLAINTIFF	HSBC BANK CANADA	
DEFENDANTS	CALMENA ENERGY SERVICES INC., CALMENA ENERGY HOLDINGS LTD., CALMENA ENERGY SERVICES OPERATING LIMITED PARTNERSHIP, 1414995 ALBERTA LTD., CALMENA ENERGY SERVICES USA CORP., CALMENA DRILLING SERVICES LLC, CALMENA ENERGY SERVICES US LP, BW SERVICES LUXEMBOURG SARL, BWES SERVICES DE MEXICO, S. DE R.L. DE C.V., PAM AMERICAN DRILLING S. DE R.L. DE C.V., CALMENA ENERGY SERVICES DE MEXICO, S. DE R.L. DE C.V., CALMEAN LUXEMBOURG HOLDING S.A.R.L.	
DOCUMENT	**FIRST REPORT OF ERNST & YOUNG INC., IN ITS CAPACITY AS COURT-APPOINTED RECEIVER** **May 14, 2015**	
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CLERK OF THE COURT
FILED
Clerk's Stamp
MAY 14 2015
CALGARY, ALBERTA

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APPENDICES

INTRODUCTION

1. Ernst & Young Inc. was appointed as Receiver and Manager (the "Receiver") of the property, assets and undertakings (the "Property") of Calmena Energy Services Inc. ("CESI"), Calmena Energy Holdings Ltd. ("Calmena Holdings"), Calmena Energy Services Operating Limited Partnership ("Calmena LP"), 1414995 Alberta Ltd. ("141 AB"), Calmena Energy Services USA Corp. ("Calmena US Corp"), Calmena Drilling Services LLC ("Calmena Drilling Services"), Calmena Energy Services US LP ("Calmena US LP"), BW Services Luxembourg S.A.R.L. ("BW Luxembourg"), BWES Services Mexico, S. De R.L. De C.V. ("BWES Mexico"), Pan American Drilling S. De R.L. De C.V. ("PanAm Mexico"), Calmena Energy Services De Mexico S. De R.L. De C.V. ("CES Mexico"), Calmena Luxembourg Holding S.A.R.L. ("Luxembourg Holding") (collectively the "Calmena Group") pursuant to an Order (the "Receivership Order") of this Honourable Court dated January 20, 2015 (the "Appointment Date").

2. Attached hereto as Appendix "A" is an organizational chart for the Calmena Group. The organizational chart includes additional subsidiary corporations that are not subject to the Receivership Order; however, the Receiver holds 100% of the common shares of these corporations through the Receivership of their parent corporations.

3. The Receivership Order authorized the Receiver, among other things, to carry on the business of Calmena, to sell, convey, transfer lease or assign the Property out of the normal course of business, subject to approval of this Honourable Court for any transactions exceeding $500,000 or the aggregate of multiple transactions exceeding $1,000,000, and to make such arrangements or agreements as deemed necessary by the Receiver.

4. On February 5, 2015, the Receiver filed a Petition for Recognition for CESI, Calmena Drilling Services, Calmena Drilling Services US LP, and Calmena US Corp under Chapter 15 of the United States Bankruptcy Code in United States Bankruptcy Court for the Southern District of Texas ("US Court") in Case No. 15-30786 (the "Chapter 15 Proceedings"). On March 5, 2015, the US Court entered an Order Granting Receiver's Petition for Recognition as a Foreign Main Proceeding and recognizing the Receiver as the Foreign Representative.

5. The Receivership Order erroneously identified one of the Calmena Group as being "Calmena Energy Services US LP", when in fact the correct entity name is "Calmena Drilling Services US LP", the latter of which was recognized in the Chapter 15 Proceedings. The Receiver has applied to correct this error.

6. CES Mexico, BWES Mexico, BW HR Pro. S. De R.L. de C.V. ("BW HR") and Pan Am Drilling collectively are "Calmena Mexico"; and BW Luxembourg and Luxembourg Holding together are "Calmena Luxembourg".

7. The Receiver has been advised by its local legal counsel in both Mexico and Luxembourg that in both jurisdictions formal insolvency proceedings with respect to both Calmena Mexico and Calmena Luxembourg will be difficult and involve considerable delay and expense. Despite having been unable to take direct control of the assets and operations of the Calmena Mexico and Calmena Luxembourg entities, the Receiver has had the co-operation of the directors of these companies and has been able to effectively control their operations since the Appointment Date.

8. Given the expense of obtaining foreign recognition in Luxembourg and Mexico, the Receiver concluded that the cost of doing so outweighed any perceived benefits. As a result, the Receiver sought and obtained a court order on February 9, 2015 amending the Receivership Order by removing Calmena Mexico, with the exception of BW HR as it was never subject to the Receivership Order, and Calmena Luxembourg from the definition of the "Debtors" within the Receivership Order, *nunc pro tunc*.

9. The Receiver expects to be able to effect an orderly disposition of the business, assets and operations of both Calmena Mexico and Calmena Luxembourg by virtue of its control of the parent company, CESI, and as a result of the co-operation extended by the directors of Calmena Mexico and Calmena Luxembourg.

10. The purpose of this first report (the "First Report") of the Receiver is to provide this Honourable Court with the Receiver's comments and information in respect of the following:

    a) the activities of the Receiver since the Appointment Date;

    b) the Receiver's consolidated statement of receipts and disbursements during the period of the Appointment Date to April 30, 2015 (the "Receivership Period") ;

    c) a description of the results of the sales process (the "Calmena US Sales Process") undertaken to sell directional drilling assets (the "Directional Assets") owned by Calmena LLC and Luxembourg Holding;

d) a description of a proposed asset purchase agreement (the "161 APA") between the Receiver, Calmena LLC, Calmena US LP, Luxembourg Holding and 1616057 Alberta Ltd. ("161 AB") for the sale of measurement-while-drilling systems and associated parts (the "MWD Assets") owned by Calmena LLC and Luxembourg Holding;

e) a description of a proposed asset purchase agreement (the "Turbo Drill APA") between the Receiver, Calmena LLC, Calmena US LP, Luxembourg Holding and Turbo Drill Industries, Inc. ("Turbo Drill") for the sale of directional drilling motors and associated parts (the "Motor Assets") owned by Calmena LLC and Luxemburg Holding; and

f) the Receiver's recommendations.

TERMS OF REFERENCE

11. Capitalized terms not defined in this First Report are as defined in the Receivership Order.

12. All references to dollars are in Canadian currency unless otherwise noted.

BACKGROUND

13. The Calmena Group is an international oilfield services company with operational entities providing well bore construction services and both conventional and directional drilling.

14. As at the Appointment Date, the Calmena Group was operating in the following countries:

a) Mexico - A conventional drilling business in Mexico with five conventional drilling rigs in Mexico and a conventional drilling rig ("Rig 837") located in Houston, Texas (collectively the "Mexico Drilling Rigs"). Calmena's Mexico business had three active contracts and 120 employees (114 in Mexico, 4 in the United States and 2 in Canada). The Mexico Drilling Rigs are owned by BW Luxembourg and leased to CES Mexico;

b) United States - A directional drilling business in the United States with locations in Oklahoma City, Oklahoma and Conroe, Texas. Calmena had one active contract and 26 employees in the United States. The Directional Assets in the United States are owned by Calmena Drilling Services and Luxembourg Holding;

c) Libya - A drilling business in Libya with two conventional drilling rigs. Calmena's drilling contracts in Libya had been suspended in April 2014. Calmena Libya's employees consisted of two employees in Libya and eight employees in Libya.

15. For additional background on Calmena, please refer to the Receiver's website, www.ey.com/ca/calmena.

ACTIVITIES OF THE RECEIVER

Custody and Control

16. The various steps the Receiver has taken to date to affect custody and control of Calmena are set out below.

Bank Accounts - General

17. As at the Appointment Date, the Calmena Group's bank accounts with HSBC Bank Canada ("HSBC Canada") had been frozen and were in a net debit position. The Calmena Group's access to HSBCnet, the online system that the Calmena Group used to initiate electronic fund transfers and wire transfers, was terminated just prior to the Receivership.

18. The HSBCnet system controls the Calmena Group's bank accounts for entities located in all of Canada, the United States, Mexico, Barbados, Colombia, Luxembourg, Dubai and Libya.

19. On the Appointment Date, Calmena Mexico's bank accounts had a balance of approximately $830,000 and Calmena Luxembourg's bank accounts had a balance of approximately $275,000.

20. The Receiver reinstated access to HSBCnet for four Calmena Group employees retained by the Receiver in order to allow critical payments such as payroll, fuel for the drilling rigs in Mexico and parts to repair the drilling rigs. All critical payments issued by these employees were reviewed and approved by the Receiver prior to issuance and were individually approved by HSBC Canada via direction from the Receiver.

21. On the Appointment Date, the Receiver issued a letter to HSBC Bank USA ("HSBC USA") requesting that the Calmena Group's operating bank accounts in the United States be frozen with the exception of allowing deposits. Proceeds of approximately US$1.15 million from the

Calmena Group's operating bank accounts held with HSBC USA were transferred to the Receiver's Bank Accounts.

22. Calmena Libya held funds of approximately $252,000 and Calmena Energy Services (Barbados) Inc. ("Calmena Barbados") held funds of approximately $39,000. The Receiver did not take possession of these bank accounts as Calmena Libya and Calmena Barbados are not subject to the Receivership Order and the funds have been used to pay continuing costs including payroll.

Accounts Receivable

23. The Receiver compiled supporting documentation (invoices, purchase orders, daily worksheets, etc.) to issue demand letters to collect the approximately US$1.076 million (approx. C$1.31 million) in accounts receivable owing to the Calmena Group in the United States.

24. Per discussions with Calmena Drilling Services' Director of Finance, the Receiver understands that the entire balance of these receivables, with the exception of approximately US$10,000, should be collectible.

25. Accounts receivable owing to Calmena Mexico were approximately $3.1 million as at the Appointment Date and are continuing to be collected in the normal course of business.

26. Accounts receivable owing to Calmena Libya were approximately $1.6 million as at the Appointment Date. Due to the current political situation in Libya, Calmena Libya is unable to collect these receivables.

27. Accounts receivable owing to Calmena Barbados were approximately $61,000 as at the Appointment Date. These receivables have been collected subsequent to the Appointment Date and the proceeds have been used by Calmena Barbados to settle liabilities of Calmena Barbados as Calmena Barbados is not subject to the Receivership Order. The Receiver's review of Calmena Barbados' financial statements indicate that Calmena Barbados' liabilities are greater than its assets and therefore no equity exists within Calmena Barbados that the Receiver is able to realize upon.

Insurance

On January 21, 2015, the Receiver contacted the Calmena Group's insurance provider, AON Plc ("AON"), and received confirmation that the Calmena Group had the following coverage until May 15, 2015:

Calmena Group Overview of insurance coverage as at Appointment Date USD$ '000's	
	Per Occurance
Umbrella Liability Insurance	
Global	25,000
Commercial General Liability	
(including auto liability)	
Canadian and Foreign	2,000
U.S.A.	1,000
Employer's Liability	
Foreign	1,000
U.S.A.	1,000
Casualty Insurance	
Mexico	2,000
Worldwide Property Insurance[2]	Insured Value
Rigs[3]	83,618
Field equipment	25,059
Office contents	2,230
Trucks and trailers	10,882
	121,789

[1] In the event that a claim exceeds the in-country general liability insurance then the Calmena Group's umbrella liability policy will cover an additional $25 million.

[2] All Risks of Physical Loss or Physical Damage

[3] The insured value includes assets located in Brazil and Canada disposed of in 2014. Therefore, the Receiver has requested that this property can be removed from the policy as at the date of disposition and a refund collected.

28. The Receiver retained AON for the purposes of negotiating a new global insurance policy that will replace the above policy subsequent to its expiration on May 15, 2015. AON has provided the Receiver with a new property insurance policy that will take effect upon the expiration of

the current policy and has advised the Receiver that it will be presenting multiple quotes for liability insurance on May 13, 2015 that can take effect upon expiration of the current policy.

Receiver's Notice to Creditors

29. The Receiver mailed the Receiver's Notice and Statement in accordance with sec. 245 and sec. 246 of the *Bankruptcy Insolvency Act* on January 30, 2015 to those creditors of the Calmena Group included in the Receivership Order, including Calmena US LP, as at January 20, 2015 per its books and records.

30. Notices were not issued to Calmena's creditors in Mexico and Luxemburg as the Receiver sought and obtained approval from the Alberta Courts to have Calmena's legal entities in these jurisdictions removed from the receivership proceedings and retroactive approval advising that the Receiver was not required to issue notice of the Receivership to these creditors.

HSBC Canada and Alpine Capital Corp. - Security

31. The Receiver understands that HSBC is the Calmena Group's primary secured creditor and holds a general security agreement (the "GSA") against the Calmena Group.

32. MacPherson Leslie & Tyerman LLP has performed a review of HSBC's security and advised the Receiver that HSBC's security creates a valid and first priority security interest in favour of HSBC in the Property of CESI, Calmena Holdings, 141 AB Ltd., and Calmena LP.

33. Norton Rose Fulbright US LLP has performed a review of HSBC's security and advised the Receiver that HSBC's security creates a valid and first priority security interest in favour of HSBC in the Property of CESI, Calmena Drilling Services, Calmena US Corp, Calmena US LP, and Calmena Luxembourg Holdings.

34. Norton Rose Fulbright US LLP has performed a review of Alpine Capital Corp.'s ("Alpine") security and advised the Receiver that Alpine's security creates a valid and second priority security interest in favour of Alpine in the Property of CESI, Calmena Drilling Services, and Calmena US Corp.

35. An interlender agreement dated September 24, 2012 between HSBC Canada, Export Development Canada ("EDC"), Alpine, CESI, Luxembourg Holdings, BW Services Mexico, BWES Mexico, PanAm Mexico, Calmena Energy Services Operating Corp., Calmena US Corp,

and Calmena Drilling Services (the "Interlender Agreement") states that Alpine's security is subordinate to HSBC Canada's security against the Calmena Group's Property.

Calmena Head Office - Canada

36. On the Appointment Date, the Receiver attended at the Calmena Group's head office located at Suite 1200, 1122 - 4th Street SW, Calgary, Alberta (the "Calmena Head Office"). The Receiver met with John King, CEO of CESI, and Peter Balkwill, Chief Financial Officer of CESI, to discuss the transition to the Receivership.

37. On January 21, 2015, the Receiver terminated the employment of six of the 12 employees at the Calmena Head Office. The employees retained are directly involved in the Mexico conventional drilling operations and provide support functions such as accounting, human resources and IT services to the Calmena Group's international locations.

38. The monthly lease associated with the Calmena Head Office is $15,000 per month and the Receiver has advised the landlord that it will be occupying the Calmena Head Office until at least June 30, 2015.

39. The Receiver is undertaking an inventory of Calmena's books and records on-site at the Calmena Head Office and will have the books and records transported to a secure location prior to vacating the Calmena Head Office.

United States

40. Calmena's two locations in the United States are as follows:

    a) Oklahoma City, Oklahoma - Calmena has a combined office, shop and equipment yard (the "OKC Office") where its directional drilling division operated. The majority of Calmena's directional drilling equipment is located at the OKC Office.

    b) Conroe, Texas - Calmena has a combined office, shop and equipment yard (the "Conroe Office") where its accounting functions for the United States and a machine shop for its Motor Assets, including associated equipment and parts, operated.

41. Rig 837 is stored at the World Commerce Yard in Houston, Texas. World Commerce is a transportation company that was responsible for transporting the rig to Houston and is currently storing the rig at a cost of $7,500 per month. The Receiver attended at the World Commerce Yard on January 22, 2015 to perform a physical inspection of the rig and confirm that there were adequate security measures in place. The Receiver confirmed that the rig was in a fenced yard with 24 hour security.

Oklahoma City, Oklahoma

42. On January 21, 2015, the Receiver attended at the OKC Office to meet with management of the directional drilling division, perform a physical inspection of the directional drilling equipment and secure the property at the site.

43. The Receiver terminated the employment of all employees of the directional drilling division with the exception of:

    a) two employees retained for the purposes of taking inventory and preparing the directional drilling equipment at the OKC Office for sale; and

    b) six employees for the purposes of completing the one directional drilling job being undertaken by Calmena on the Appointment Date. The one directional drilling job was completed on January 30, 2015 and these six employee's employment with Calmena was terminated thereafter.

44. The Receiver had the locks and security code at the OKC Office changed.

45. The Receiver had all high valuable equipment located in the OKC Office's yard moved inside the shop for security purposes.

46. The Receiver was in communication with the landlord of the OKC Office and has made arrangements to occupy the OKC Office on a month-to-month basis until the directional drilling equipment contained within the OKC Office is sold.

Conroe, Texas

47. On January 22, 2015 the Receiver attended at the Conroe Office with John King, former CEO of CESI, for the following purposes:

a) meeting with the Global Operations Manager, responsible for drilling operations in Mexico and the US Director of Finance for Calmena Drilling LLCin the United States. The Receiver discussed the continued drilling operations in Mexico with the Global Operations Manager; and

b) attending a meeting with senior management of Halliburton Oilfield Services ("Halliburton") for the purposes of discussing with Halliburton the Receivership of the Calmena Group and to reassure Halliburton that the Receiver had access to the financial resources and intended to complete the conventional drilling contract with Halliburton in Mexico.

48. The Receiver subsequently terminated the employment of all of Calmena Drilling LLC's employees at the Conroe Office with the exception of the Global Operations Manager, the US Director of Finance and two of the shop employees.

49. The US Director of Finance was retained for the purposes of completing tax returns, compiling documents required to collect accounts receivable in the United States and providing mechanical specifications for the directional drilling equipment in order to facilitate a sales process.

50. The two shop employees were retained for the purposes of taking an inventory and preparing the rig engines located at the Conroe Office for sale.

51. The Receiver has changed the locks and security code for the alarm system at the Conroe Office.

52. The Receiver has been in communication with the landlord of the Conroe Office and has made arrangements to occupy the space until June 15, 2015.

Mexico

53. Calmena Mexico has offices located in Poza Rica and Reynosa, Mexico (the "Mexico Offices"). Poza Rica, Mexico is also the location where three of the five drilling rigs located in Mexico are stored in two storage yards. The Reynosa office handles accounting and human resource functions.

54. The Receiver attended at Poza Rica on January 23, 2015 to meet with management of Calmena Mexico and to communicate to the senior Calmena Mexico staff that the Receiver had access to the necessary financial resources to continue operating Calmena's conventional drilling business in the normal course.

55. The Receiver attended at two Mexican equipment yards to perform a physical inspection of the three drilling rigs located in Poza Rica, Mexico. The Receiver confirmed that the rigs are located in fenced yards with 24 hour security guards on-site.

56. The Receiver met with the senior personnel of one of Calmena Mexico's customers on January 23, 2015 to communicate that the Receiver had access to the necessary financial resources in order to continue operating Calmena's conventional drilling business in the normal course and complete the contract with Halliburton.

Mexico Drilling Operations

57. As at the Appointment Date, Calmena Mexico was operating under two drilling contracts:

a) Rig 738 was contracted with Haliburton until April 24, 2015 and is currently stacked in a secure yard in Poza Rica, Mexico; and

b) Rig 737 is presently contracted with a Mexican oil and gas company, GPA Energy, S.A. De C.V., and is expected to be contracted until at least June 15, 2015.

58. As indicated above, Calmena Mexico has approximately 114 employees located in Mexico (approximately 94 field employees and 20 administrative employees in the Mexico Office). The field employees are on 14 day contracts which are continually being terminated and renewed to avoid a significant severance liability.

59. In order to recover the value associated with the positive Calmena Mexico working capital and the earnings that the drilling contracts generate, the Receiver continued operating Calmena's conventional drilling business in Mexico in the normal course.

60. The Receiver anticipates that Calmena Mexico will be sold and continue to operate as a going concern or in the event of an sale Calmena Mexico's Property, Calmena Mexico's non-intercompany liabilities will be settled in full and an orderly wind up of Calmena Mexico outside of a formal insolvency proceeding will be concluded.

Luxembourg

61. The Calmena Group developed a corporate structure whereby the majority of its equipment is owned by Luxembourg entities and leased to the operating entities in Mexico and the United States.

62. BW Luxembourg owns the Mexico Drilling Rigs.

63. Luxembourg Holding holds the majority of the directional drilling equipment in the United States.

64. Based on the Receiver's review of the Calmena Group's books and records, as at December 31, 2014, Luxembourg Holding and BW Luxembourg had approximately $125,000 of aggregate non-intercompany liabilities.

65. The Receiver has been in contact with the sole director of Luxembourg Holding and BW Luxembourg who is acting cooperatively with the Receiver and who the Receiver expects will assist with an orderly wind up of Calmena Luxembourg.

66. HSBC Canada has executed standstill letters advising and confirming that until further notice, it agrees not to take any steps to enforce on its security against Calmena Luxembourg to recover the indebtedness outstanding from the Calmena Group.

67. Due to the cost and time associated with Calmena Luxembourg being placed into formal insolvency proceedings, the Receiver anticipates that Calmena Luxembourg will settle its non-intercompany third party liabilities in the normal course and will be wound up outside of a formal insolvency proceeding.

Libya

68. Operations are inactive in Libya. The activity within this region is 'ring-fenced', meaning that the Calmena Group does not fund its operations, and the only costs to the Calmena Group relates to salaries of two employees based in Dubai and one employee in Libya which are $33,500 per month. The Receiver has retained these employees until May 30, 2015 to assist with the sale of Calmena Libya and these salaries will be paid with funds held by Calmena Libya that are not subject to the Receivership Order.

Additional Sales Processes

69. In addition to the sales process undertaken to sell the Directional Assets in the United States, the Receiver has undertaken the following sales processes to realize upon the Property of the Calmena Group:

a) Calmena Mexico - the Receiver is marketing Calmena Mexico's operations including without limitation, six drilling rigs (one in Houston, TX and five in Mexico), administrative and field employees, and active contracts; and

b) Calmena Libya - the Receiver is marketing Calmena Libya's operations including without limitation, two drilling rigs and administrative and field employees.

70. The Receiver has engaged personnel from its Lead Advisory Practice that specialize in the divestiture of mid-market oilfield service companies to assist with the above sales processes.

71. The Receiver will report on the Mexico and Libya sale processes in a subsequent report expected to be filed in June 2015.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

72. The following is the Statement of Receipts and Disbursements for the Receivership of the Calmena Group during the Receivership Period:

Receivership of the Calmena Group		
Statement of Receipts and Disbursements		
during the Receivership Period		
$CAD		
Opening cash		$ -
Receipts		
Initial transfer from debtor bank account	$ 1,671,238	
Intercompany Transfers	335,663	
Miscellaneous receipts	26,581	
Foreign exchange gain	5,455	
Total receipts		2,038,938
Disbursements		
Canadian and International Payroll	719,791	
Receivers fees and costs	569,907	
Receiver's counsel's fees and expenses	298,763	
Lease payments	137,737	
Health insurance premiums	104,115	
Utilities	29,528	
Contractor expenses	29,495	
Transportation	6,114	
Total disbursements		1,895,450
Net receipts		143,488
Deposits for sale of directional assets held in trust		746,000
Closing cash including deposits		$ 889,488

*The preceding Statement of Receipts and Disbursements includes both the CAD and USD Receiver's Bank Accounts. The USD transaction and balances were translated at the May 14, 2015 Bank of Canada exchange rate of CAD $1.212 to USD $1.00.

73. The receipts for the Receivership Period totalled $2,197,891 and included the following:

a) $1,671,238 was transferred from the Calmena Group's bank accounts with HSBC USA;

b) $335,663 in net receipts from the Calmena Mexico and Calmena Luxembourg HSBC bank accounts;

c) $26,581 in miscellaneous receipts which includes a GST refund of $15,220, insurance refunds of $5,630 and a minor receivable collection of $5,731; and

d) $5,455 reflecting the foreign exchange gain incurred on transfers between the Receiver's CAD and USD bank accounts.

74. The disbursements during the Receivership Period totalled $1,895,450 and included the following:

a) $719,791 in payroll for employees retained by the Receiver including employees at the Calmena Head Office, in the United States and international employees;

b) $569,907 in Receiver's fees & expenses including advertising for the sales processes travel costs to Mexico and the United States;

c) $298,763 incurred in the Receiver's legal counsel's fees and expenses. The Receiver has been required to retain counsel in Canada, the United States, Mexico and Luxembourg;

d) $137,737 in lease payments for the Calmena Head Office, OKC Office and Conroe Office;

e) $104,115 in health insurance premiums and benefits for employees retained by the Receiver;

f) $29,528 in Utilities for the Calmena Head Office, OKC Office and Conroe Office; and

g) $6,114 associated with transporting the Directional Assets in the United States.

SALES PROCESS - US ASSETS

75. The Directional Assets consist of the MWD Assets and Motor Assets located in Oklahoma City, OK and Conroe, TX. Additionally, there are miscellaneous spare parts located in the Conroe, TX location.

76. The Receiver prepared the following for the Calmena US sales process:

a) Marketing Teaser (the "Directional Teaser") - a two page document that provided an overview of the Directional Assets and directed interested parties to contact the Receiver for further information regarding the opportunity to acquire the Directional Assets;

b) Directional Information Memorandum (the "Directional IM") - the Directional IM is a document that provided prospective purchasers with detailed information as to the sales process and a detailed description and listing of the Directional Assets; and

c) Virtual Data Room (the "Directional VDR") - the Receiver set up the Directional VDR online with Citrix ShareFile. The Receiver populated the Directional VDR with a detailed listing of the individual parts that make up the Directional Assets, technical specifications, and maintenance logs.

77. The Directional Assets are not being sold as a going concern business, but rather as an asset sale on an "as is, where is" basis. Therefore the Receiver did not require interested parties to execute a confidentiality agreement in order to perform due diligence or view the Directional Assets.

78. The Sales Process was based on the following timeline communicated to prospective purchasers via the Directional Teaser, the Directional IM and a sales process letter (the "Process Letter") sent to prospective purchasers during the week ended April 17, 2015:

Date(s)	Description
March 11, 2015 - March 20, 2015	The Receiver to contact interested parties and distribute Teaser.
March 11, 2015 - March 20, 2015	The Receiver to execute CAs, distribute the CIM to interested parties.
March 11 2015 - April 21, 2015	The Receiver, to respond to requests for information, conduct tours and due diligence conference calls. Interested parties to
April 22, 2015	LOI bid deadline to be submitted to the Receiver.
April 23, 2015	LOIs to be assessed by the Receiver, in consultation with the secured lenders.

Overview of Sales Process

79. The Receiver undertook the following steps in order to facilitate the sale of the Directional Assets:

a) placed advertisements regarding the acquisition opportunity in the *Daily Oil Bulletin* (March 16th, March 23rd and March 30th publications), *Oiltizer* (March 20th, April 1st and April 10th publications), and *Rigzone* (4 week banner advertisement on website);

b) contacted via phone call(s) and/or e-mail 77 parties that the Receiver identified as potentially being interested in acquiring the Directional Assets. These parties were identified as the party had already contacted the Receiver or the Calmena Group expressing interest, or the Receiver had identified them as being involved in the directional drilling business or investing in oilfield service companies through a search of third party databases;

c) prepared and sent out a Directional Teaser, a copy of which is attached as Appendix "B" hereto, describing the opportunity to purchase the Directional Assets. The Directional Teaser was sent to 74 parties;

d) prepared and sent out a Directional IM a copy of which is attached as Appendix "C" hereto, describing the opportunity to purchase the Directional Assets. The Directional IM was sent out to 30 interested parties;

e) populated and gave 13 interested parties access to the Directional VDR to facilitate due diligence;

f) arranged approximately 20 site tours of the Directional Assets in both Oklahoma City, OK and Conroe, TX for several interested parties;

g) responded to numerous queries with respect of the Directional Assets and the process from interested parties;

h) sent the Process Letter during the week of April 17, 2015 to 36 parties that had expressed interest in the Directional Assets; and

i) at the April 22, 2015 bid closing date, opened and reviewed the bids, as more particularly described below.

80. The detailed process timeline that was given to each of the interested parties can be found in the Directional IM within Appendix "C".

81. On April 22, 2015 the Receiver received the following bids:

a) Three bids were received for the Directional Assets *en bloc*; and

b) Eight bids were received for piecemeal components of the Directional Assets.

82. Additionally, the Receiver put out requests for proposals ("RFP") to seven auctioneers (in both Canada and the United States) requesting that by April 22, 2015 they provide proposals on three bases:

a) unreserved auction with a net minimum guarantee;

b) straight commission auction; and

c) outright purchase.

83. The RFP process yielded no results as Auctioneers advised that due to the uncertainty of global oil prices and the volume of oilfield service equipment for sale in South Western United States they would only accept an engagement to auction the equipment on a straight auction/commission basis.

84. Based on the offers noted above, the Receiver accepted the following offers subject to Court approval:

a) the offer by 161 AB for $835,000 CAD for the MWD Assets; and

b) the offer by Turbo Drill for $800,000 CAD for all of the Motor Assets.

85. The Receiver consulted with HSBC Canada, the Calmena Group's senior secured creditor, prior to the acceptance of the above offers and HSBC Canada consented to the acceptance of the offer from 161 AB and Turbo Drill as described above.

86. The Receiver provided an update to legal counsel for Alpine ("Counsel"), the Calmena Group's second secured creditor, including the Receiver's recommendation to accept the above offers; however, the Receiver did not receive a response from Alpine or it's counsel.

87. As at the Appointment Date, the Receiver understands that HSBC Canada was owed in excess of $16.0 million and the Receiver understands Alpine was owed approximately $10.6 million. In the event that Alpine's security is determined to be valid in Canada, Luxembourg and Mexico, the Receiver does not anticipate that there will be a distribution to the unsecured creditors of the Calmena Group with the exception of unsecured creditors of Calmena Luxembourg and Calmena Mexico as these entities are not subject to the Receivership Order.

88. Acceptance of the above offers will result in a recovery of $1.635 million to the Receivership, less outstanding property taxes in Oklahoma and Texas that the Receiver understands from its US legal counsel attaches to business property in these states. The Receiver is in the process of assessing the outstanding property tax liabilities and will be investigating what relief is available to reduce the historical property tax liabilities based upon the fair market value of the assets being sold as compared to the value used to calculate historical property taxes.

89. The Receiver has commenced a claim process in the United States in order to permit municipal and state taxing authorities to file claims in the US bankruptcy proceedings.

90. In the Receiver's view, acceptance of these offers represents the maximum recovery available to the Calmena Group estate based upon the offers received.

ASSET PURCHASE AGREEMENTS

91. The Receiver, Calmena Drilling Services, Calmena US LP, Luxembourg Holding and CESI, have negotiated two asset purchase agreements for the sale of the Directional Assets in the United States.

92. The Turbo Drill APA agreement contemplates that the Motor Assets would first be purchased from Luxembourg Holding by CESI, and subsequently sold by CESI to the respective third party purchasers.

161 APA

93. The Receiver, Calmena Drilling Services, Calmena US LP, Luxembourg Holdings, and 161 AB expect to negotiated the draft 161 APA, subject to the approval of this Honourable Court. A copy of the draft 161 APA is attached as Appendix "D". The Receiver anticipates entering into the 161 APA on May 15, 2015.

94. The material terms of the 161 APA include:

a) the purchase price is $835,000 for the MWD Assets;

b) the sale of the equipment is on an "as is, where is" basis;

c) property taxes attaching to the MWD Assets shall be apportioned on an accrual between the Receiver and 161 AB. A final statement of adjustments shall be completed no later than August 31, 2015 for the settlement of any adjustments associated with the apportionment of property taxes;

d) the Receiver is holding a $166,000 deposit from 161 AB. The deposit is non-refundable subject to the approval of this Honourable Court and the US Court of the 161 APA and shall be applied as consideration against the purchase price; and

e) the closing date is scheduled to be no later than June 10, 2015 or such other date as may be agreed to by the Receiver and 161 AB.

Turbo Drill APA

95. The Receiver, Calmena Drilling Services, Calmena US LP, Luxembourg Holdings, CESI, and Turbo Drill have negotiated the draft Turbo Drill APA, subject to the approval of this Honourable Court. A copy of the draft Turbo Drill APA is attached as Appendix "E". The Receiver anticipates entering into the Turbo Drill APA on May 15, 2015.

96. The material terms of the draft Turbo Drill APA include:

a) the purchase price is $800,000 for the Motor Assets;

b) the sale of the equipment is on an "as is, where is" basis;

c) Turbo Drill will be responsible for any transfer taxes arising from the sale of the Motor Assets;

d) property taxes attaching to the Motor Assets shall be apportioned on an accrual between the Receiver and Turbo Drill and a final statement of adjustments shall be completed no later than August 31, 2015 for the settlement of any adjustments associated with this apportionment;

e) the Receiver is holding a $580,000 deposit from Turbo Drill. The deposit is non-refundable subject to the approval of this Honourable Court and the US Court of the Turbo Drill APA and shall be applied as consideration against the purchase price; and

f) the closing date is scheduled to be no later than June 10, 2015 or such other date as may be agreed to by the Receiver and Turbo Drill.

Shareholder and Director's Resolutions - Luxembourg Holdings

97. Luxembourg Holdings is not subject to the Receivership Order however the Receiver controls 100% of the common shares of Luxembourg Holdings through the receivership of its parent corporation, Calmena Holdings. The Receiver will execute a shareholder resolution (the "Shareholder Resolution") authorizing Luxembourg Holdings to enter into the 161 APA and Turbo Drill APA. A copy of the form of Shareholder Resolution is attached hereto as Appendix F.

98. The sole director of Luxembourg Holdings will also execute a director resolution (the "Director Resolution") authorizing Luxembourg Holdings to enter into the 161 APA and Turbo Drill APA. A copy of the form of Director Resolution is attached hereto as Appendix G.

US Court Approval

99. In the event that this Honourable Court grants the Order requested approving the 161 APA and Turbo Drill APA, the Receiver will be making an application to the US Court for a court order recognizing the Sales Approval Order in the United States.

RECOMMENDATIONS

100. The Receiver recommends that this Honourable Court approve:

   a) the 161 APA; and

   b) the Turbo Drill APA.

All of which is respectfully submitted this 14 day of May, 2015.

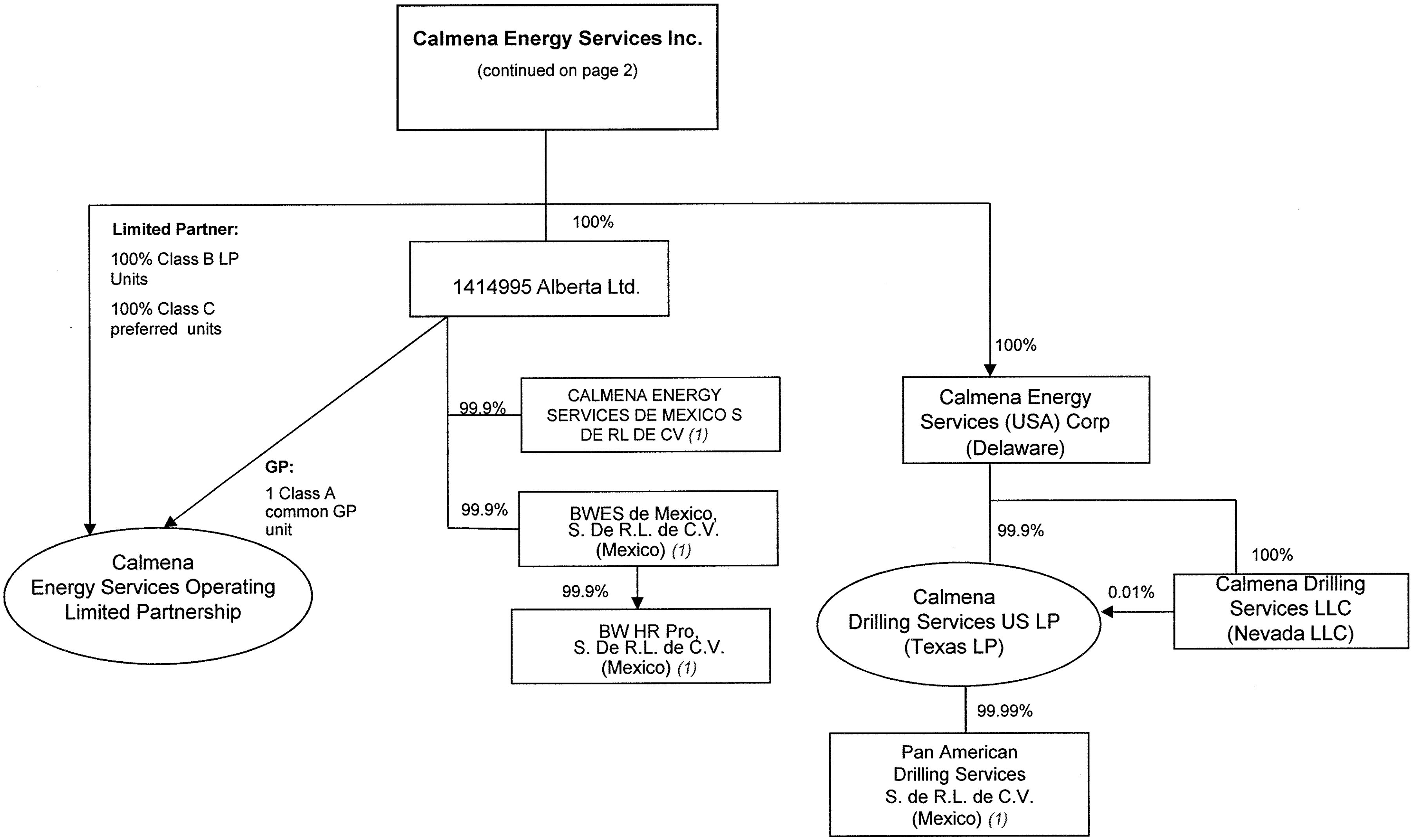
ERNST & YOUNG INC.
in its capacity as Court Appointed
Receiver of the Calmena Group

Neil Narfason, CA, CIRP, CBV
Senior Vice-President

Peter Chisholm, CA, CIRP
Vice-President

A

CALMENA ENERGY SERVICES INC.
LEGAL ENTITY ORGANIZATION CHART
(There are no external shareholders in any of the entities unless specifically noted)

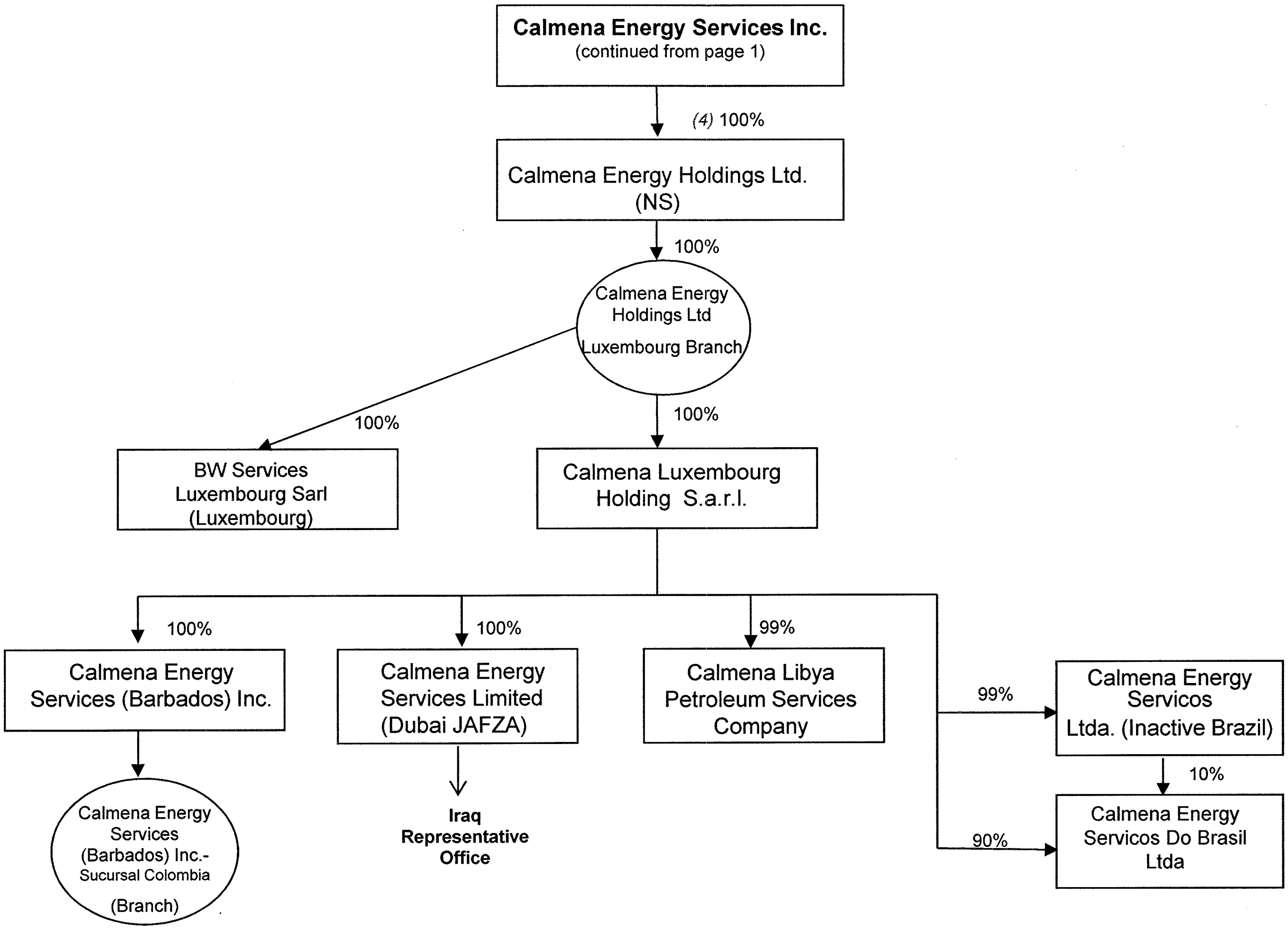


As at May 1, 2013

CONFIDENTIAL - DO NOT DISTRIBUTE

CALMENA ENERGY SERVICES INC.
LEGAL ENTITY ORGANIZATION CHART

(There are no external shareholders in any of the entities unless specifically noted)

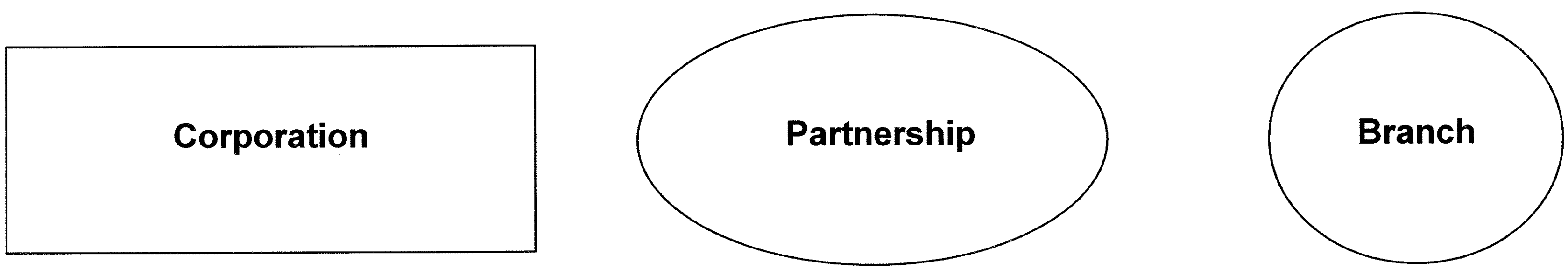


As at May 1, 2013

CALMENA ENERGY SERVICES INC.
LEGAL ENTITY ORGANIZATION CHART

NOTES:

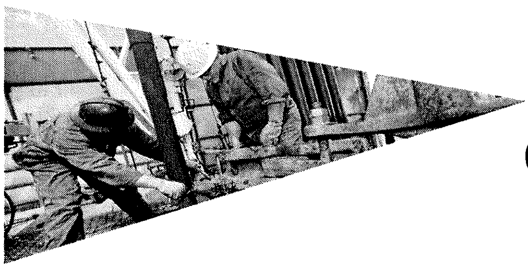
1. Nominal interests in Mexico held by CESI
2. 10 c/s held by CESI



B

Solicitation Process Information Package

March 2015



Calmena Energy Services Inc.
U.S. Directional Drilling Assets

Investment Opportunity

Calmena Energy Services Inc. ("Calmena" or the "Company") is a diversified energy services company, providing well bore construction services utilizing their technology based Contract Drilling fleet and exceptional Directional Drilling services. The Company was formerly known as BlackWatch Energy Services Corp. and changed its name to Calmena Energy Services Inc. in June 2010.

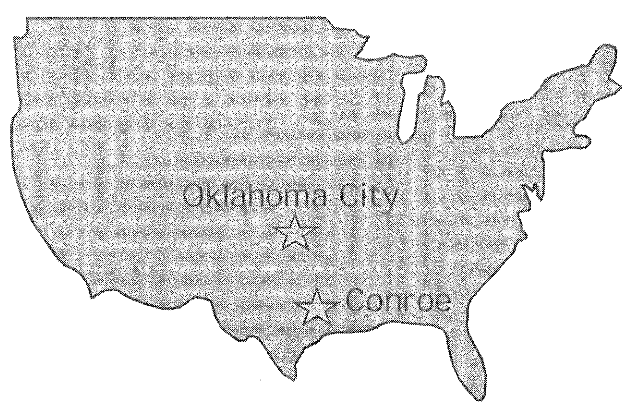
Calmena Energy Services Inc. ("Calmena" or the "Company") and certain subsidiares of Calmena were placed into receivership on January 20, 2015 by Order of the Court of Queen's Bench of Alberta, Canada (the "Receivership Order"). Ernst & Young Inc. (the "Receiver") was appointed as the Receiver and Manager of Calmena pursuant to the Receivership Order. Pursuant to the Receivership Order, the Receiver is marketing Calmena's directional drilling assets located in the United States (collectively, the "Assets").

On February 5, 2015, the Receiver filed a Petition for Recognition for the Company under chapter 15 of the United States Bankruptcy Code in United States Bankruptcy Court for the Southern District of Texas in Case No. 15-30786, and on March 5, 2015, the United States Bankruptcy Court for the Southern District of Texas entered an Order Granting Receiver's Petition for Recognition as Foreign Main Proceeding.

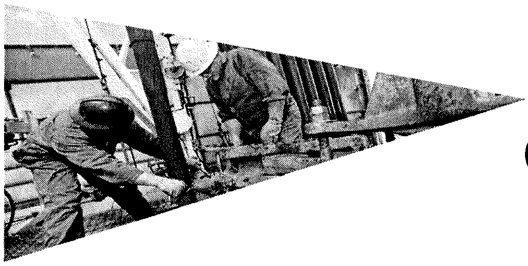
The sales of these Assets may require the approval of the Court of Queen's Bench and the United States Bankruptcy Court.

Key Assets and Location

Measurement While Drilling Systems	Kits
Blue Star Pilot	14
Version 3 Calmena (V3)	7
Geolink	4.5
APS Electromagnetic (EM)	2.5
Total MWD Systems	28



Motor Fleet	
4 3/4 inch Cavare Assembly (Motor)	81
4 3/4 inch SBB Assembly (Motor)	1
6 1/2 inch Cavare Assembly (Motor)	32
6 1/2 inch SBB Assembly (Motor)	6
6 3/4 inch Cavare Assembly (Motor)	1
8 inch Cavare Assembly (Motor)	7
9 5/8 inch Cavare Assembly (Motor)	3
Total Motors	131
Total Spare Bearing Assemblies	28
Total Spare Rotors	68
Total Spare Stators	102
Total Spare Parts	198
NOV Breakout Unit	1



Calmena Energy Services Inc.

U.S. Directional Drilling Assets

Next Steps

Prospective bidders interested in this opportunity are asked provide the Receiver with the following information (collectively, the "Access Information"):

(i) name of individual(s) to receive information;
(ii) name of company;
(iii) email address; and,
(iv) phone number.

Upon receipt of the Access Information, the bidder may receive the Information Memorandum and access to the virtual data room. Prospective Bidders should direct all inquiries to the Receiver who will arrange all appropriate due diligence contacts. Potential bidders are requested not to contact Calmena or any of its former employees or consultants. The Company will consider qualified bids and any transaction involving a sale of the Company and its assets may be subject to Court approval.

Potential bidders are requested to direct all inquiries to one of the persons listed below.

Neil Narfason
Senior Vice President
(403) 206-5067
neil.narfason@ca.ey.com

Pete Chisholm
Vice President
(403) 206-5061
peter.chisholm@ca.ey.com

Dylan Murray
Senior
(403) 206-5646
dylan.murray@ca.ey.com

Alixandra Paris
Associate
(403) 206-5228
alixandra.e.paris@ca.ey.com

C

Calmena Energy Services Inc.
Directional Drilling Assets

Confidential Information Memorandum

March 2015

calmena
ENERGY SERVICES

EY
Building a better working world

Disclaimer

- Calmena Energy Services Inc. ("Calmena" or the "Company") and certain subsidiares of Calmena were placed into receivership on January 20, 2015 by Order of the Court of Queen's Bench of Alberta, Canada (the "Receivership Order").

- Ernst & Young Inc. (the "Receiver") was appointed as the Receiver and Manager of Calmena pursuant to the Receivership Order.

- Pursuant to the Receivership Order, the Receiver is marketing Calmena's directional drilling assets located in the United States (collectively, the "Assets").

- The Assets are owned by Calmena Drilling Services US LP and Calmena Luxembourg Holding S.à r.l.

- On February 5, 2015, the Receiver filed a Petition for Recognition for the Company under chapter 15 of the United States Bankruptcy Code in United States Bankruptcy Court for the Southern District of Texas in Case No. 15-30786, and on March 5, 2015, the United States Bankruptcy Court for the Southern District of Texas ("US Court") entered an Order Granting Receiver's Petition for Recognition as Foreign Main Proceeding.

- The Receiver further advises that a sale may be subject to approval of the United States Bankruptcy Court ("Court").

- All amounts are in Canadian dollars unless otherwise stated.

Sales Process

Parties that have executed a CA ("Qualified Bidders") in a form satisfactory to the Company and delivered it to the Receiver are invited to submit written copies of a binding letter of intent ("LOI") to the Receiver at the address noted below (including email) to be received no later than 12:00 p.m. (Mountain Standard Time) on April 22, 2015 (the "Bid Deadline"), or such other date or time as may be agreed by the Receiver, in consultation with the Company and its creditors.

Ernst & Young Inc.
1000, 440-2nd Avenue, SW, Calgary, Alberta
Attention: Peter Chisholm, Vice President

Cash is the preferred form of consideration but if the LOI utilizes other consideration, a description of the material terms of the consideration should be provided.

All required corporate approvals of Qualified Bidders should be obtained prior to submitting an LOI. The LOI should clearly indicate any significant conditions in favour of the purchaser to be resolved prior to transaction closing.

LOI's are to be made on an "as is, where is" basis, and are to contain only minimal representations and warranties as would normally be provided by a court-appointed receiver and that there are to be no material conditions in favour of the Qualified Bidder and no conditions as to material adverse change.

The Receiver anticipates that any LOI submitted by a Qualified Bidder will not include a provision that makes the obligation to close the transaction contingent upon obtaining financing and the inclusion of any such condition will place a potential Qualified Bidder at a disadvantage.

Sales Process

Each Qualified Bidder must provide with its LOI details regarding its ability to obtain and method of financing the transaction and the timetable for obtaining financing, if applicable.

In summary, the LOI shall include all of the following:

- The amounts and forms of consideration;
- the structure of the transaction;
- evidence of the Qualified Bidder's financial ability to complete the transaction, including the method and timing of financing the purchase;
- any special due diligence requirements;
- any required conditions of closing or approvals required;
- schedule of timing and events to complete closing; and
- any other points which you consider integral to a transaction or that would be of interest to the Company.

The Receiver is under no obligation to respond to or accept any LOI for the Assets and the Receiver reserves the right to remove the Assets from the market at its discretion. EY further reserves the right to accept an offer at any time and terminate the process.

A refundable deposit cheque of the greater of $500,000 and 10% of the purchase price offered must accompany all LOIs. All deposit cheques are to be made out to Ernst & Young Inc., in Trust. The deposit of the successful bidder will be returnable only in the event that the transaction is not approved by the Court or a transaction does not close as a result of a default of the vendor.

Process Timeline

Date(s)	Description
March 11, 2015 - March 20, 2015	The Receiver to contact interested parties and distribute Teaser.
March 11, 2015 - March 20, 2015	The Receiver to execute CAs, distribute the CIM to interested parties.
March 11 2015 - April 21, 2015	The Receiver, to respond to requests for information, conduct tours and due diligence conference calls. Interested parties to conduct due diligence.
April 22, 2015	LOI bid deadline to be submitted to the Receiver.
April 23, 2015	LOIs to be assessed by the Receiver, in consultation with the secured lenders.
April 24, 2015 - May 14, 2015	Purchase Agreement to be negotiated and mutually agreed upon by both parties.
May 14, 2015 - May 29, 2015	Court approval, if required, of the definitive Purchase Agreement.
May 29, 2015	Closing.

The Receiver will reserve the right to terminate at any time further participation in the offering process by any interested party, to modify dates or procedures as it deems appropriate or to terminate the process. The Receiver will endeavour to keep all interested parties apprised of any material changes to the process.

Due Diligence

- Please provide the following details to the contact information below in order to receive access to the virtual data room:
  - Name of individual;
  - Name of company;
  - Title of individual;
  - Email address; and,
  - Phone number.

- Should there be requests for additional information and management presentation, please inform the individuals listed below and the Receiver will arrange for the appropriate next steps.

- Prospective purchasers are requested not to contact Calmena or former employees/consultants of the Company other than directed by the Receiver.

- Parties who do not wish to pursue this matter are required to comply with the terms and conditions of the Confidentiality Agreement. Questions relating to this sales process should be directed to one of the individuals noted below.

Neil Narfason	Pete Chisholm	Alixandra Paris
Senior Vice President	Vice President	Associate
Office: +1.403.206.5067	Office: +1.403.206.5061	Office: +1.403.206.5228

Overview

Acquisition Opportunity

- Calmena is a diversified energy services company, providing well bore construction services utilizing their technology based Contract Drilling fleet and exceptional Directional Drilling services.

- The Company was formerly known as BlackWatch Energy Services Corp. and changed its name to Calmena Energy Services Inc. in June 2010.

- On January 20, 2015, the Alberta Court of Queen's Bench granted an Order (the "Receivership Order") appointing Ernst & Young Inc. as Receiver and Manager of Calmena, the Receivership Order was subsequently recognized by the US Court.

- There are a substantial amount of directional drilling assets located in the United States including:
  - 14 full Blue Star Pilot MWD kits;
  - 7 Version 3 Calmena ("V3") MWD kits;
  - 2.5 APS Electromagnetic ("EM") MWD kits;
  - 4.5 Geolink MWD kits;
  - 1 Forklift;
  - 1 NOV Breakout Unit; and
  - A substantial motors (mainly Cavare) and spare parts fleet.

- Historically, these assets have previously been utilized in the oil and liquids-rich areas of West Texas, Oklahoma, as well as Mexico and Colombia.

- The acquisition of these assets will allow a purchaser to acquire MWD kits that are ready for deployment into the field.

MWD Kits
Summary

There are 4 types of MWD Kits owned by the Company

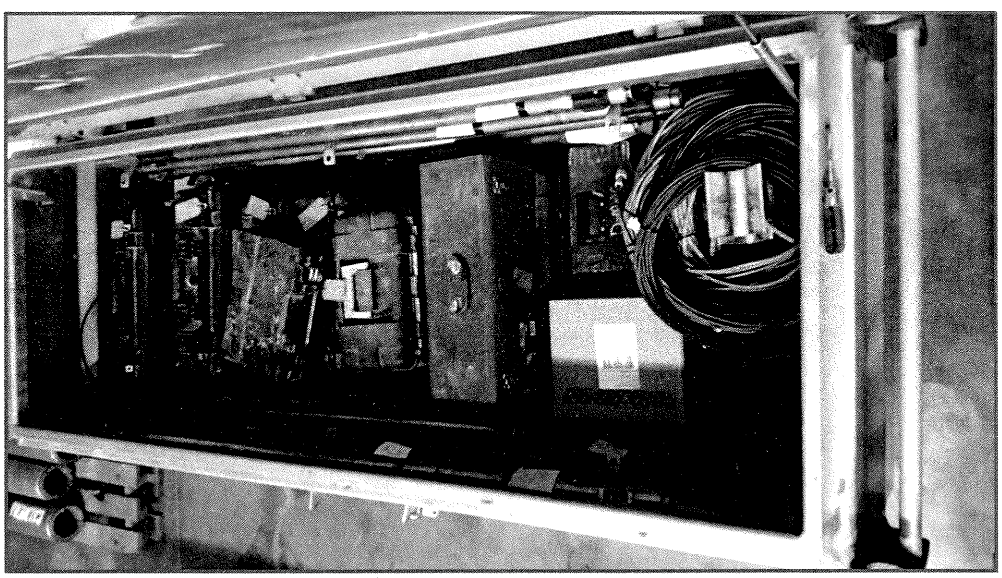
Blue Star Pilot - Positive Pulse

Version 3 (Calmena Drilling Technologies)

Geolink - Positive Pulse (Converted and Non-Converted)

Electromagnetic (Applied Physics)

Measurement While Drilling Systems	Kits
Blue Star Pilot	14
Version 3 Calmena (V3)	7
Geolink	4.5
APS Electromagnetic (EM)	2.5
Total MWD Systems	28



EY

MWD Kits
Blue Star

There are 14 full Blue Star Pilot MWD Kits located in the Oklahoma City shop.

Each of these kits has been carefully put together by Calmena staff, ensuring that the kits are properly tagged and operational ready.

MWD Kits
Blue Star

Each of the 14 Blue Star kits include the assets noted.

2	MWD strings	
	2	Pulsers
	2	Directional modules (D&I package)
	2	Gamma modules (key and probe)
	4	Batteries
	2	Spear points
	2	Lower ends
2	Rig floor displays with all cables	
2	Sets of Freewave radios	
1	Battery backup	
2	Pressure transducers with Hammer Union connections	
2	Toshiba MWD laptops with all associated software	
2	Toshiba gamma computers with associated software	
1	Dr. Watson battery test box for testing USPI smart batteries	
1	Hand tools box	
	-	Screw drivers
	-	Pliers
	-	Punches
	-	Crescent wrenches
	-	All hand tools required to successfully complete the job
1	Consumables box	
	-	Tape
	-	WD-40
	-	Contact cleaner
	-	Hand cleaner
	-	Thread tape
	-	All consumables required to successfully complete the job

MWD Kits
Blue Star

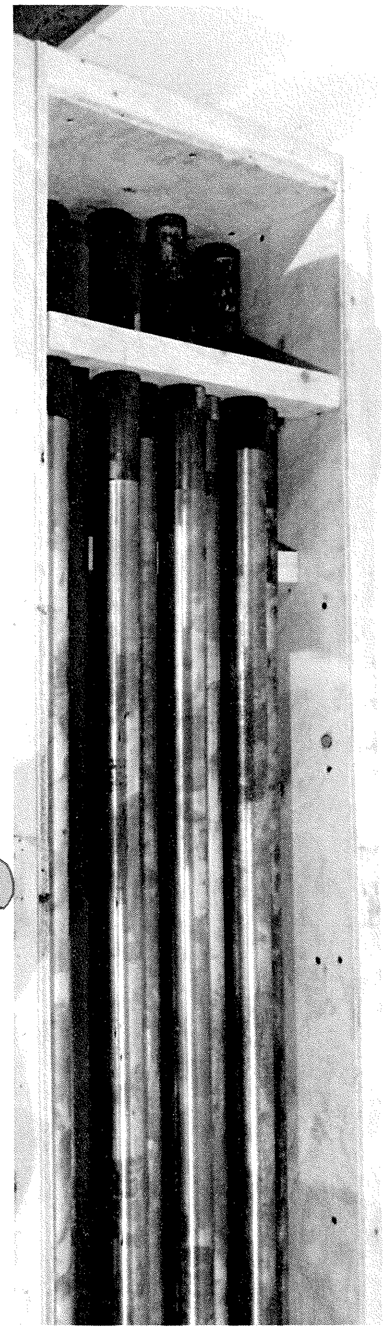
1	Spare parts box	
	-	Orifices
	-	Poppets
	-	Set screws
	-	Orings
	-	Retention bolts
	-	Snap rings
	-	Dowel pins
	-	Roll pins
-	Muleshoe Sleeves	
	2	Large MS sleeves
-	2	Small MS sleeves
	Fin Cutters (1 of each size)	
-	Battery test box	
	1	Break out box
	1	Multi meter
	1	Flow simulator
	1	Pulser stroke tester
-	Running gear	
	-	Wt bars
	-	J-latch
	-	On-off latch
	-	Spang jars
	-	Crossovers
	-	Rope Socket

MWD Kits
Version 3 (V3)

There are 7 V3 MWD Kits located in both Oklahoma City and Calgary.

V3 MWD Kits are internally developed by Calmena

Each of these kits has been carefully put together by Calmena staff, ensuring that the kits are properly tagged and operational ready.



EY

MWD Kits
Version 3 (V3)

2 V3 MWD Strings		Ancillary Tools and Equipment Kits	
2	Thunder Pulse Module	1	Hand Tools Kit Box
2	TP Sensor Module (DNI Package)	1	Consummables Kit Box
4	Battery Module	1	Spare Parts Kit Box
6	ICM / Centralizer Assembly	1	Battery Test Kit Box
2	TCM / Top Centralizer Assembly	1	D-Mag Kit Box
2	Thunder Pulse Lower End Assembly	1	Drill Kit Box
2	Muleshoe Sleeve-Medium Assembly		
2	Muleshoe Sleeve-Large Assembly	Programming and Cabling Equipment	
		2	Vibration Module
Surface Equipment		2	ITU - Comp. Serial/USB
2	Surface Interface Receiver Assembly (Azonix)	2	ITU - CSI Prog Cable Assembly
2	Surface Slave Computer w/ System Software	2	ITU - CSI Battery Cable Assy
2	External 2.4 Ghz IP Mesh Radio Assembly (white)	1	Power Cable
2	IP MESH / Power Cable	1	Keydrill Tool Config Adapter
2	Ext. 2.4 GHz ethernet radio and antenna Assy (black)		
2	3 dbi 2.4 GHz Low profile antenna	Other miscellaneous Handling Equipment and Tools	
1	Interface Test Unit (ITU)		
2	Transducer Main Cable Assembly 100'		
2	Transducer Adapter Cable Assembly 1'		
2	0-5000 psi Pressure Transducer		
2	WECO Hammer Union Assembly		

Each of the 7 V3 kits include the assets noted.

EY

MWD Kits
Electromagnetic (EM)

There are 2.5 APS EM MWD Kits located in the Oklahoma City shop.

Each of these kits has been carefully put together by Calmena staff, ensuring that the kits are properly tagged and operational ready.

Of note - some probes and dipoles are currently at the manufacturer for recalibration.

1	560B 50Hz/60Hz APS power supply
1	Dipole Simulator TST MSSG Generator
4	Battery Sub Assembly
1	574 50Hz/60Hz APS Dipole Downlink Box
2	4.75 Up hole Gap Sub Assy. Kit
1	4.75" Driver Sub Assembly
1	Rig Floor Power
1	Rig Floor Display
1	Driller Display w/40 Cable/Case
1	PSA A Battery Assembly
1	PSA B Battery Assembly
2	SEA (Survey Electronic Assembly)
3	Coupler/Subassy/Bolt on G2
1	Power Barrier Box

Each of the 2.5 EM kits include the assets noted.

MWD Kits
Geolink

There are 4.5 Geolink Conversion MWD Kits located in the Oklahoma City shop.

Each of these kits has been carefully put together by Calmena staff, ensuring that the kits are properly tagged and ready to go out to work.

4.5 Kits

The traditional Geolink MWD system was a modular, non-retrievable, negative pulse tool. With an emphasis on creating reliability, retrievability and higher temperature capabilities, Calmena's drilling technology engineering group completed an upgrade of the tool in 2013.

The Calmena upgraded Geolink system is a retrievable, positive pulse MWD platform. Users requiring expanded versatility have the option to expand their Geolink MWD system with additional sensor capabilities, which include Pressure Sensors as well as Shock & Vibration and a number of LWD sensors. The Calmena upgraded Geolink system has proven to be a competitive MWD alternative in select markets.

Motors and Spare Parts

- Calmena has two types of motors - Cavare and internally developed Calmena Short Bit to Bend ("Cal SBB").
  - Cavare motors are engineered and designed for durability and performance. The motor fleet for sale comes in various rotor and stator configurations in sizes from 4 ¾" up to 9 5/8". The motors come with an adjustable bent housing (0 - 3 Deg) or a fixed bent housing. The motors incorporate a wide range of power sections in multiple sizes.
  - The Cal SBB motor was developed by Calmena to address specific short radius applications in the Oklahoma market. The motor is designed to deliver higher build rates at lower rotatable bend settings, equipped with 0-2 Deg adjustable bend assembly. By lowering the offset compared to conventional motors, the Cal SBB can be rotated resulting in completion of the vertical, build and lateral sections in a single trip.

- Further detail on these motors and spare parts can be found in the virtual data room

4 3/4 inch Cavare Assembly (Motor)	81
4 3/4 inch Cal SBB Assembly (Motor)	1
6 1/2 inch Cavare Assembly (Motor)	32
6 1/2 inch Cal SBB Assembly (Motor)	6
6 3/4 inch Cavare Assembly (Motor)	1
8 inch Cavare Assembly (Motor)	7
9 5/8 inch Cavare Assembly (Motor)	3
Total Motors	131
Total Spare Bearing Assemblies*	28
Total Spare Rotors	68
Total Spare Stators	102
Total Spare Parts	198

** Spare bearing assemblies currently include 3 that need parts*

EY

NOV Breakout Unit

- Calmena also has an 1689 Griffith TorqueMaster National Oilwell Varco Breakout Unit located in Conroe, TX.
- The TorqueMaster Breakout Unit is a ratchet style horizontal torque unit designed to safely and efficiently make up and break out threaded tubular tool joint connections of downhole tools and equipment. These units are fully hydraulic and come standard with a fixed headstock bed assembly, a traversing tailstock, a hydraulic control console and accessories.
- The TorqueMaster unit is safely and efficiently operated by one person from a low pressure, electric powered, standalone hydraulic control console that can be wired to suit any power supply.

Headstock Design	Fully closed	Tailstock Design	Fully closed
Headstock OD Range	3½" - 14" (standard tong die) 2½" - 13" (extra tall tong die)	Tailstock OD Range	3½" - 14" (standard tong die) 2½" - 13" (extra tall tong die)
Make-Up Torque	4,000 ft-lbf - 150,000 ft-lbf	Console Noise Rating	80 dB (A)
Breakout Torque	190,000 ft-lbf (maximum)	Console Weight	1,500 lb
Console Operating Pressure	3,200 psi	Console Dimensions	60" x 24" x 45" (L x W x H)
Base Unit Dimensions	192" x 58" x 74" (L x W x H)	Base Unit Weight	10,000 lb

D

CALMENA DRILLING SERVICES US LP,

CALMENA DRILLING SERVICES LLC

and

CALMENA LUXEMBOURG HOLDING S.À.R.L.

(collectively, the "Vendor")

and

1616057 ALBERTA LTD.

(the "Purchaser")

ASSET PURCHASE AGREEMENT

May 14, 2015

TABLE OF CONTENTS

ASSET PURCHASE AGREEMENT dated May 14, 2015

BETWEEN:

CALMENA DRILLING SERVICES US LP, a limited partnership subsisting under the laws of Texas,

CALMENA DRILLING SERVICES LLC, a limited partnership subsisting under the laws of Nevada and the general partner of Calmena Drilling Services US LP

\- and -

CALMENA LUXEMBOURG HOLDING S.À.R.L., a private limited liability company *(société à responsabilité limitée)* incorporated and existing under the laws of Luxembourg with its registered office at 63, rue de Rollingergrund, L-2440 Luxembourg, with a share capital of USD21.950.217 and registered with the Luxembourg trade and companies register under number B 151919

(collectively, the "**Vendor**")

\- and -

1616057 ALBERTA LTD. a corporation subsisting under the laws of Alberta, (the "**Purchaser**")

WHEREAS:

A. Pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), the Alberta Court of Queen's Bench (the "**Alberta Court**") granted a receivership order with respect to all of the current and future property and undertakings of Calmena Energy Services Inc., Calmena Energy Holdings Ltd., 1414995 Alberta Ltd., Calmena Energy Services Operating Limited Partnership, Calmena Energy Services (USA) Corp., Calmena Drilling Services LLC, and Calmena Drilling Services US LP (the "**Debtors**") on January 20, 2015, as amended on February 9, 2015 (the "**Receivership Order**") appointing the Receiver as receiver and manager of the Debtors;

B. The Receivership Order was recognized by the U.S. Court as a foreign main proceeding and the Receiver was recognized as the foreign representative on March 5, 2015, pursuant to Chapter 15 of the United States *Bankruptcy Code*;

C. Calmena Luxembourg Holding S.À.R.L. ("**Calmena Luxembourg**") is a wholly owned subsidiary of Calmena Energy Holdings Ltd., which is in turn a wholly owned subsidiary of the parent company, Calmena Energy Services Inc. Pursuant to the Receivership Order, the Receiver controls the shares of Calmena Luxembourg; and

D. In connection with the Receivership Proceedings and the U.S. Proceedings (each as defined herein), the Vendor, subject to approval by the Court, has agreed to sell, transfer and assign to the Purchaser, all of the right, title and interest of the Vendor to the Purchased Assets, and the Purchaser has agreed to purchase the Purchased Assets from the Vendor, on the terms and conditions set forth herein.

NOW THEREFORE this Agreement witnesses that in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged by each Party to the other, the Parties agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement:

(a) "**Affiliate**" means, with respect to any person, any other person or group of persons acting in concert, directly or indirectly, that controls, is controlled by or is under common control with such person. The term "control" as used in the preceding sentence means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a person whether through ownership of more than 50% of the voting securities of such person, through being the general partner or trustee of the other person, or through contract or otherwise;

(b) "**Agreement**" means this asset purchase agreement and all Schedules attached hereto;

(c) "**Alberta Court**" has the meaning ascribed to that term in the recitals;

(d) "**Alberta Court Approval**" means an order of the Alberta Court authorizing the Receiver to take all necessary actions to sell the Purchased Assets and approving the sale of the Purchased Assets by Calmena Drilling Services US LP;

(e) "**Applicable Law**" means, in respect of any person, assets, transaction, event or circumstance:

(i) statutes (including regulations enacted thereunder);

(ii) judgments, decrees and orders of courts of competent jurisdiction;

(iii) regulations, orders, ordinances and directives issued by Government Authorities; and

(iv) the terms and conditions of all permits, licenses, approvals and authorizations;

which are applicable to such person, asset, transaction, event or circumstance;

(f) "**BIA**" has the meaning ascribed to that term in the recitals;

(g) "**Books and Records**" means all of the Vendor's books and records in its possession at the Closing Date relating directly and solely to the Purchased Assets, but not including those relating to the Vendor's business;

(h) "**Business Day**" means a day other than a Saturday, Sunday or any other day on which the principal chartered banks located in Calgary, Alberta are not open for the transaction of domestic business during normal banking hours;

(i) "**Claim**" means any right or claim of any person that may be asserted or made in whole or in part against the Vendor or any of its Affiliates and their respective directors, officers, employees, agents or advisors, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including without limitation, by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including, without limitation, any legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present or future, known or unknown, by guarantee, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature including, without limitation, any right or ability of any person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action whether existing at present or commenced in the future, together with any other rights or claims of any kind that, if unsecured, would be a debt provable in bankruptcy within the meaning of the *Bankruptcy and Insolvency Act* (Canada) had the Vendor become bankrupt;

(j) "**Closing**" means the completion of the purchase by the Purchaser and sale by the Vendor of the Purchased Assets and the completion of all other transactions contemplated by this Agreement that are to occur contemporaneously with such sale, all subject to and in accordance with the terms and conditions of this Agreement;

(k) "**Closing Date**" means the date that is no later than June 10, 2015 or such other date as may be agreed to by the Vendor and the Purchaser;

(l) "**Court**" means collectively, the Alberta Court and the U.S. Court;

(m) "**Court Approval**" means the approval of the Transaction by the Court, including the Alberta Court Approval and the U.S. Sale Approval;

(n) "**Data Room Information**" means all information made available (by the Receiver or otherwise) for the Purchaser's review in electronic form in relation to the Vendor, its Affiliates and/or the Purchased Assets;

(o) "**Debtors**" has the meaning ascribed to that term in the recitals;

(p) "**Deposit**" has the meaning ascribed to that term in Section 3.2;

(q) "**Effective Time**" means 8:00 a.m. (Calgary time) on the Closing Date;

(r) "**Encumbrances**" means any pledges, liens, security interests, encumbrances, claims, charges, options or interests;

(s) "**Excluded Assets**" means: (i) all right, title and interest in and to any and all claims and causes of action that the Vendor has or may have against any person other than those claims or causes of action directly related to the Purchased Assets; (ii) all Books and Records; (iii) all policies of insurance, assurance, or other Third Party recourse (including claims against insurance and insurance settlements) except in respect of such instruments that are directly in support of the Purchased Assets; (iv) income tax refunds; and (v) cash, marketable securities, deposits and bank accounts;

(t) "**Final Statement of Adjustments**" has the meaning ascribed to that term in Section 3.6;

(u) "**GAAP**" means accounting principles generally accepted in Canada including those recommended or approved by the Canadian Institute of Chartered Accountants at the relevant time including to the extent applicable, international financial reporting standards;

(v) “**Governmental Authority**” means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; and any governmental agency, ministry, department, tribunal, commission, bureau, board or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory or administrative functions of, or pertaining to, government, having jurisdiction over a Party, the Purchased Assets or the Transaction;

(w) “**Governmental Order**” means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority;

(x) “**GST**” means taxes, interest, penalties and fines imposed under Part IX of the *Excise Tax Act* (Canada) and the regulations made thereunder; and “**GST Legislation**” means such act and regulations collectively;

(y) “**Income Tax Act**” means, collectively, the *Income Tax Act*, R.S.C. 1985, c.1 (5th Supplement), the *Income Tax Application Rules*, R.S.C. 1985, c.2 (5th Supplement) and the *Income Tax Regulations*, in each case as amended to the date hereof;

(z) “**Interim Statement of Adjustments**” has the meaning ascribed to that term in Section 3.6;

(aa) “**Inventory**” means the inventory listed in Schedule 1.1(aa);

(bb) “**Legal Proceeding**” means any litigation, action, suit, investigation, hearing, claim, complaint, grievance, arbitration proceeding or other proceeding and includes any appeal or review or retrial of any of the foregoing and any application for same;

(cc) “**Losses and Liabilities**” means any and all assessments, charges, costs, damages, debts, expenses, fines, liabilities, losses, obligations and penalties, whether accrued or fixed, absolute or contingent, matured or unmatured or determined or determinable, including those arising under any Applicable Law, Claim by any Governmental Authority or Governmental Order and those arising under any contract, agreement, arrangement, commitment or undertaking and costs and expenses of any Legal Proceeding, assessment, judgment, settlement or compromise relating thereto, and all interest, fines and penalties and reasonable legal fees and expenses incurred in connection therewith (on a full indemnity basis);

(dd) “**Notice Period**” has the meaning ascribed to that term in Section 8.2(b);

(ee) “**Parties**” means, collectively, the Purchaser and the Vendor, and “**Party**” means any one of them;

(ff) “**Permitted Encumbrances**” means:

(i) Encumbrances given as security to a public utility or any Governmental Authority when required in the ordinary course of business but only insofar as they relate to any obligations or amounts not due as at the Closing Date;

(ii) any privilege in favour of any lessor, licensor or permitter for rent to become due or for other obligations or acts, the performance of which is required under contracts of the Vendor so long as the payment or the performance of such other obligation or act is not delinquent and provided that such Encumbrances or privileges do not materially affect the use or the operation of the assets affected thereby; and

(iii) any Encumbrances permitted by an order of the Court;

(gg) “**person**” means any individual, corporation, limited or unlimited liability company, joint venture, partnership (limited or general), trust, trustee, executor, Governmental Authority or other entity;

(hh) "**Prime Rate**" means the rate of interest, expressed as a rate per annum, designated by the main branch in Calgary, Alberta of the Royal Bank of Canada as the reference rate used by it to determine rates of interest charged by it on Canadian dollar commercial loans made in Canada and which is announced by such bank, from time to time, as its prime rate, provided that whenever such bank announces a change in such reference rate then the "Prime Rate" for the purposes of this Agreement shall correspondingly change effective on the date the change in such reference rate is effective;

(ii) "**Purchased Assets**" means the:

(i) Purchased Equipment; and

(ii) Inventory;

but for certainty, does not include the Excluded Assets;

(jj) "**Purchased Equipment**" means the equipment listed in Schedule 1.1(jj);

(kk) "**Purchase Price**" has the meaning ascribed to that term in Section 3.1;

(ll) "**Purchaser's Solicitors**" means the law firm of McLennan Ross LLP or such other firm or firms of solicitors as are appointed by the Purchaser from time to time and notice of which is provided to the Vendor;

(mm) "**Receiver**" means Ernst & Young Inc. in its capacity as the Alberta Court-appointed receiver of the Debtors in the Receivership Proceedings and also as the foreign representative in the U.S. Proceeding and, in each case, not in its personal or corporate capacity;

(nn) "**Receivership Proceedings**" means Alberta Court of Queen's Bench Action No. 1501-00681;

(oo) "**Receivership Order**" has the meaning ascribed to that term in the recitals;

(pp) "**Receiver's Solicitors**" means the law firm of Borden Ladner Gervais LLP (or any successor thereto) or such other firm or firms of solicitors as are appointed by the Vendor from time to time and notice of which is provided to the Purchaser;

(qq) "**Representative**" means, in respect of a person, each director, officer, employee, agent, legal counsel, accountant, professional advisor and other representative of such person and its Affiliates, and with respect to the Vendor, includes the Receiver and their respective Affiliates, directors, officers, employees, agents, legal counsel, accountants, professional advisors and other representatives;

(rr) "**Sales Process**" means the procedures for the sales solicitation process in relation to the Vendor;

(ss) "**Specific Conveyances**" means all conveyances, bills of sale, assignments, transfers, and other documents or instruments that are reasonably required or desirable to convey, assign and transfer the Vendor's Interest in and to the Purchased Assets to the Purchaser including a bill of sale for the Purchased Equipment forming part of the Purchased Assets;

(tt) "**Tax Legislation**" means, collectively, the Income Tax Act and all Canadian and United States federal, provincial, state, territorial, county, municipal and local, foreign, or other statutes, ordinances or regulations imposing a Tax, including all treaties, conventions, rules, regulations, orders, and decrees of any jurisdiction;

(uu) "**Tax**" or "**Taxes**" means all taxes, assessments, charges, dues, duties, rates, fees, imposts, levies and similar charges of any kind lawfully levied, assessed or imposed by any Governmental Authority under any applicable Tax Legislation, including, Canadian and United States federal, provincial, state, territorial, county, municipal and local, foreign or other income, capital, capital gains, goods and services, sales, use, consumption, excise, value added (including GST and Harmonized Sales Tax), business, real property, personal property, transfer, franchise, withholding, payroll, or employer health taxes, customs, import, anti-dumping or countervailing duties, Canada Pension Plan contributions, employment insurance premiums, and provincial workers' compensation payments, levy, assessment, tariff, impost, imposition, toll and duty, whether computed on a separate, combined, unitary, or consolidated basis or any other manner, including any interest, penalties and fines associated therewith;

(vv) "**Third Party**" means any person who is not a Party, Affiliate or Representative;

(ww) "**Third Party Claim**" means any Claim by a Third Party asserted against the Vendor for which the Purchaser has indemnified the Vendor or is otherwise responsible for pursuant to this Agreement;

(xx) "**Time of Closing**" means 9:00 am (Calgary, Alberta time) on the Closing Date or such other date and time as the Parties may agree in writing that the Closing shall take place;

(yy) "**Transaction**" means the transaction for the purchase and sale of the Purchased Assets as contemplated in this Agreement;

(zz) "**Transfer Taxes**" means all present and future transfer taxes, sales taxes, use taxes, production taxes, value-added taxes, goods and services taxes, land transfer taxes, registration and recording fees, and any other similar or like taxes and charges imposed by a Governmental Authority in connection with the sale, transfer or registration of the transfer of the Purchased Assets, including GST and Harmonized Sales Tax;

(aaa) "**U.S. Court**" means the United States Bankruptcy Court for the Southern District of Texas, Houston Division;

(bbb) "**U.S. Proceedings**" means United States Bankruptcy Proceedings, Case No. 15-30786;

(ccc) "**U.S. Sale Approval**" means the recognition of the Alberta Court Approval and the vesting of the Purchased Assets sold by Calmena Drilling Services US LP to the Purchaser, by the U.S. Court; and

(ddd) "**Vendor's Interest**" means, when used in relation to any asset, undertaking or property, all the right, title and interest, if any, of the Vendor in such asset, undertaking or property.

1.2 Interpretation

The following rules of construction shall apply to this Agreement unless the context otherwise requires:

(a) All references to monetary amounts, unless indicated to the contrary, are to the lawful currency of Canada.

(b) Words importing the singular include the plural and vice versa, and words importing gender include the masculine, feminine and neuter genders.

(c) The word "include" and derivatives thereof shall be read as if followed by the phrase "without limitation".

(d) The words "hereto", "herein", "hereof", "hereby", "hereunder" and similar expressions refer to this Agreement and not to any particular provision of this Agreement.

(e) The headings contained in this Agreement are for convenience of reference only, and shall not affect the meaning or interpretation hereof.

(f) Reference to any Article, Section or Schedule means an Article, Section or Schedule of this Agreement unless otherwise specified.

(g) If any provision of a Schedule hereto conflicts with or is at variance with any provision in the body of this Agreement, the provisions in the body of this Agreement shall prevail to the extent of the conflict.

(h) All documents executed and delivered pursuant to the provisions of this Agreement are subordinate to the provisions hereof and the provisions hereof shall govern and prevail in the event of a conflict.

(i) This Agreement has been negotiated by each Party with the benefit of legal representation, and any rule of construction to the effect that any ambiguities are to be resolved against the drafting Party does not apply to the construction or interpretation of this Agreement.

1.3 Schedules

The following are the Schedules attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

Schedule 1.1(aa)	Inventory
Schedule 1.1(jj)	Purchased Equipment

1.4 Interpretation if Closing Does Not Occur

If Closing does not occur, each provision of this Agreement which presumes that the Purchaser has acquired the Purchased Assets shall be construed as having been contingent upon Closing having occurred.

ARTICLE 2
PURCHASE AND SALE OF PURCHASED ASSETS

2.1 Agreement of Purchase and Sale

Subject to the terms and conditions of this Agreement, the Vendor hereby agrees to sell, assign and transfer to the Purchaser, and the Purchaser agrees to purchase from the Vendor all of the Vendor's Interest in the Purchased Assets free and clear of all Encumbrances other than Permitted Encumbrances.

2.2 Transfer of Purchased Assets

Provided that Closing occurs and subject to the terms and conditions of this Agreement, possession, risk and beneficial ownership of the Purchased Assets shall transfer from the Vendor to the Purchaser on the Closing Date.

ARTICLE 3
PURCHASE PRICE

3.1 Purchase Price

The purchase price to be paid by the Purchaser to the Vendor for the Purchased Assets shall be CAD $835,000 (the "**Purchase Price**") as adjusted pursuant to Section 3.6.

3.2 Deposit

(a) The Vendor acknowledges receipt of a deposit of CAD $166,000 (the "**Deposit**") from the Purchaser.

(b) The Deposit will be held in trust by the Receiver or the Receiver's Solicitors in an interest-bearing trust account for and on behalf of the Vendor, and shall be releasable in accordance with the terms of this Agreement. If Closing occurs in accordance with the terms and conditions of this Agreement, the Deposit and interest earned thereon shall be credited against the Purchase Price, in partial satisfaction of the Purchaser's obligation to pay the Purchase Price at Closing.

(c) Following acceptance by the Alberta Court and the U.S. Court of this Agreement, if Closing does not occur for any reason (other than in the case of the Purchaser terminating this Agreement in accordance with Section 9.1), the Vendor shall be entitled to retain the Deposit, the full amount of the Deposit shall be forfeited to the Vendor, this Agreement shall thereupon terminate and each Party shall be released from all obligations and liabilities under or in connection with this Agreement. If Closing does not occur because the Purchaser has terminated this Agreement in accordance with Section 9.1, then the Deposit shall be refunded to the Purchaser. The Parties agree that the amount of the Deposit constitutes a genuine pre-estimate of liquidated damages representing the Vendor's Losses and Liabilities as a result of Closing not occurring and agree that the Vendor shall not be entitled to recover from the Purchaser any amounts that are in excess of the Deposit as a result of Closing not occurring. The Purchaser hereby waives any claim or defence that the amount of the Deposit is a penalty or is otherwise not a genuine pre-estimate of the Vendor's damages.

3.3 Payment of the Purchase Price

The Purchaser shall pay to the Receiver or the Receiver's Solicitors (in trust for and on behalf of the Vendor) at Closing, by certified cheque, bank draft or electronic wire transfer, the adjusted Purchase Price as set forth in the Interim Statement of Adjustments, less the Deposit and interest earned thereon, plus any Transfer Taxes.

3.4 Allocation of the Purchase Price

Purchase Price shall be allocated among the Purchased Assets as mutually agreed by the Parties on the Closing Date.

3.5 Transfer Taxes

The Parties agree that:

(a) the Purchase Price is exclusive of all Transfer Taxes and the Purchaser and Vendor shall each be liable for and shall pay 50% of any Transfer Taxes pertaining to the Purchaser's acquisition of the Purchased Assets or the registration of any Specific Conveyances necessitated hereby;

(b) where the Vendor is required under Applicable Law to collect or pay Transfer Taxes, the Purchaser shall pay the amount of such Transfer Taxes that the Purchaser is obligated to pay pursuant to Section 3.5(a) to the Vendor at Closing;

(c) except where the Vendor is required under Applicable Law to collect or pay such Transfer Taxes, each of the Purchaser and Vendor shall pay the amount of such Transfer Taxes that each of them is obligated to pay pursuant to Section 3.5(a) directly to the appropriate Governmental Authority or other entity within the required time period and shall file all necessary documentation with respect to such Transfer Taxes when due. Each Party will do and cause to be done such things as are reasonably requested to enable the Purchaser and the Vendor to comply with such obligation in a timely manner. If the Vendor is required under Applicable Law to pay any such Transfer Taxes, the Purchaser shall promptly reimburse the Vendor the full amount of such Transfer Taxes that the Purchaser is obligated to pay pursuant to Section 3.5(a) upon delivery to the Purchaser of copies of receipts showing payment of such Transfer Taxes;

(d) the Purchaser shall indemnify the Vendor for, from and against any Transfer Taxes (including any interest or penalties imposed by a Governmental Authority) that the Vendor may pay or for which the Vendor may become liable as a result of any failure by the Purchaser to pay or remit the Transfer Taxes that the that the Purchaser is obligated to pay pursuant to Section 3.5(a); and

(e) the Vendor shall indemnify the Purchaser for, from and against any Transfer Taxes (including any interest or penalties imposed by a Governmental Authority) that the Purchaser may pay or for which the Purchaser may become liable as a result of any failure by the Vendor to pay or remit the Transfer Taxes that the that the Vendor is obligated to pay pursuant to Section 3.5(a).

3.6 Adjustments for Taxes other than Transfer Taxes

(a) Subject to Section 3.6(c), all Taxes (other than Transfer Taxes) accruing, payable, paid, received or receivable in respect of the Purchased Assets, shall be apportioned on an accrual basis between the Vendor and the Purchaser as of the Effective Time on a per diem basis as of the Effective Time with Taxes (other than Transfer Taxes) accrued to the Effective Time for the Vendor's account and Taxes (other than Transfer Taxes) accrued after the Effective Time for the Purchaser's account.

(b) The Vendor shall carry out an interim accounting and adjustment and prepare and deliver to the Purchaser at least three Business Days prior to the Closing Date a statement setting forth the Vendor's good faith estimate of all adjustments to be made pursuant to this Section 3.6 (the "**Interim Statement of Adjustments**").

(c) The Vendor shall carry out a final accounting and adjustment and prepare and deliver to the Purchaser a statement setting forth all adjustments to be made pursuant to this Section 3.6 no later than August 31, 2015 (the "**Final Statement of Adjustments**"). No Party shall be obligated to make any further adjustments after the Final Statement of Adjustments is finalized unless arising from a specific request in writing made by a Party prior to August 31, 2015 identifying in reasonable detail an adjustment required by this Section 3.6.

(d) All adjustments shall be settled by the prompt payment by any Party obliged to make payment pursuant to this Agreement. Interest at the Prime Rate plus 2% per annum shall be paid on any adjustment which remains unpaid by one Party to another Party 30 days after receipt of the notice that adjustment is to be paid from such 30th day to the date of payment unless such adjustment is subsequently determined not to be owing pursuant to an audit conducted in accordance with Section 3.6(e).

(e) The Purchaser shall have the right at any time during the period following the Closing Date to August 31, 2015, upon five Business Days prior written notice to the Vendor, during the Vendor's normal business hours and at the Purchaser's sole cost, to examine, copy and audit the accounting and financial books, records and accounts of the Vendor relating to the Purchased Assets for the purpose of effecting adjustments pursuant to and within the time provided for in this Section 3.6. The Vendor shall cooperate with the Purchaser so as to facilitate the scheduling of such audit. Any discrepancies disclosed by such audit shall be identified in writing to the Vendor within the period following the Closing Date to August 31, 2015, and the Vendor shall respond in writing to any claims or discrepancies within 30 days of the receipt of such claims.

3.7 GST/HST

(a) The Purchase Price contemplated under this Agreement does not include the Goods and Services Tax ("**GST**") or the Harmonized Sales Tax ("**HST**"). The Purchaser shall be liable for and pay to the Vendor the GST/HST payable in connection with the purchase and sale of the Purchased Assets contemplated in this Agreement.

(b) The Purchaser represents and warrants to the Vendor that the Purchaser is acquiring the Purchased Assets for export out of Canada and that the Purchased Assets are not acquired by the Purchaser for consumption, use or supply in Canada before the exportation of the Purchased Assets by the Purchaser.

(c) The Purchaser covenants to the Vendor that:

(i) The Purchaser shall export the Purchased Assets as soon after the Purchased Assets are delivered by the Vendor to the Purchaser as is reasonable having regard to the circumstances surrounding the exportation;

(ii) After the supply of the Purchased Assets is made to the Purchaser and before the Purchaser exports the Purchased Assets, the Purchased Assets shall not be further processed, transformed or altered in Canada except to the extent reasonably necessary or incidental to its transportation;

(iii) The Purchaser shall provide to the Vendor to the extent available at Closing and otherwise as soon as reasonably possible after Closing, evidence satisfactory to the Minister of National Revenue (the "**Minister**") of the exportation of the Purchased Assets by the Purchaser, which may include or more of the following items, provided that such item is satisfactory to the Minister:

(A) shipping or delivery documents in which the Purchased Assets and the Purchaser are identified and match the Purchased Assets and the Purchaser identified on the purchase contract;

(B) a copy of the transportation document that describes the delivery service such as a bill of lading;

(C) customs brokers' or freight forwarders' invoices that relate to the exported Purchased Assets or shipments of such exported Purchased Assets;

(D) import documentation required by the country to which the Purchased Assets are exported;

(E) copies of the registration from the foreign regulatory authority where the Purchased Assets have been licensed;

(F) any other evidence (that is not generated internally by the Purchaser) satisfactory to the Minister that the Purchased Assets have been exported.

(iv) The Purchaser shall take all other commercially reasonable steps to ensure that the supply of the Purchased Assets by the Vendor may be taxed at a rate of zero percent ("**zero-rated**") pursuant to Schedule VI, Part V, section 1 to the *Excise Tax Act* ("**ETA**").

The Purchaser hereby indemnifies and saves harmless the Vendor from any GST/HST, and related penalty, interest and other amounts which may be payable by or assessed against the Vendor under the ETA as a result of or in connection with the subject transaction or the Vendor's failure to collect and remit the GST/HST applicable on the sale of the Purchased Assets to the Purchaser.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES

4.1 Purchaser's Representations and Warranties

The Purchaser hereby represents and warrants to and in favour of the Vendor that:

(a) the Purchaser is a corporation duly incorporated and validly subsisting under the laws of the jurisdiction of its incorporation and has the requisite power and authority to enter into this Agreement and to complete the Transaction;

(b) the Purchaser has taken all necessary corporate action to authorize the entering into and performance by it of this Agreement;

(c) provided that the Court Approval is obtained, execution, delivery and performance of this Agreement by the Purchaser does not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to, any Governmental Authority, except where failure to obtain such consent, approval, authorization or action, or to make such filing or notification, would not prevent or materially delay the consummation by the Purchaser of the Transaction;

(d) this Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser and is enforceable against the Purchaser in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar Applicable Laws relating to creditors' rights generally and subject to general principles of equity;

(e) the Purchaser is in compliance with all international trade laws and regulations including: (i) export and re-export controls specified in the U.S. Export Administration Regulations, International Traffic in Arms Regulations (ITAR), and the Bureau of the Census Foreign Trade Statistics Regulations (FTSR), or the Canadian Export and Import Permits Act; (ii) prohibitions on transactions with or transfers to the governments of, parties located in or operated from, or nationals of countries subject to U.S. and Canadian economic sanctions, and (iii) prohibitions on transactions with or transfers to entities or individuals identified on the U.S. government's List of Specially Designated Nationals and Blocked Persons (Treasury Department), Denied Persons List and Entity List (Commerce Department), and the Canadian government's lists of Designated Persons under the *United Nations Act*, *Criminal Code*, *Special Economic Measures Act* and *Freezing Assets of Corrupt Foreign Officials Act*. The Purchaser is not owned or controlled, directly or indirectly, by a prohibited person or entity or by an entity owned or controlled by a prohibited person or entity (or agent acting on such person or entity's behalf) as defined by the foregoing lists;

(f) there is no requirement for the Purchaser to make any filing with, give any notice to, or obtain any authorization of, any Governmental Authority pursuant to the *Competition Act* (Canada), as a result of, in connection with, or as a condition to the lawful completion of the Transaction; and

(g) the Purchaser is not a non-Canadian person within the meaning of the *Investment Canada Act* nor a non-resident for the purposes of the Income Tax Act.

4.2 No Representations and Warranties by the Vendor

(a) Neither the Vendor nor any of its Representatives makes any representations or warranties, and in particular, and without limiting the generality of the foregoing, the Vendor disclaims and neither the Vendor nor any of its Representatives shall be liable for any representation or warranty which may have been made or alleged to be made in any instrument or document related hereto, or in any statement or information made or communicated to the Purchaser in any manner including any opinion, information, or advice which may have been provided to the Purchaser by the Vendor or any of its Representatives in connection with the Purchased Assets or in relation to the Transaction. For greater certainty, neither the Vendor nor any of its Representatives makes any condition, representation or warranty, express or implied, with respect to:

(i) the Data Room Information or any other data or information supplied by the Vendor or any of its Representatives in connection with the Purchased Assets, including by way of management presentations or otherwise;

(ii) the value of any of the Purchased Assets or the future cash flow therefrom; or

(iii) the quality, condition, description, fitness for purpose, suitability, serviceability or merchantability of the Purchased Equipment.

(b) The Purchaser acknowledges and confirms that it has had an opportunity to conduct any and all due diligence regarding the Purchased Assets and that it is relying on its own investigations concerning the Purchased Assets and it has not relied on advice from the Vendor or any of its Representatives with respect thereto, including with respect to the matters specifically enumerated in the immediately preceding paragraphs in connection with the purchase of the Purchased Assets pursuant hereto. The Purchaser further acknowledges and agrees that it is acquiring the Purchased Assets on an "as is, where is" basis. The Purchaser acknowledges and agrees that it is familiar with the condition of the Purchased Assets, and that the Vendor has provided the Purchaser with a reasonable opportunity to inspect the Purchased Assets at the sole cost, risk and expense of the Purchaser and that the Purchaser is not relying upon any representation or warranty of the Vendor as to the condition of the Purchased Assets.

(c) Except for its express rights under this Agreement, the Purchaser hereby waives all rights and remedies (whether now existing or hereinafter arising and including all common law, tort, contractual and statutory rights and remedies) against the Vendor and its Representatives in respect of the Purchased Assets or the Transaction or any representations or statements made or information or data furnished to the Purchaser or its Representatives in connection herewith (whether made or furnished orally or by electronic, faxed, written or other means).

ARTICLE 5
COVENANTS

5.1 Third Party Consents

Both before and after Closing, each of the Parties shall use all commercially reasonable efforts to obtain any and all approvals required under Applicable Law and any and all material consents of Third Parties required to permit the Transaction to be completed. The Parties acknowledge that the acquisition of such consents shall not be a condition precedent to Closing. It shall be the sole obligation of the Purchaser, at the Purchaser's sole cost and expense, to provide any and all financial assurances that may be required by Governmental Authorities or any Third Parties to permit the transfer to the Purchaser of the Purchased Assets or any of them.

5.2 Court Approval

The Vendor shall prepare all materials, and shall promptly apply to the Court for, and use its commercially reasonable efforts to obtain, the Court Approval as soon as reasonably practicable following the date hereof. The Purchaser, at its own expense, shall promptly provide to the Vendor all such information and assistance within the Purchaser's power as the Vendor may reasonably request to obtain the Court Approval, including such information as may be required to reasonably evaluate the Purchaser's financial ability to perform its obligations hereunder. The application for the Court Approval may be adjourned or rescheduled by the Vendor or its Representatives upon notice to the Purchaser.

5.3 Expenses

If the Closing occurs, the Purchaser shall be responsible for and pay as and when required:

(a) any and all costs of dismantling or removing Purchased Assets from their present location and/or transporting them to a new location; and

(b) the cost of repairing any damage caused by dismantling or removal of any of the Purchased Assets from their present location and/or transporting to a new location.

The Purchaser shall repair and be liable for any and all Claims, Losses and Liabilities whatsoever caused by or in any way arising out of any dismantling or removal of any Purchased Assets, or any failure to dismantle or remove any Purchased Assets. Further, the Purchaser shall indemnify and save harmless the Vendor, its Representatives, the Receiver and its and their respective officers, directors, employees or other representatives in respect of and from any and all Claims, Losses and Liabilities that any of them may incur or suffer by reason of any dismantling or removal of any Purchased Assets, or any failure to dismantle or remove any Purchased Assets.

ARTICLE 6
CONDITIONS

6.1 Mutual Conditions

The respective obligations of the Parties to complete the Transaction are subject to the following conditions being fulfilled or performed as at or prior to the Time of Closing:

(a) the Court has granted the Court Approval;

(b) all necessary governmental and regulatory approvals for completion of the Transaction has been obtained; and

(c) no injunction or other order has been issued to enjoin, restrict or prohibit the Transaction; and

(d) the Closing is not otherwise prohibited by Applicable Law.

The foregoing conditions are for the mutual benefit of the Vendor and the Purchaser and may be asserted by the Vendor or the Purchaser regardless of the circumstances and may be waived only with the Agreement of both the Vendor and the Purchaser.

6.2 Conditions for the Benefit of the Purchaser

The obligation of the Purchaser to complete the Transaction is subject to the following condition being fulfilled or performed as at or prior to the Time of Closing:

(a) the Vendor has complied with and performed, in all material respects, all of its covenants and obligations contained in this Agreement.

The foregoing condition is for the exclusive benefit of the Purchaser and may be waived by it in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Purchaser may have. If the said condition has not been complied with or waived by the Purchaser at or before the Time of Closing, the Purchaser may terminate this Agreement by written notice to the Vendor.

6.3 Conditions for the Benefit of the Vendor

The obligation of the Vendor to complete the Transaction is subject to the following conditions being fulfilled or performed as at or prior to the Time of Closing:

(a) all representations and warranties of the Purchaser contained in this Agreement shall be true and correct in all material respects as at the Time of Closing with the same force and effect as if made at and as of such time;

(b) the Purchaser has complied with and performed in all material respects all of its covenants and obligations contained in this Agreement; and

(c) no Party comprising the Vendor has lost its ability to convey the Purchased Assets or any of them due to an order of the Court or otherwise pursuant to the Receivership Proceedings or the U.S. Proceedings, provided such order or other action pursuant to the Receivership Proceedings or the U.S. Proceedings is not at the voluntary initiative of the Vendor.

The foregoing conditions are for the exclusive benefit of the Vendor and may be waived by it in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Vendor may have. If any of the said conditions have not been complied with or waived by the Vendor at or before the Time of Closing, the Vendor may terminate this Agreement by written notice to the Purchaser.

6.4 Satisfaction of Conditions

Each of the Parties shall proceed diligently and in good faith and use all commercially reasonable efforts to fulfill and assist in the fulfillment of the conditions set forth in Sections 6.1, 6.2 and 6.3. In addition, each of the Parties agrees not take any action that could reasonably be expected to preclude, delay or have an adverse effect on the Transaction or would render, or may reasonably be expected to render, any representation or warranty made by it in this Agreement untrue in any material respect.

ARTICLE 7
CLOSING

7.1 Closing Date and Place of Closing

Subject to the conditions set out in this Agreement, the Transaction shall close and be completed on the Closing Date. The completion of the Transaction shall take place at the Time of Closing at the offices of the Receiver's Solicitors, or at such other time or such other location as the Parties may agree in writing.

7.2 Deliveries on Closing by the Vendor

The Vendor shall deliver to the Purchaser at the Time of Closing:

(a) a Court certified copy of the Court Approval;

(b) a bill of sale in a form satisfactory to the Parties acting reasonably regarding the conveyance of all of the Purchased Assets, duly executed by the Vendor;

(c) any Specific Conveyances that have been prepared by the Vendor prior to Closing, in a form satisfactory to the Parties, acting reasonably;

(d) copies of the Books and Records; and

(e) such other documents as are required by this Agreement.

7.3 Deliveries on Closing by the Purchaser

The Purchaser shall deliver to the Vendor at the Time of Closing:

(a) the Purchase Price payable in cash to the Vendor in accordance with Section 3.3;

(b) payment or evidence of payment of all Transfer Taxes in accordance with Section 3.5;

(c) a bill of sale in a form satisfactory to the Parties acting reasonably regarding the conveyance of all of the Purchased Assets, duly executed by the Purchaser; and

(d) such other documents as are required by this Agreement.

7.4 Risk and Insurance

The risk of loss of the Purchased Assets shall remain with the Vendor until Closing. Any property, liability and other insurance maintained by the Vendor shall not be transferred as of the Time of Closing, but shall remain the responsibility of the Vendor until the Time of Closing. The Purchaser shall be responsible for placing its own property, liability and other insurance coverage with respect to the Purchased Assets in respect of the period from and after the Time of Closing.

ARTICLE 8
INDEMNITY

8.1 Indemnification Given by Purchaser

If Closing occurs, the Purchaser shall:

(a) be liable to the Vendor for; and

(b) as a separate covenant, indemnify the Vendor and its Representatives from and against;

all Losses and Liabilities suffered, sustained, paid or incurred by any of them to the extent arising or accruing on or after the Effective Time and which relate to the Purchased Assets, including all Losses and Liabilities attributable to the ownership, operation, use, construction or maintenance of the Purchased Assets arising or accruing on or after the Effective Time. The Purchaser's indemnity obligation set forth in this Section 8.1 shall survive the Closing Date indefinitely.

8.2 Third Party Claims

(a) If the Vendor receives notice of the commencement or assertion of any Third Party Claim for which the Purchaser is liable pursuant to this Agreement, the Vendor shall give the Purchaser reasonably prompt notice thereof, but in any event no later than 14 days after receipt of such notice of such Third Party Claim. Such notice to the Purchaser shall describe the Third Party Claim in reasonable detail and shall indicate, if reasonably practicable, the estimated amount (or the method of computation of the amount) of the Loss that has been or may be sustained by the Vendor, and a reference to the provisions of this Agreement upon which such claim is based.

(b) The Purchaser may participate in the defence of any Third Party Claim by giving notice to that effect to the Vendor not later than 14 days after receiving notice of that Third Party Claim (the "**Notice Period**") so long as: (i) the Purchaser first acknowledges to the Vendor, in writing, liability to the Vendor under this Agreement with respect to such Third Party Claim and that the outcome of such Third Party Claim does not alter or diminish the Purchaser's obligation to indemnify the Vendor pursuant to this Agreement, subject to the Purchaser's right to contest in good faith the Third Party Claim; (ii) the Purchaser has the financial resources to defend against the Third Party Claim and fulfill any indemnification obligations and has provided the Vendor with evidence thereof; (iii) the Third Party Claim involves monetary damages; and (iv) the Purchaser participates in the defence of the Third Party Claim actively and diligently. The Purchaser's right to do so shall be subject to the rights of any insurer or other third party who has potential liability in respect of that Third Party Claim. The Purchaser shall pay all of its own expenses of participating in or assuming such defence. The Vendor shall cooperate in good faith in the defence of each Third Party Claim and may participate in such defence assisted by counsel of its own choice at its own expense.

(c) If the Vendor has not received notice within the Notice Period that the Purchaser has elected to participate in the defence of such Third Party Claim, or if the Purchaser has given such notice but thereafter fails or is unable to participate in the defence of such Third Party Claim actively and diligently, the Vendor may, at its option, elect to settle or compromise the Third Party Claim on terms of its choosing, or assume such defence assisted by counsel of its own choosing, and the Purchaser shall be liable for all reasonable costs and expenses paid or incurred in connection therewith and any Loss suffered or incurred by the Vendor with respect to such Third Party Claim.

8.3 Failure to Give Timely Notice

A failure to give timely notice as provided in this Article 8 shall not affect the rights or obligations of any Party except and only to the extent that, as a result of such failure, any Party which was entitled to receive such notice was deprived of its right to recover any payment under any applicable insurance coverage or was otherwise prejudiced as a result of such failure.

8.4 No Merger

There shall not be any merger of any liability or indemnity hereunder in any assignment, conveyance, transfer or document delivered pursuant hereto notwithstanding any rule of law, equity or statute to the contrary and all such rules are hereby waived.

ARTICLE 9
TERMINATION

9.1 Grounds for Termination

This Agreement may be terminated at any time prior to Closing by either the Vendor or the Purchaser (as applicable) if the conditions for the benefit of the Vendor or Purchaser (as applicable) pursuant to the provisions of Article 6 are not satisfied or waived by or on the Closing Date.

9.2 Effect of Termination

Notwithstanding any termination of this Agreement by the Vendor or the Purchaser as permitted under Section 9.1, the provisions of Sections 10.1, 10.4, 10.5, 10.11 and 10.14 shall remain in full force and effect following any such permitted termination, and the Deposit shall be governed by Section 3.2.

ARTICLE 10
MISCELLANEOUS

10.1 Public Announcements

If a Party intends to issue a press release or other public disclosure of this Agreement, the terms hereof or the Transaction, the disclosing Party shall provide the other Party with an advance copy of any such press release or public disclosure with sufficient time to enable the other Party to review such press release or other public disclosure and provide any comments. The disclosing Party shall not issue such press release or other public disclosure without the prior written consent of the other Party, such consent not to be unreasonably withheld.

10.2 Specific Conveyances

The Purchaser shall prepare the Specific Conveyances which it wishes to have executed and shall provide same to the Vendor for its review and execution in a timely fashion, none of which shall confer or impose upon a Party any greater right or obligation than contemplated in this Agreement. The Purchaser shall, as applicable, register and/or distribute all Specific Conveyances and shall bear all costs incurred therewith and in preparing and registering and/or distributing any further assurances required in connection with the Transaction. All Specific Conveyances that are prepared after Closing and delivered to the Vendor by the Purchaser from time to time in accordance with the terms hereof shall be executed by the Vendor and returned to the Purchaser at its offices within 15 Business Days of receipt.

10.3 Obligations to Survive

The obligations, covenants, representations and warranties (if any) of the Parties set out in this Agreement shall survive Closing, shall remain in full force and effect, shall not merge as a result of Closing and shall be binding on the Parties thereafter.

10.4 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta, and the federal laws of Canada applicable therein (excluding any conflict of law rule or principle of such laws that might refer such interpretation or enforcement to the laws of another jurisdiction). Each Party irrevocably submits to the exclusive jurisdiction of the Alberta Court with respect to any matter arising hereunder or relating hereto.

10.5 Damages

Under no circumstance shall any of the Parties, their Representatives or their respective directors, officers, employees or agents be liable for any punitive, exemplary, consequential or indirect damages (including for greater certainty, any loss of profits) that may be alleged to result, in connection with, arising out of, or relating to this Agreement or the Transaction.

10.6 Further Assurances

Each of the Parties hereto from and after the date hereof shall, from time to time, and at the request and expense of the Party requesting the same, do all such further acts and things and execute and deliver such further instruments, documents, matters, papers and assurances as may be reasonably requested to complete the Transaction and for more effectually carrying out the true intent and meaning of this Agreement.

10.7 No Assignment by Purchaser

The Purchaser shall not, without the Vendor's prior written consent, assign any right or interest in this Agreement, which consent may be withheld in the Vendor's sole and absolute discretion, except that the Purchaser shall have the right to assign any or all of its rights, interests or obligations hereunder to one or more Affiliates of the Purchaser, provided that such Affiliate agrees to be bound by the terms of this Agreement and provided that the Purchaser shall remain liable hereunder for any breach of the terms of this Agreement by such Affiliate.

10.8 Waiver

No failure on the part of any Party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any right or remedy in law or in equity or by statute or otherwise conferred. No waiver by any Party of any breach (whether actual or anticipated) of any of the terms, conditions, representations or warranties contained herein shall take effect or be binding upon that Party unless the waiver is expressed in writing under the authority of that Party. Any waiver so given shall extend only to the particular breach so waived and shall not limit or affect any rights with respect to any other or future breach.

10.9 Amendment

This Agreement shall not be varied in its terms or amended by oral agreement or by representations or otherwise other than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representative of each Party.

10.10 Time of the Essence

Time is of the essence in this Agreement.

10.11 Costs and Expenses

Each Party shall be responsible for all costs and expenses (including the fees and disbursements of legal counsel, bankers, investment bankers, accountants, brokers and other advisors) incurred by it in connection with this Agreement and the Transaction. No Party shall be responsible for the costs and expenses of the other Party.

10.12 Notices

Any notice, demand or other communication required or permitted to be given to any Party shall be given in writing and addressed as follows:

(a) in the case of the Vendor or the Receiver:

Ernst & Young Inc.
1000, 440 2nd Avenue S.W.
Calgary, AB Canada T2P 5E9
Attention: Peter Chisholm
Fax: 403.206.5075
Email: peter.chisholm@ca.ey.com

And with a copy to the Receiver's Solicitors:

Borden Ladner Gervais LLP
1900, 520 – 3rd Ave S W
Calgary, AB, Canada T2P 0R3
Attention: Patrick T. McCarthy Q.C./Jessica L. Duhn
Fax: 403.266.1395
Email: PMcCarthy@blg.com/jduhn@blg.com

(b) In the case of the Purchaser:

Attention:
Fax:
Email:

Any such notice, if personally delivered, shall be deemed to have been validly and effectively given and received on the Business Day of such delivery and if sent by facsimile or other electronic communication with confirmation of transmission, shall be deemed to have been validly and effectively given and received on the Business Day next following the day it was received.

10.13 Enurement

This Agreement shall be binding upon, and enure to the benefit of, the Parties and their respective successors and permitted assigns.

10.14 Third Party Beneficiaries

Each Party intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any person other than the Parties and their successors and permitted assigns, and no person, other than the Parties and their successors and permitted assigns shall be entitled to rely on the provisions hereof in any action, suit, proceeding, hearing or other forum.

10.15 Severability

If any provision of this Agreement or any document delivered in connection with this Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall be construed and enforced as if that invalid or unenforceable provision were omitted. The invalidity or unenforceability of any provision in one jurisdiction shall not affect such provision validity or enforceability in any other jurisdiction.

10.16 Entire Agreement

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and cancel and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect to the subject matter hereof. There are no conditions, covenants, agreements, representations, warranties or other provisions, whether oral or written, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof other than those contained in this Agreement.

10.17 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by facsimile or other electronic means of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

IN WITNESS WHEREOF this Agreement has been properly executed by the Parties as of the date first above written.

CALMENA DRILLING SERVICES US LP, by Ernst & Young Inc. in its capacity as the court-appointed receiver and foreign representative and not in its personal or corporate capacity

Per: ______________________________

Name:

Title:

CALMENA DRILLING SERVICES LLC, by Ernst & Young Inc. in its capacity as the court-appointed receiver and foreign representative and not in its personal or corporate capacity

Per: ______________________________

Name:

Title:

CALMENA LUXEMBOURG HOLDING S.À.R.L.

Per: ______________________________

Name:

Title: Sole Manager/Authorised Signatory (as the case may be)

1616057 ALBERTA LTD.

Per: ______________________________

Name:

Title:

SCHEDULE 1.1(AA)
INVENTORY

See Schedule 1.1(jj)

SCHEDULE 1.1(JJ)
PURCHASED EQUIPMENT

1. All MWD collars regardless of length or size;
2. All MWD subs regardless of length or size, but not limited to;
    a. MWD UBHO subs
    b. MWD Muleshoe subs
    c. MWD collar lift subs
    d. MWD cross over subs;
3. Calmena V3 MWD assets, should some of the items related to these systems be located in FastCap's facilities in either Boston or Calgary they should be consolidated with the majority of the purchased items in Oklahoma;
4. A full technology transfer at closing included but not limited to all drawings and all information related to the Calmena V3 MWD systems;
5. EM MWD assets to include all MWD collars and subs related to the system. Should some of the items related to these systems be located in FastCap's facilities in either Boston or Calgary they should be consolidated with the majority of the purchased items in Oklahoma;
6. All Blue Star MWD systems inclusive;
7. All GeoLink MWD systems inclusive;
8. All MWD inventories new or used;
9. Should some of the inventory items be located in FastCap's facilities in either Boston or Calgary they should be consolidated with the majority of the purchased items in Oklahoma;

As a result, all items located in the Oklahoma facility are related to the MWD assets, all furnishings and fixtures, all miscellaneous shelving, tool racks, inspection racks, hand tools, forklift, shop consumables, shop equipment, lab equipment and tables used in the MWD maintenance process, plotters, all inventories, etc. etc.

To simplify the purchase agreements it would be easier to remove the Drilling Motor assets from the Oklahoma yard, none are located inside the facility. All remaining items either located inside or in the Oklahoma yard would be included in the MWD asset purchase. Additionally any MWD related items or spares would be removed from the Conroe facility.

The following assets located at Calmena's Oklahoma City, Oklahoma location are specifically excluded from the purchase:

COMPLETE MOTORS:

45 - 4 3/4"

21 - 61/2"

1 - 8"

SPARE PARTS:

1 - PALLET STABILIZERS & THREAD PROTECTORS. 4 3/4", 6 1/2", & 8"

NUMEROUS PALLETS OF PICK-UP SUBS

SERVICE SHOP EQUIPMENT

4 - PIPE RACKS

8 - ONE SIDED STAND ALONE V-RACK

CALMENA ENERGY SERVICES INC.,

CALMENA DRILLING SERVICES US LP,

CALMENA DRILLING SERVICES LLC

and

CALMENA LUXEMBOURG HOLDING S.À.R.L.

(collectively, the "Vendor")

and

TURBO DRILL INDUSTRIES, INC.

(the "Purchaser")

ASSET PURCHASE AGREEMENT

May 14, 2015

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CALMENA ENERGY SERVICES INC.,

CALMENA DRILLING SERVICES US LP,

CALMENA DRILLING SERVICES LLC

and

CALMENA LUXEMBOURG HOLDING S.À.R.L.

(collectively, the "Vendor")

and

TURBO DRILL INDUSTRIES, INC.

(the "Purchaser")

ASSET PURCHASE AGREEMENT

May 14, 2015

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ASSET PURCHASE AGREEMENT dated May 14, 2015

BETWEEN:

CALMENA ENERGY SERVICES INC., a corporation subsisting under the laws of Alberta ("**Calmena Parent**"),

CALMENA DRILLING SERVICES US LP, a limited partnership subsisting under the laws of Texas, ("**Calmena LP**")

CALMENA DRILLING SERVICES LLC, a limited partnership subsisting under the laws of Nevada and the general partner of Calmena Drilling Services US LP (the "**General Partner**")

- and -

CALMENA LUXEMBOURG HOLDING S.À.R.L., a private limited liability company *(société à responsabilité limitée)* incorporated and existing under the laws of Luxembourg with its registered office at 63, rue de Rollingergrund, L-2440 Luxembourg, with a share capital of USD21.950.217 and registered with the Luxembourg trade and companies register under number B 151919 ("**Calmena Luxembourg**")

(collectively, the "**Vendor**")

- and -

TURBO DRILL INDUSTRIES, INC. a corporation subsisting under the laws of Texas, (the "**Purchaser**")

WHEREAS:

A. Pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), the Alberta Court of Queen's Bench (the "**Alberta Court**") granted a receivership order with respect to all of the current and future property and undertakings of Calmena Energy Services Inc., Calmena Energy Holdings Ltd., 1414995 Alberta Ltd., Calmena Energy Services Operating Limited Partnership, Calmena Energy Services (USA) Corp., the General Partner, and Calmena LP (the "**Debtors**") on January 20, 2015, as amended on February 9, 2015 (the "**Receivership Order**") appointing the Receiver as receiver and manager of the Debtors;

B. The Receivership Order was recognized by the U.S. Court as a foreign main proceeding and the Receiver was recognized as the foreign representative on March 5, 2015, pursuant to Chapter 15 of the United States *Bankruptcy Code*; (the "**Recognition Order**")

C. Calmena Luxembourg is a wholly owned subsidiary of Calmena Energy Holdings Ltd., which is in turn a wholly owned subsidiary of the parent company, Calmena Parent. Pursuant to the Receivership Order, the Receiver controls the shares of Calmena Luxembourg;

D. Calmena Luxembourg has agreed to sell, transfer and assign to Calmena Parent all of its right, title and interest to the Purchased Assets, and Calmena Parent has agreed to purchase all of Calmena Luxembourg's right, title and interest to the Purchased Assets, on the terms and conditions set forth herein, so that as of the Closing Date (as hereinafter defined), Calmena Parent, Calmena LP, and the General Partner will have full legal and beneficial title to the Purchased Assets; and

E. In connection with the Receivership Proceedings and the U.S. Proceedings (each as defined herein), the Vendor, subject to approval by the Court, has agreed to sell, transfer and assign to the Purchaser, all of the right, title and interest of the Vendor to the Purchased Assets, and the Purchaser has agreed to purchase the Purchased Assets from the Vendor, on the terms and conditions set forth herein.

NOW THEREFORE this Agreement witnesses that in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged by each Party to the other, the Parties agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement:

(a) "**Affiliate**" means, with respect to any person, any other person or group of persons acting in concert, directly or indirectly, that controls, is controlled by or is under common control with such person. The term "control" as used in the preceding sentence means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a person whether through ownership of more than 50% of the voting securities of such person, through being the general partner or trustee of the other person, or through contract or otherwise;

(b) "**Agreement**" means this asset purchase agreement and all Schedules attached hereto;

(c) "**Alberta Court**" has the meaning ascribed to that term in the recitals;

(d) "**Alberta Court Approval**" means an order of the Alberta Court authorizing the Receiver to take all necessary actions to sell the Purchased Assets and approving the sale of the Purchased Assets by the Vendor which shall be in a form acceptable to both the Receiver's Solicitors and the Purchaser's Solicitors and shall include, among other things, the following;

(i) any person comprising of the Vendor, save and except for Calmena Luxembourg, who is not named in the Receivership Order and/or the Recognition Order shall be added as one of the Debtors pursuant to the Receivership Order;

(ii) the sale of the Vendor's Interest in the Purchased Assets to the Purchaser pursuant to this Agreement is authorized, approved, and confirmed; and

(iii) the Receiver shall be authorized and directed to apply in the U.S. Proceedings for an order releasing and discharging all of the security and Encumbrances in favour of all creditors affecting the Purchased Assets, save and except for the Permitted Encumbrances, and transferring the Purchased Assets to the Purchaser free and clear of all Encumbrances, save and except for the Permitted Encumbrances;

(e) "**Applicable Law**" means, in respect of any person, assets, transaction, event or circumstance:

(i) statutes (including regulations enacted thereunder);

(ii) judgments, decrees and orders of courts of competent jurisdiction;

(iii) regulations, orders, ordinances and directives issued by Government Authorities; and

(iv) the terms and conditions of all permits, licenses, approvals and authorizations;

which are applicable to such person, asset, transaction, event or circumstance;

(f) "**BIA**" has the meaning ascribed to that term in the recitals;

(g) "**Books and Records**" means all of the Vendor's books and records, regardless of physical, electronic, or other format, related directly and solely to the Purchased Assets, including without limitation all intellectual property, drawings, blue prints, plans, and other books and records of any kind with respect to the Purchased Assets;

(h) "**Business Day**" means a day other than a Saturday, Sunday or any other day on which the principal chartered banks located in Calgary, Alberta are not open for the transaction of domestic business during normal banking hours;

(i) "**Claim**" means any right or claim of any person that may be asserted or made in whole or in part against the Vendor or any of its Affiliates and their respective directors, officers, employees, agents or advisors, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including without limitation, by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including, without limitation, any legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present or future, known or unknown, by guarantee, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature including, without limitation, any right or ability of any person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action whether existing at present or commenced in the future, together with any other rights or claims of any kind that, if unsecured, would be a debt provable in bankruptcy within the meaning of the *Bankruptcy and Insolvency Act* (Canada) had the Vendor become bankrupt;

(j) "**Closing**" means the completion of the purchase by the Purchaser and sale by the Vendor of the Purchased Assets and the completion of all other transactions contemplated by this Agreement that are to occur contemporaneously with such sale, all subject to and in accordance with the terms and conditions of this Agreement;

(k) "**Closing Date**" means the date that is no later than June 10, 2015 or such other date as may be agreed to by the Vendor and the Purchaser;

(l) "**Court**" means collectively, the Alberta Court and the U.S. Court;

(m) "**Court Approval**" means the approval of the Transaction by the Court, including the Alberta Court Approval and the U.S. Sale Approval;

(n) "**Data Room Information**" means all information made available (by the Receiver or otherwise) for the Purchaser's review in electronic form in relation to the Vendor, its Affiliates and/or the Purchased Assets;

(o) "**Debtors**" has the meaning ascribed to that term in the recitals;

(p) "**Deposit**" has the meaning ascribed to that term in Section 3.2;

(q) "**Effective Time**" means 8:00 a.m. (Calgary time) on the Closing Date;

(r) “**Encumbrances**” means any pledges, liens, security interests, encumbrances, claims, charges, options or interests;

(s) “**Final Statement of Adjustments**” has the meaning ascribed to that term in Section 3.6;

(t) “**GAAP**” means accounting principles generally accepted in Canada including those recommended or approved by the Canadian Institute of Chartered Accountants at the relevant time including to the extent applicable, international financial reporting standards;

(u) “**Governmental Authority**” means any domestic or foreign government, whether federal, provincial, state, territorial, county, parish, or municipal; and any governmental agency, ministry, department, tribunal, commission, bureau, board or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory or administrative functions of, or pertaining to, government, having jurisdiction over a Party, the Purchased Assets or the Transaction;

(v) “**Governmental Order**” means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority;

(w) “**GST**” means taxes, interest, penalties and fines imposed under Part IX of the *Excise Tax Act* (Canada) and the regulations made thereunder; and “**GST Legislation**” means such act and regulations collectively;

(x) “**Income Tax Act**” means, collectively, the *Income Tax Act*, R.S.C. 1985, c.1 (5th Supplement), the *Income Tax Application Rules*, R.S.C. 1985, c.2 (5th Supplement) and the *Income Tax Regulations*, in each case as amended to the date hereof;

(y) “**Interim Statement of Adjustments**” has the meaning ascribed to that term in Section 3.6;

(z) “**Inventory**” means the inventory listed in Schedule 1.1(z);

(aa) “**Legal Proceeding**” means any litigation, action, suit, investigation, hearing, claim, complaint, grievance, arbitration proceeding or other proceeding and includes any appeal or review or retrial of any of the foregoing and any application for same;

(bb) “**Losses and Liabilities**” means any and all assessments, charges, costs, damages, debts, expenses, fines, liabilities, losses, obligations and penalties, whether accrued or fixed, absolute or contingent, matured or unmatured or determined or determinable, including those arising under any Applicable Law, Claim by any Governmental Authority or Governmental Order and those arising under any contract, agreement, arrangement, commitment or undertaking and costs and expenses of any Legal Proceeding, assessment, judgment, settlement or compromise relating thereto, and all interest, fines and penalties and reasonable legal fees and expenses incurred in connection therewith (on a full indemnity basis);

(cc) “**Notice Period**” has the meaning ascribed to that term in Section 8.2(b);

(dd) “**Parties**” means, collectively, the Purchaser and the Vendor, and “**Party**” means any one of them;

(ee) “**Permitted Encumbrances**” means:

(i) Encumbrances given as security to a public utility or any Governmental Authority when required in the ordinary course of business but only insofar as they relate to any obligations or amounts which arise on or after the Closing; and

(ii) such other Encumbrances consented to in writing by the Purchaser, in its absolute discretion.

(ff) "**person**" means any individual, corporation, limited or unlimited liability company, joint venture, partnership (limited or general), trust, trustee, executor, Governmental Authority or other entity;

(gg) "**Prime Rate**" means the rate of interest, expressed as a rate per annum, designated by the main branch in Calgary, Alberta of the Royal Bank of Canada as the reference rate used by it to determine rates of interest charged by it on Canadian dollar commercial loans made in Canada and which is announced by such bank, from time to time, as its prime rate, provided that whenever such bank announces a change in such reference rate then the "Prime Rate" for the purposes of this Agreement shall correspondingly change effective on the date the change in such reference rate is effective;

(hh) "**Purchased Assets**" means the:

(i) Purchased Equipment;

(ii) Inventory; and

(iii) Books and Records.

(ii) "**Purchased Equipment**" means the equipment listed in Schedule 1.1(ii);

(jj) "**Purchase Price**" has the meaning ascribed to that term in Section 3.1;

(kk) "**Purchaser's Solicitors**" means the law firm of McCuaig Desrochers LLP or such other firm or firms of solicitors as are appointed by the Purchaser from time to time and notice of which is provided to the Vendor;

(ll) "**Receiver**" means Ernst & Young Inc. in its capacity as the Alberta Court-appointed receiver of the Debtors in the Receivership Proceedings and also as the foreign representative in the U.S. Proceeding and, in each case, not in its personal or corporate capacity;

(mm) "**Receivership Proceedings**" means Alberta Court of Queen's Bench Action No. 1501-00681;

(nn) "**Receivership Order**" has the meaning ascribed to that term in the recitals;

(oo) "**Receiver's Solicitors**" means the law firm of Borden Ladner Gervais LLP (or any successor thereto) or such other firm or firms of solicitors as are appointed by the Vendor from time to time and notice of which is provided to the Purchaser;

(pp) "**Recognition Order**" has the meaning ascribed to that term in the recitals;

(qq) "**Representative**" means, in respect of a person, each director, officer, employee, agent, legal counsel, accountant, professional advisor and other representative of such person and its Affiliates, and with respect to the Vendor, includes the Receiver and their respective Affiliates, directors, officers, employees, agents, legal counsel, accountants, professional advisors and other representatives;

(rr) "**Specific Conveyances**" means all conveyances, bills of sale, assignments, transfers, and other documents or instruments that are reasonably required or desirable to convey, assign and transfer the Vendor's Interest in and to the Purchased Assets to the Purchaser including a bill of sale for the Purchased Equipment forming part of the Purchased Assets;

(ss) "**Tax Legislation**" means, collectively, the Income Tax Act and all Canadian and United States federal, provincial, state, territorial, county, municipal and local, foreign, or other statutes, ordinances or regulations imposing a Tax, including all treaties, conventions, rules, regulations, orders, and decrees of any jurisdiction;

(tt) "**Tax**" or "**Taxes**" means all taxes, assessments, charges, dues, duties, rates, fees, imposts, levies and similar charges of any kind lawfully levied, assessed or imposed by any Governmental Authority under any applicable Tax Legislation, including, Canadian and United States federal, provincial, state, territorial, county, parish, municipal and local, foreign or other income, capital, capital gains, goods and services, sales, use, consumption, excise, value added (including GST and Harmonized Sales Tax), business, real property, personal property, transfer, franchise, withholding, payroll, or employer health taxes, customs, import, anti-dumping or countervailing duties, Canada Pension Plan contributions, employment insurance premiums, and provincial workers' compensation payments, levy, assessment, tariff, impost, imposition, toll and duty, whether computed on a separate, combined, unitary, or consolidated basis or any other manner, including any interest, penalties and fines associated therewith;

(uu) "**Third Party**" means any person who is not a Party;

(vv) "**Third Party Claim**" means any Claim by a Third Party asserted against the Vendor for which the Purchaser has indemnified the Vendor or is otherwise responsible for pursuant to this Agreement;

(ww) "**Time of Closing**" means 10:00 am (Calgary, Alberta time) on the Closing Date or such other date and time as the Parties may agree in writing that the Closing shall take place;

(xx) "**Transaction**" means the transaction for the purchase and sale of the Purchased Assets as contemplated in this Agreement;

(yy) "**Transfer Taxes**" means all present and future transfer taxes, sales taxes, use taxes, production taxes, value-added taxes, goods and services taxes, land transfer taxes, registration and recording fees, and any other similar or like taxes and charges imposed by a Governmental Authority in connection with the sale, transfer or registration of the transfer of the Purchased Assets, including GST and Harmonized Sales Tax;

(zz) "**U.S. Court**" means the United States Bankruptcy Court for the Southern District of Texas, Houston Division;

(aaa) "**U.S. Proceedings**" means United States Bankruptcy Proceedings, Case No. 15-30786;

(bbb) "**U.S. Sale Approval**" means the recognition of the Alberta Court Approval and the vesting of the Purchased Assets sold by the Vendor to the Purchaser, by the U.S. Court which shall be in a form and substance acceptable to both the solicitor for the Vendors and the Purchaser's Solicitors and shall include, among other things, the following;

(i) the sale of the Vendor's Interest in the Purchased Assets to the Purchaser pursuant to this Agreement is authorized, approved, and confirmed;

(ii) all of the security and Encumbrances in favour of all creditors affecting the Purchased Assets, save and except for the Permitted Encumbrances, will be released and discharged as against the Purchased Assets; and

(iii) the Purchased Assets will be transferred to the Purchaser free and clear of all Encumbrances, save and except for the Permitted Encumbrances.

(ccc) "**Vendor's Interest**" means, when used in relation to any asset, undertaking or property, all the right, title and interest, if any, of the Vendor in such asset, undertaking or property.

1.2 Interpretation

The following rules of construction shall apply to this Agreement unless the context otherwise requires:

(a) All references to monetary amounts, unless indicated to the contrary, are to the lawful currency of Canada.

(b) Words importing the singular include the plural and vice versa, and words importing gender include the masculine, feminine and neuter genders.

(c) The word "include" and derivatives thereof shall be read as if followed by the phrase "without limitation".

(d) The words "hereto", "herein", "hereof", "hereby", "hereunder" and similar expressions refer to this Agreement and not to any particular provision of this Agreement.

(e) The headings contained in this Agreement are for convenience of reference only, and shall not affect the meaning or interpretation hereof.

(f) Reference to any Article, Section or Schedule means an Article, Section or Schedule of this Agreement unless otherwise specified.

(g) If any provision of a Schedule hereto conflicts with or is at variance with any provision in the body of this Agreement, the provisions in the body of this Agreement shall prevail to the extent of the conflict.

(h) All documents executed and delivered pursuant to the provisions of this Agreement are subordinate to the provisions hereof and the provisions hereof shall govern and prevail in the event of a conflict.

(i) This Agreement has been negotiated by each Party with the benefit of legal representation, and any rule of construction to the effect that any ambiguities are to be resolved against the drafting Party does not apply to the construction or interpretation of this Agreement.

1.3 Schedules

The following are the Schedules attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

Schedule 1.1(z)	Inventory
Schedule 1.1(ii)	Purchased Equipment
Schedule 7.3(d)	Release

ARTICLE 2
PURCHASE AND SALE OF PURCHASED ASSETS

2.1 Agreement of Purchase and Sale

Subject to the terms and conditions of this Agreement including Section 2.2, at the Time of Closing, the Vendor hereby agrees to sell, assign and transfer to the Purchaser, and the Purchaser agrees to purchase from the Vendor all of the Vendor's Interest in the Purchased Assets free and clear of all Encumbrances other than Permitted Encumbrances.

2.2 Transfers of Purchased Assets

(a) Prior to the Time of Closing, Calmena Luxembourg shall sell, transfer and assign to Calmena Parent all of Calmena Luxembourg's right, title and interest in the Purchased Assets.

(b) Subject to the terms and conditions of this Agreement and subsequent to the transfer in Section 2.2(a), on the Closing Date the title, possession, risk and beneficial ownership of the Purchased Assets (including the Purchased Assets transferred to Calmena Parent pursuant to Section 2.2(a)) shall transfer from Calmena Parent, Calmena LP and the General Partner to the Purchaser, free and clear of all Encumbrances other than Permitted Encumbrances.

ARTICLE 3
PURCHASE PRICE

3.1 Purchase Price

The purchase price to be paid by the Purchaser to Calmena Parent, Calmena LP and the General Partner for the Purchased Assets shall be CAD $800,000 (the "**Purchase Price**") as adjusted pursuant to Section 3.6.

3.2 Deposit

(a) The Receiver acknowledges receipt of a deposit of CAD $500,000 (the "**Deposit**") from the Purchaser.

(b) The Deposit will be held in trust by the Receiver or the Receiver's Solicitors in an interest-bearing trust account for and on behalf of the Vendor, and shall be releasable in accordance with the terms of this Agreement. If Closing occurs in accordance with the terms and conditions of this Agreement, the Deposit and interest earned thereon shall be credited against the Purchase Price, in partial satisfaction of the Purchaser's obligation to pay the Purchase Price at Closing.

(c) Following acceptance by the Alberta Court and the U.S. Court of this Agreement, if Closing does not occur for any reason (other than in the case of the Purchaser terminating this Agreement in accordance with Section 9.1), the Vendor shall be entitled to retain the Deposit, the full amount of the Deposit shall be forfeited to the Vendor, this Agreement shall thereupon terminate and each Party shall be released from all obligations and liabilities under or in connection with this Agreement. If Closing does not occur because the Purchaser has terminated this Agreement in accordance with Section 9.1, then the Deposit shall be refunded to the Purchaser. The Parties agree that the amount of the Deposit constitutes a genuine pre-estimate of liquidated damages representing the Vendor's Losses and Liabilities as a result of Closing not occurring and agree that the Vendor shall not be entitled to recover from the Purchaser any amounts that are in excess of the Deposit as a result of Closing not occurring. The Purchaser hereby waives any claim or defence that the amount of the Deposit is a penalty or is otherwise not a genuine pre-estimate of the Vendor's damages.

3.3 Payment of the Purchase Price

The Purchaser shall pay to the Receiver or the Receiver's Solicitors (in trust for and on behalf of the Vendor) at Closing, by certified cheque, bank draft or electronic wire transfer, the adjusted Purchase Price as set forth in the Interim Statement of Adjustments, less the Deposit and interest earned thereon, plus any Transfer Taxes.

3.4 Allocation of the Purchase Price

The Purchase Price shall be allocated among the Purchased Assets as mutually agreed by the Parties on the Closing Date.

3.5 Transfer Taxes

The Parties agree that:

(a) the Purchase Price is exclusive of all Transfer Taxes and:

(i) the Purchaser shall be liable for and shall pay any and all Transfer Taxes pertaining to the Purchaser's acquisition of the Purchased Assets or the registration of any Specific Conveyances necessitated hereby;

(ii) the Purchaser shall be liable for and shall pay any and all Transfer Taxes pertaining to transfer of any of the Purchased Assets from Calmena Luxembourg to Calmena Parent pursuant to Section 2.2(a);

(b) where the Vendor is required under Applicable Law to collect or pay Transfer Taxes, the Purchaser will pay the amount of such Transfer Taxes to the Vendor at Closing, and the Vendor shall timely remit all such Transfer Taxes to the appropriate Governmental Authority and shall indemnify the Purchaser for, from and against any Transfer Tax (including any interest or penalty imposed by a Governmental Entity) that the Purchaser may pay or for which the Purchaser may become liable as a result of any failure by the Vendor to pay or remit such Transfer Taxes;

(c) except where the Vendor is required under Applicable Law to collect or pay such Transfer Taxes, the Purchaser shall pay such Transfer Taxes directly to the appropriate Governmental Authority or other entity within the required time period and shall file all necessary documentation with respect to such Transfer Taxes when due. The Vendor will do and cause to be done such things as are reasonably requested to enable the Purchaser to comply with such obligation in a timely manner. If the Vendor is required under Applicable Law to pay any such Transfer Taxes, the Purchaser shall promptly reimburse the Vendor the full amount of such Transfer Taxes upon delivery to the Purchaser of copies of receipts showing payment of such Transfer Taxes; and

(d) the Purchaser shall indemnify the Vendor for, from and against any Transfer Taxes (including any interest or penalties imposed by a Governmental Authority) that the Vendor may pay or for which the Vendor may become liable as a result of any failure by the Purchaser to pay or remit such Transfer Taxes, including the Transfer Taxes that the Purchaser has agreed to pay pursuant to Sections 3.5(a)(i) and 3.5(a)(ii).

3.6 Adjustments for Taxes other than Transfer Taxes

(a) Subject to Section 3.6(c), all Taxes (other than Transfer Taxes) accruing, payable, paid, received or receivable in respect of the Purchased Assets, shall be apportioned on an accrual basis between the Vendor and the Purchaser as of the Effective Time on a per diem basis as of the Effective Time with Taxes (other than Transfer Taxes) accrued to the Effective Time for the Vendor's account and Taxes (other than Transfer Taxes) accrued after the Effective Time for the Purchaser's account.

(b) The Vendor shall carry out an interim accounting and adjustment and prepare and deliver to the Purchaser at least three Business Days prior to the Closing Date a statement setting forth the Vendor's good faith estimate of all adjustments to be made pursuant to this Section 3.6 (the "**Interim Statement of Adjustments**").

(c) The Vendor shall carry out a final accounting and adjustment and prepare and deliver to the Purchaser a statement setting forth all adjustments to be made pursuant to this Section 3.6 no later than August 31, 2015 (the "**Final Statement of Adjustments**"). No Party shall be obligated to make any further adjustments after the Final Statement of Adjustments is finalized unless arising from a specific request in writing made by a Party prior to August 31, 2015 identifying in reasonable detail an adjustment required by this Section 3.6.

(d) All adjustments shall be settled by the prompt payment by any Party obliged to make payment pursuant to this Agreement. Interest at the Prime Rate plus 2% per annum shall be paid on any adjustment which remains unpaid by one Party to another Party 30 days after receipt of the notice that adjustment is to be paid from such 30th day to the date of payment unless such adjustment is subsequently determined not to be owing pursuant to an audit conducted in accordance with Section 3.6(e).

(e) The Purchaser shall have the right at any time during the period following the Closing Date to August 31, 2015, upon five Business Days prior written notice to the Vendor, during the Vendor's normal business hours and at the Purchaser's sole cost, to examine, copy and audit the accounting and financial books, records and accounts of the Vendor relating to the Purchased Assets for the purpose of effecting adjustments pursuant to and within the time provided for in this Section 3.6. The Vendor shall cooperate with the Purchaser so as to facilitate the scheduling of such audit. Any discrepancies disclosed by such audit shall be identified in writing to the Vendor within the period following the Closing Date to August 31, 2015, and the Vendor shall respond in writing to any claims or discrepancies within 30 days of the receipt of such claims.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES

4.1 Purchaser's Representations and Warranties

The Purchaser hereby represents and warrants to and in favour of the Vendor that:

(a) the Purchaser is a corporation duly incorporated and validly subsisting under the laws of the jurisdiction of its incorporation and has the requisite power and authority to enter into this Agreement and to complete the Transaction;

(b) the Purchaser has taken all necessary corporate action to authorize the entering into and performance by it of this Agreement;

(c) provided that the Court Approval is obtained, execution, delivery and performance of this Agreement by the Purchaser does not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to, any Governmental Authority, except where failure to obtain such consent, approval, authorization or action, or to make such filing or notification, would not prevent or materially delay the consummation by the Purchaser of the Transaction;

(d) this Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser and is enforceable against the Purchaser in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar Applicable Laws relating to creditors' rights generally and subject to general principles of equity;

(e) the Purchaser is in compliance with all international trade laws and regulations including: (i) export and re-export controls specified in the U.S. Export Administration Regulations, International Traffic in Arms Regulations (ITAR), and the Bureau of the Census Foreign Trade Statistics Regulations (FTSR), or the Canadian Export and Import Permits Act; (ii) prohibitions on transactions with or transfers to the governments of, parties located in or operated from, or nationals of countries subject to U.S. and Canadian economic sanctions, and (iii) prohibitions on transactions with or transfers to entities or individuals identified on the U.S. government's List of Specially Designated Nationals and Blocked Persons (Treasury Department), Denied Persons List and Entity List (Commerce Department), and the Canadian government's lists of Designated Persons under the *United Nations Act*, *Criminal Code*, *Special Economic Measures Act* and *Freezing Assets of Corrupt Foreign Officials Act*. The Purchaser is not owned or controlled, directly or indirectly, by a prohibited person or entity or by an entity owned or controlled by a prohibited person or entity (or agent acting on such person or entity's behalf) as defined by the foregoing lists;

(f) there is no requirement for the Purchaser to make any filing with, give any notice to, or obtain any authorization of, any Governmental Authority pursuant to the *Competition Act* (Canada), as a result of, in connection with, or as a condition to the lawful completion of the Transaction; and

(g) the Purchaser is not a non-U.S. person.

4.2 Limited Representations and Warranties by the Vendor

(a) The Vendor, jointly and severally, hereby represents and warrants to and in favour of the Purchaser that, both now and at the Closing Date:

(i) the recitals to this Agreement are true and correct in all material respects; and

(ii) Calmena Luxembourg has taken all necessary corporate action to authorize the entering into and performance by it of this Agreement.

(b) Calmena Luxembourg hereby represents and warrants to and in favour of the Purchaser that, both now and at the Closing Date:

(i) it will have the legal right, title, and authority to sell its interest in the Purchased Assets to Calmena Parent on the terms and conditions of this Agreement, free and clear of all Encumbrances, save and except the Permitted Encumbrances;

(ii) is a corporation duly incorporated and validly subsisting under the laws of the jurisdiction of its incorporation and has the requisite power and authority to enter into this Agreement and to complete the Transaction;

(iii) it has taken all necessary corporate action to authorize the entering into and performance by it of this Agreement;

(iv) provided that the Court Approval is obtained, execution, delivery and performance of this Agreement by it does not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to, any Governmental Authority, except where failure to obtain such consent, approval, authorization or action, or to make such filing or notification, would not prevent or materially delay the consummation by it of the Transaction; and

(v) this Agreement has been duly executed and delivered by it and constitutes a legal, valid and binding obligation of it and is enforceable against it in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar Applicable Laws relating to creditors' rights generally and subject to general principles of equity.

(c) Save and except as expressly set out in Section 4.2(a) and 4.2(b) herein, neither the Vendor nor any of its Representatives makes any representations or warranties, and in particular, and without limiting the generality of the foregoing, the Vendor disclaims and neither the Vendor nor any of its Representatives shall be liable for any representation or warranty which may have been made or alleged to be made in any instrument or document related hereto (save and except for the deliveries listed in Sections 7.2(a), 7.2(b), 7.2(c), 7.2(d), 7.2(e) or 7.2(g)) or in any statement or information made or communicated to the Purchaser in any manner including any opinion, information, or advice which may have been provided to the Purchaser by the Vendor or any of its Representatives in connection with the Purchased Assets or in relation to the Transaction. For greater certainty, neither the Vendor nor any of its Representatives makes any condition, representation or warranty, express or implied, with respect to:

(i) the Data Room Information or any other data or information supplied by the Vendor or any of its Representatives in connection with the Purchased Assets, including by way of management presentations or otherwise;

(ii) the value of any of the Purchased Assets or the future cash flow therefrom; or

(iii) the quality, condition, description, fitness for purpose, suitability, serviceability or merchantability of the Purchased Equipment.

(d) The Purchaser acknowledges and confirms that it has had an opportunity to conduct any and all due diligence regarding the Purchased Assets and, save and except for the representations set out in Section 4.2 herein, that it is relying on its own investigations concerning the Purchased Assets and it has not relied on advice from the Vendor or any of its Representatives with respect thereto, including with respect to the matters specifically enumerated in the immediately preceding paragraphs in connection with the purchase of the Purchased Assets pursuant hereto. The Purchaser further acknowledges and agrees that it is acquiring the Purchased Assets on an "as is, where is" basis. The Purchaser acknowledges and agrees that it is familiar with the condition of the Purchased Assets, and that the Vendor has provided the Purchaser with a reasonable opportunity to inspect the Purchased Assets at the sole cost, risk and expense of the Purchaser and that the Purchaser is not relying upon any representation or warranty of the Vendor as to the condition of the Purchased Assets, save and except for the representations set out in Section 4.2 herein.

(e) Except for its express rights under this Agreement (including with respect to the representations under Section 4.2), the Purchaser hereby waives all rights and remedies (whether now existing or hereinafter arising and including all common law, tort, contractual and statutory rights and remedies) against the Vendor and its Representatives in respect of the Purchased Assets or the Transaction or any representations or statements made or information or data furnished to the Purchaser or its Representatives in connection herewith (whether made or furnished orally or by electronic, faxed, written or other means);

(f) The representations and warranties under this Article 4 shall survive the closing of the Transaction.

ARTICLE 5
COVENANTS

5.1 Governmental Authority Consents

Both before and after Closing, each of the Parties shall use all commercially reasonable efforts to obtain any and all approvals required under Applicable Law required to permit the Transaction to be completed. It shall be the sole obligation of the Purchaser, at the Purchaser's sole cost and expense, to provide any and all financial assurances that may be required by Governmental Authorities to permit the transfer to the Purchaser of the Purchased Assets or any of them.

5.2 Court Approval

The Vendor shall prepare all materials, and shall promptly apply to the Court for, and use its commercially reasonable efforts to obtain, the Court Approval as soon as reasonably practicable following the date hereof. The Purchaser, at its own expense, shall promptly provide to the Vendor all such information and assistance within the Purchaser's power as the Vendor may reasonably request to obtain the Court Approval, including such information as may be required to reasonably evaluate the Purchaser's financial ability to perform its obligations hereunder. The application for the Court Approval may be adjourned or rescheduled by the Vendor or its Representatives upon notice to the Purchaser.

5.3 Expenses

On Closing, the Purchaser shall be responsible for and pay as and when required:

(a) any and all costs of dismantling or removing Purchased Assets from their present location and/or transporting them to a new location; and

(b) the cost of repairing any damage caused by dismantling or removal of any of the Purchased Assets from their present location and/or transporting to a new location.

The Purchaser shall repair and be liable for any and all Claims, Losses and Liabilities whatsoever caused by or in any way arising out of any dismantling or removal of any Purchased Assets, or any failure to dismantle or remove any Purchased Assets. Further, the Purchaser shall indemnify and save harmless the Vendor, its Representatives, the Receiver and its and their respective officers, directors, employees or other representatives in respect of and from any and all Claims, Losses and Liabilities that any of them may incur or suffer by reason of any dismantling or removal of any Purchased Assets, or any failure to dismantle or remove any Purchased Assets.

5.4 Books and Records

Subject only to Applicable Law, the Vendor covenants that it shall keep all copies it retains of the Books and Records confidential and shall not divulge any information with respect thereto to any Third Party. The Vendor covenants that, when permitted by Applicable Law, it shall either deliver all such copies of Books and Records to the Purchaser or certify, in a form and substance satisfactory to the Purchaser acting reasonably, that all such copies of Books and Records are destroyed.

ARTICLE 6
CONDITIONS

6.1 Mutual Conditions

The respective obligations of the Parties to complete the Transaction are subject to the following conditions being fulfilled or performed as at or prior to the Time of Closing:

(a) the Court has granted the Court Approval;

(b) all necessary governmental and regulatory approvals for completion of the Transaction has been obtained;

(c) the sale of the Purchased Assets from Calemena Luxembourg to Calmena Parent as contemplated in Section 2.2(a) has closed;

(d) no injunction or other order has been issued to enjoin, restrict or prohibit the Transaction; and

(e) the Closing is not otherwise prohibited by Applicable Law.

The foregoing conditions are for the mutual benefit of the Vendor and the Purchaser and may be asserted by the Vendor or the Purchaser regardless of the circumstances and may be waived only with the Agreement of both the Vendor and the Purchaser.

6.2 Conditions for the Benefit of the Purchaser

The obligation of the Purchaser to complete the Transaction is subject to the following condition being fulfilled or performed as at or prior to the Time of Closing:

(a) all representations and warranties of the Vendor contained in this Agreement shall be true and correct in all material respects as at the Time of Closing with the same force and effect as if made at and as of such time;

(b) the Vendor has complied with and performed, in all material respects, all of its covenants and obligations contained in this Agreement; and

(c) no Party comprising the Vendor has lost its ability to convey the Purchased Assets or any of them due to an order of the Court or otherwise pursuant to the Receivership Proceedings or the U.S. Proceedings, provided such order or other action pursuant to the Receivership Proceedings or the U.S. Proceedings is not at the voluntary initiative of the Vendor.

The foregoing conditions are for the exclusive benefit of the Purchaser and may be waived by it in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Purchaser may have. If the said condition has not been complied with or waived by the Purchaser at or before the Time of Closing, the Purchaser may terminate this Agreement by written notice to the Vendor.

6.3 Conditions for the Benefit of the Vendor

The obligation of the Vendor to complete the Transaction is subject to the following conditions being fulfilled or performed as at or prior to the Time of Closing:

(a) all representations and warranties of the Purchaser contained in this Agreement shall be true and correct in all material respects as at the Time of Closing with the same force and effect as if made at and as of such time;

(b) the Purchaser has complied with and performed in all material respects all of its covenants and obligations contained in this Agreement; and

(c) no Party comprising the Vendor has lost its ability to convey the Purchased Assets or any of them due to an order of the Court or otherwise pursuant to the Receivership Proceedings or the U.S. Proceedings, provided such order or other action pursuant to the Receivership Proceedings or the U.S. Proceedings is not at the voluntary initiative of the Vendor.

The foregoing conditions are for the exclusive benefit of the Vendor and may be waived by it in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Vendor may have. If any of the said conditions have not been complied with or waived by the Vendor at or before the Time of Closing, the Vendor may terminate this Agreement by written notice to the Purchaser.

6.4 Satisfaction of Conditions

Each of the Parties shall proceed diligently and in good faith and use all commercially reasonable efforts to fulfill and assist in the fulfillment of the conditions set forth in Sections 6.1, 6.2 and 6.3. In addition, each of the Parties agrees not take any action that could reasonably be expected to preclude, delay or have an adverse effect on the Transaction or would render, or may reasonably be expected to render, any representation or warranty made by it in this Agreement untrue in any material respect.

ARTICLE 7
CLOSING

7.1 Closing Date and Place of Closing

Subject to the conditions set out in this Agreement, the Transaction shall close and be completed on the Closing Date. The completion of the Transaction shall take place at the Time of Closing at the offices of the Receiver's Solicitors, or at such other time or such other location as the Parties may agree in writing.

7.2 Deliveries on Closing by the Vendor

The Vendor shall deliver to the Purchaser at the Time of Closing:

(a) a Court certified copy of the Court Approval;

(b) a bill of sale in a form satisfactory to the Parties acting reasonably regarding the conveyance of all of the Purchased Assets, duly executed by the Vendor;

(c) a certified copy of a shareholder resolution of Calmena Luxembourg with respect to authorizing and approving this Agreement and the performance of all obligations hereunder;

(d) a certified copy of a sole manager's resolution of Calmena Luxembourg with respect to authorizing and approving this Agreement and the performance of all obligations hereunder;

(e) any Specific Conveyances that have been prepared by the Vendor prior to Closing, in a form satisfactory to the Parties, acting reasonably;

(f) all of the Books and Records in the Receiver's possession, provided that the Receiver may retain any copies of the Books and Records that it is required to keep under Applicable Law;

(g) statutory declarations of each of John King, Marjorie Allo, and Kevin Wallgren that they have not taken any steps to infringe the intellectual property rights described in United States Patent No. 8,215,841 entitled "Bearing Assembly for use in Earth Drilling"; and

(h) such other documents as are required by this Agreement.

7.3 Deliveries on Closing by the Purchaser

The Purchaser shall deliver to the Vendor at the Time of Closing:

(a) the Purchase Price payable in cash to the Vendor in accordance with Section 3.3;

(b) payment or evidence of payment of all Transfer Taxes in accordance with Section 3.5;

(c) a bill of sale in a form satisfactory to the Parties acting reasonably regarding the conveyance of all of the Purchased Assets, duly executed by the Purchaser;

(d) a release of the Purchaser attached as Schedule 7.3(d); and

(e) such other documents as are required by this Agreement.

7.4 Risk and Insurance

The risk of loss of the Purchased Assets shall remain with the Vendor until Closing. Any property, liability and other insurance maintained by the Vendor shall not be transferred as of the Time of Closing, but shall remain the responsibility of the Vendor until the Time of Closing. The Purchaser shall be responsible for placing its own property, liability and other insurance coverage with respect to the Purchased Assets in respect of the period from and after the Time of Closing.

ARTICLE 8
INDEMNITY

8.1 Indemnification Given by Purchaser

If Closing occurs, the Purchaser shall:

(a) be liable to the Vendor for; and

(b) as a separate covenant, indemnify the Vendor and its Representatives from and against;

all Losses and Liabilities suffered, sustained, paid or incurred by any of them to the extent arising or accruing on or after the Effective Time and which relate to the Purchased Assets, including all Losses and Liabilities attributable to the ownership, operation, use, construction or maintenance of the Purchased Assets arising or accruing on or after the Effective Time. The Purchaser's indemnity obligation set forth in this Section 8.1 shall survive the Closing Date indefinitely.

8.2 Third Party Claims

(a) If the Vendor receives notice of the commencement or assertion of any Third Party Claim for which the Purchaser is liable pursuant to this Agreement, the Vendor shall give the Purchaser reasonably prompt notice thereof, but in any event no later than 14 days after receipt of such notice of such Third Party Claim. Such notice to the Purchaser shall describe the Third Party Claim in reasonable detail and shall indicate, if reasonably practicable, the estimated amount (or the method of computation of the amount) of the Loss that has been or may be sustained by the Vendor, and a reference to the provisions of this Agreement upon which such claim is based.

(b) The Purchaser may participate in the defence of any Third Party Claim by giving notice to that effect to the Vendor not later than 14 days after receiving notice of that Third Party Claim (the "**Notice Period**") so long as: (i) the Purchaser first acknowledges to the Vendor, in writing, liability to the Vendor under this Agreement with respect to such Third Party Claim and that the outcome of such Third Party Claim does not alter or diminish the Purchaser's obligation to indemnify the Vendor pursuant to this Agreement, subject to the Purchaser's right to contest in good faith the Third Party Claim; (ii) the Purchaser has the financial resources to defend against the Third Party Claim and fulfill any indemnification obligations and has provided the Vendor with evidence thereof; (iii) the Third Party Claim involves monetary damages; and (iv) the Purchaser participates in the defence of the Third Party Claim actively and diligently. The Purchaser's right to do so shall be subject to the rights of any insurer or other third party who has potential liability in respect of that Third Party Claim. The Purchaser shall pay all of its own expenses of participating in or assuming such defence. The Vendor shall cooperate in good faith in the defence of each Third Party Claim and may participate in such defence assisted by counsel of its own choice at its own expense.

(c) If the Vendor has not received notice within the Notice Period that the Purchaser has elected to participate in the defence of such Third Party Claim, or if the Purchaser has given such notice but thereafter fails or is unable to participate in the defence of such Third Party Claim actively and diligently, the Vendor may, at its option, elect to settle or compromise the Third Party Claim on terms of its choosing, or assume such defence assisted by counsel of its own choosing, and the Purchaser shall be liable for all reasonable costs and expenses paid or incurred in connection therewith and any Loss suffered or incurred by the Vendor with respect to such Third Party Claim.

8.3 Failure to Give Timely Notice

A failure to give timely notice as provided in this Article 8 shall not affect the rights or obligations of any Party except and only to the extent that, as a result of such failure, any Party which was entitled to receive such notice was deprived of its right to recover any payment under any applicable insurance coverage or was otherwise prejudiced as a result of such failure.

8.4 No Merger

There shall not be any merger of any liability or indemnity hereunder in any assignment, conveyance, transfer or document delivered pursuant hereto notwithstanding any rule of law, equity or statute to the contrary and all such rules are hereby waived.

8.5 Non-Assumption of Liabilities

For greater certainty, the Parties hereto acknowledge and agree that the Purchaser is not, and will not be, assuming any liabilities of the Vendor with respect to the Purchased Assets, and that there is not any express or implied obligation hereunder for the Purchaser to do so.

ARTICLE 9
TERMINATION

9.1 Grounds for Termination

This Agreement may be terminated at any time prior to Closing by either the Vendor or the Purchaser (as applicable) if the conditions for the benefit of the Vendor or Purchaser (as applicable) pursuant to the provisions of Article 6 are not satisfied or waived by or on the Closing Date.

9.2 Effect of Termination

Notwithstanding any termination of this Agreement by the Vendor or the Purchaser as permitted under Section 9.1, the provisions of Sections 10.1, 10.4, 10.5, 10.11 and 10.14 shall remain in full force and effect following any such permitted termination, and the Deposit shall be governed by Section 3.2.

ARTICLE 10
MISCELLANEOUS

10.1 Public Announcements

If a Party intends to issue a press release or other public disclosure of this Agreement, the terms hereof or the Transaction, the disclosing Party shall provide the other Party with an advance copy of any such press release or public disclosure with sufficient time to enable the other Party to review such press release or other public disclosure and provide any comments. The disclosing Party shall not issue such press release or other public disclosure without the prior written consent of the other Party, such consent not to be unreasonably withheld.

10.2 Specific Conveyances

The Purchaser shall prepare the Specific Conveyances which it wishes to have executed and shall provide same to the Vendor for its review and execution in a timely fashion, none of which shall confer or impose upon a Party any greater right or obligation than contemplated in this Agreement. The Purchaser shall, as applicable, register and/or distribute all Specific Conveyances and shall bear all costs incurred therewith and in preparing and registering and/or distributing any further assurances required in connection with the Transaction. All Specific Conveyances that are prepared after Closing and delivered to the Vendor by the Purchaser from time to time in accordance with the terms hereof shall be executed by the Vendor and returned to the Purchaser at its offices within 15 Business Days of receipt.

10.3 Obligations to Survive

The obligations, covenants, representations and warranties (if any) of the Parties set out in this Agreement shall survive Closing, shall remain in full force and effect, shall not merge as a result of Closing and shall be binding on the Parties thereafter.

10.4 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta, and the federal laws of Canada applicable therein (excluding any conflict of law rule or principle of such laws that might refer such interpretation or enforcement to the laws of another jurisdiction). Each Party irrevocably submits to the exclusive jurisdiction of the Alberta Court with respect to any matter arising hereunder or relating hereto.

10.5 Damages

Under no circumstance shall any of the Parties, their Representatives or their respective directors, officers, employees or agents be liable for any punitive, exemplary, consequential or indirect damages (including for greater certainty, any loss of profits) that may be alleged to result, in connection with, arising out of, or relating to this Agreement or the Transaction.

10.6 Further Assurances

Each of the Parties hereto from and after the date hereof shall, from time to time, and at the request and expense of the Party requesting the same, do all such further acts and things and execute and deliver such further instruments, documents, matters, papers and assurances as may be reasonably requested to complete the Transaction and for more effectually carrying out the true intent and meaning of this Agreement.

10.7 No Assignment by Purchaser

The Purchaser shall not, without the Vendor's prior written consent, assign any right or interest in this Agreement, which consent may be withheld in the Vendor's sole and absolute discretion, except that the Purchaser shall have the right to assign any or all of its rights, interests or obligations hereunder to one or more Affiliates of the Purchaser, provided that such Affiliate agrees to be bound by the terms of this Agreement and provided that the Purchaser shall remain liable hereunder for any breach of the terms of this Agreement by such Affiliate.

10.8 Waiver

No failure on the part of any Party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any right or remedy in law or in equity or by statute or otherwise conferred. No waiver by any Party of any breach (whether actual or anticipated) of any of the terms, conditions, representations or warranties contained herein shall take effect or be binding upon that Party unless the waiver is expressed in writing under the authority of that Party. Any waiver so given shall extend only to the particular breach so waived and shall not limit or affect any rights with respect to any other or future breach.

10.9 Amendment

This Agreement shall not be varied in its terms or amended by oral agreement or by representations or otherwise other than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representative of each Party.

10.10 Time of the Essence

Time is of the essence in this Agreement.

10.11 Costs and Expenses

Each Party shall be responsible for all costs and expenses (including the fees and disbursements of legal counsel, bankers, investment bankers, accountants, brokers and other advisors) incurred by it in connection with this Agreement and the Transaction. No Party shall be responsible for the costs and expenses of the other Party.

10.12 Notices

Any notice, demand or other communication required or permitted to be given to any Party shall be given in writing and addressed as follows:

(a) in the case of the Vendor or the Receiver:

Ernst & Young Inc.
1000, 440 2nd Avenue S.W.
Calgary, AB Canada T2P 5E9
Attention: Peter Chisholm
Fax: 403.206.5075
Email: peter.chisholm@ca.ey.com
With a copy to the

And with a copy to the Receiver's Solicitors:

Borden Ladner Gervais LLP
1900, 520 – 3rd Ave S W
Calgary, AB, Canada T2P 0R3
Attention: Patrick T. McCarthy Q.C./Jessica L. Duhn
Fax: 403.266.1395
Email: PMcCarthy@blg.com/jduhn@blg.com

(b) In the case of the Purchaser:

Turbo Drill Industries, Inc.
1125 Beach Airport Drive
Conroe, TX 77301
Attention: Myles Woloshyn, President
Fax: 936.756.3229
Email: MWoloshyn@TurboDrillInd.com

And with a copy to the Purchaser's Solicitors:

McCuaig Desrochers LLP
2401, 10088 – 102 Avenue NW
Edmonton, AB, Canada T5J 2Z1
Attention: Robert M. Curtis Q.C./Terrence N. Lysak
Fax: 7808.426.0982
Email: rcurtis@mccuaig.com/tlysak@mccuaig.com

Any such notice, if personally delivered, shall be deemed to have been validly and effectively given and received on the Business Day of such delivery and if sent by facsimile or other electronic communication with confirmation of transmission, shall be deemed to have been validly and effectively given and received on the Business Day next following the day it was received.

10.13 Enurement

This Agreement shall be binding upon, and enure to the benefit of, the Parties and their respective successors and permitted assigns.

10.14 Third Party Beneficiaries

Each Party intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any person other than the Parties and their successors and permitted assigns, and no person, other than the Parties and their successors and permitted assigns shall be entitled to rely on the provisions hereof in any action, suit, proceeding, hearing or other forum.

10.15 Severability

If any provision of this Agreement or any document delivered in connection with this Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall be construed and enforced as if that invalid or unenforceable provision were omitted. The invalidity or unenforceability of any provision in one jurisdiction shall not affect such provision validity or enforceability in any other jurisdiction.

10.16 Entire Agreement

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and cancel and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect to the subject matter hereof. There are no conditions, covenants, agreements, representations, warranties or other provisions, whether oral or written, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof other than those contained in this Agreement.

10.17 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by facsimile or other electronic means of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

[Remainder of page is intentionally blank]

IN WITNESS WHEREOF this Agreement has been properly executed by the Parties as of the date first above written.

CALMENA ENERGY SERVICES INC., by Ernst & Young Inc. in its capacity as the court-appointed receiver and foreign representative and not in its personal or corporate capacity

Per: ______________________________

Name:

Title:

CALMENA DRILLING SERVICES US LP, by Ernst & Young Inc. in its capacity as the court-appointed receiver and foreign representative and not in its personal or corporate capacity

Per: ______________________________

Name:

Title:

CALMENA DRILLING SERVICES LLC, by Ernst & Young Inc. in its capacity as the court-appointed receiver and foreign representative and not in its personal or corporate capacity

Per: ______________________________

Name:

Title:

CALMENA LUXEMBOURG HOLDING S.À.R.L.

Per: ______________________________

Name:

Title: Sole Manager/Authorised Signatory (as the case may be)

TURBO DRILL INDUSTRIES, INC.

Per: ______________________________

Name:

Title:

SCHEDULE 1.1(Z)
INVENTORY

See Schedule 1.1(ii)

SCHEDULE 1.1(II)
PURCHASED EQUIPMENT

CALMENA INVENTORY CONROE

COMPLETE MOTORS
36 - 4 3/4"
18 - 6 1/4, 6 1/2", & 6 3/4"
6 - 8"
3 - 9 5/8"

BEARING ASSEMBLIES ONLY
1 - 4 3/4" OIL SEALED
8 - 4 3/4" DIAMOND
3 - 4 3/4" DIAMOND (HALF BUILT)
10 - 6 1/2"
2 - 6 1/2" DIAMOND (HALF BUILT)
6 - 8"

ALL SPARE PARTS FOR DRILLING MOTORS 4 3/4", 6 1/2", 8", & 9 5/8". NEW & USED.

MUD LUBE AND OIL SEALED MOTORS
EXAMPLES OF SPARE PARTS:
DIAMOND BEARING, FLOW RESTRICTORS, BRASS PISTONS, DRIVE MANDREL, THRUST HOUSING,

RADIAL HOUSING, PISTON HOUSING, STABILIZERS, THJREAD PROTECTORS, OFFSET PADS.

DRIVE SHAFT, MANDREL COUPLING, ROTOR COUPLING, ROTOR EXTENSION, SEAL CAPS, SEAL

BOOTS, SPLIT RINGS,THRUST INSERTS, COMPLETE U-JOINT ASSEMBLIES.

FIXED BENT HOUSING, ADJUSTABLE BENT HOUSING, ADJUSTABLE MANDREL, STATOR HOUSING ADAPTOR, ADJUSTING RING, STRAIGHT HOUSING, COMPLETE ADJUSTABLE ASSEMBLY.

TOP SUB, ROTOR CATCH, ROTOR CATCH SUB

STATORS
44 - 4 3/4"
16 - 6 1/4"
16 - 6 1/2"
39 - 6 3/4"
9 - 8"
2 - 9 5/8"
TOTAL - 126

ROTORS
27 - 4 3/4"
16 - 6 1/4"
23 - 6 3/4"
7 - 8"
TOTAL - 73

SCHEDULE 1.1(II)
PURCHASED EQUIPMENT (continued)

MONEL COLLARS
1 - 4 3/4"
1 - 6 3/4"
1 - 8"

SERVICE SHOP EQUIPMENT
1 - NOV TORQUE MASTER WITH EXTENSION BEAMS AND PUSH/PULL

1 - AIR COMPRESSOR
1 - STATOR MEASURING TOOL WITH GAUGE BLOCKS (FOR SMALL STATORS)

1 - STATOR MEASURING TOOL WITH GAUGE BLOCKS (FOR LARGE STATORS)

1 - BORE SCOPE WITH LAPTOP
1 - GRANITE BLOCK
2 - 1 TON JIB CRANES WITH BEAMS
1 - PRESSURE WASHER (IS IN CONRAINER)
1 - ROTARY TURNTABLE
4 - FLOOR MOUNTED SERVICE VISES
1 - PRESS
1 - BENCH GRINDER
1 - STAND ALONE GRINDER
2 - SERVICE WORK BENCHES
1 - TOOL RACK FOR HANGING PIPE WRENCHES
1 - 60" PIPE WRENCH
1 - 60" HEAVEY DUTY PIPE WRENCH
2 - CUSTOM SERVICE WRENCHES
1 - SHOP TOOL BOX (FULL OF TOOLS)
1 - BANDING REEL WITH CUTTERS AND CLAMPS
7 - INSPECTION RACKS
8 - STAND ALONE V-RACKS
4 - V-RACKS
4 - PIPE RACKS
1 - ROTOR RACK
2 - BARRLE OF OIL WITH OIL PUMPS
1 - PAINT CABINET
1 - PALLET RACK (9 FT WITH 2 SECTION WITH 5 SHELVES)
1 - VARSOL TANK (NEW STILL IN BOX)
1 - FLOOR POLISHER
1 - SHOP TABLE WITH 6 CHAIRS
2 - 20FT. CONTAINERS (1 HAS NUMBROUS PICKUP & X-OVER SUBS IN IT. HAVE PICTURE)

1 - 1997 FORD PICKUP TRUCK / GREEN IN COLOR

OFFICE FURNITURE AND EQUIPMENT
7 - DESKS
10 - COMPUTER MONITORS
5 - LAPTOPS
2 - DESK TOP COMPUTERS
4 - PHONES
1 - SERVER RACK COMPLETE WITH ALL COMPONENTS
2 - PLOTERS
8 - OFFICE CHAIRS

SCHEDULE 1.1(II)
PURCHASED EQUIPMENT (continued)

15 - FILE CABINETS
6 - SMALL PRINTERS
1 - PAPER SHREDDER
1 - CONFORENCE ROOM TABLE WITH 5 CHAIRS
1 - BATHROOM CABINET
1 - FRIDGE
2 - LATERAL WOOD FILE CABINETS IN LUNCH ROOM
6 - LOCKERS

MISCELLANOUS ASSETS
All other miscellaneous assets, located at the Calmena Energy Services Conroe location, that have not been specifically identified in this asset listing

CALMENA INVENTORY OKC

COMPLETE MOTORS
45 - 4 3/4"
21 - 61/2"
1 - 8"

SPARE PARTS
1 - PALLET STABILIZERS & THREAD PROTECTORS. 4 3/4", 6 1/2", & 8"

NUMEROUS PALLETS OF PICK-UP SUBS

SERVICE SHOP EQUIPMENT
4 - PIPE RACKS
8 - ONE SIDED STAND ALONE V-RACK

SCHEDULE 7.3(D)
RELEASE

IN CONSIDERATION of the consideration specified in the asset purchase agreement between Calmena Drilling Services US LP, Calmena Drilling Services LLC and Calmena Luxembourg Holding S.À.R.L. dated May 14, 2015 (the "**Asset Purchase Agreement**") and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, TURBO DRILL INDUSTRIES, INC. for and on behalf of itself and all of its affiliates, directors, officers, shareholders, employees, servants, agents, predecessors, heirs, successors and assigns (collectively the "**Releasor**"), hereby remises, releases and forever discharges CALMENA ENERGY SERVICES INC., CALMENA ENERGY HOLDINGS LTD., 1414995 ALBERTA LTD., CALMENA ENERGY SERVICES OPERATING LIMITED PARTNERSHIP, CALMENA ENERGY SERVICES (USA) CORP., CALMENA DRILLING SERVICES LLC, CALMENA DRILLING SERVICES US LP, BW SERVICES LUXEMBOURG S.A.R.L., CALMENA LUXEMBOURG HOLDING S.À.R.L., CALMENA ENERGY SERVICES DE MEXICO, S. DE R.L. DE C.V., BWES DE MEXICO, S. DE R.L. DE C.V., BW HR PRO, S. DE R.L. DE C.V., and PAN AMERICAN DRILLING SERVICES, S. DE R.L. DE C.V., ERNST & YOUNG INC. (in its individual and corporate capacity and in its capacity as receiver and as foreign representative) JOHN KING, MARJORIE ALLO and KEVIN WALLGREN (collectively, the "**Releasees**") from any and all actions, causes of action, suits, debts, dues, sums of money, damages, costs, claims and demands whatsoever whether in law, in equity or under statute, whether known or unknown, suspected or unsuspected, that the Releasor (or anyone claiming through or in its name), has had, now has, can, shall or may hereafter have, by reason of any matter, cause or thing whatsoever arising to the date hereof, including but not limited to any infringement of United States Patent No. 8,215,841 entitled "Bearing Assembly for use in Earth Drilling".

Notwithstanding the foregoing, that no release is made with respect to any failure of the Releasee to meet the obligations or other requirements imposed on the Releasee pursuant to the Asset Purchase Agreement.

The Releasor declares that it has had the opportunity to seek independent legal advice with respect to the matters addressed in this Release, and that the terms hereof (being contractual and not mere recitals) are fully understood. Further, the Releasor hereby declares that the consideration paid and otherwise delivered hereunder or referred to herein has been paid or delivered in full and that the within Release is provided voluntarily, uninfluenced by representations on the part of the Releasees or anyone representing the Releasees for the purpose of making a full, final and unconditional release of all claims of the Releasor.

The Releasor shall not commence any action, claim or demand whatsoever against any additional parties who may seek contribution or indemnity for the damages arising out of and in any way connected with the subject matter of this Release and in the event that the Releasor makes such claim as against any additional parties, it will agree to hold harmless and indemnify the Releasees in respect of those additional party claims.

The terms of this Release shall be binding upon the Releasor along with its successors and assigns of the Releasor and that the same shall enure to the benefit of the Releasees along with its successors and assigns.

This Release shall be governed by and construed in accordance with the laws of the Province of Alberta, and the federal laws of Canada applicable therein (excluding any conflict of law rule or principle of such laws that might refer such interpretation or enforcement to the laws of another jurisdiction). Each party irrevocably submits to the exclusive jurisdiction of the Alberta Courts with respect to any matter arising hereunder or relating hereto.

DATED: _____________, 2015

TURBO DRILL INDUSTRIES, INC.

Per: ________________________________

Name:
Title:

ACKNOWLEDGED AND AGREED:

CALMENA ENERGY SERVICES INC., by Ernst & Young Inc. in its capacity as the court-appointed receiver and foreign representative and not in its personal or corporate capacity

Per: ________________________________

Name:
Title:

F

Calmena Luxembourg Holding

Société à responsabilité limitée

Share Capital: USD 21,950,217

Registered office: 15, rue Edward Steichen, L-2540 Luxembourg

Grand-Duchy of Luxembourg

R.C.S. Luxembourg: B 151.919

(the "**Company**")

WRITTEN RESOLUTIONS OF THE SOLE SHAREHOLDER OF THE COMPANY MADE EFFECTIVE MAY ____, 2015.

AGENDA:

- **Approval of Asset Sale and Asset Sale Agreements.**

ASSET SALE AGREEMENTS

WHEREAS:

A. Pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), the Alberta Court of Queen's Bench (the "**Alberta Court**") granted a receivership order with respect to all of the current and future property and undertakings of Calmena Energy Services Inc., Calmena Energy Holdings Ltd., 1414995 Alberta Ltd., Calmena Energy Services Operating Limited Partnership, Calmena Energy Services (USA) Corp., Calmena Drilling Services LLC, and Calmena Drilling Services US LP (the "**Debtors**") on January 20, 2015, as amended on February 9, 2015 (the "**Receivership Order**") appointing Ernst & Young Inc. (the "**Receiver**") as receiver and manager of the Debtors;

B. The Receivership Order was recognized by the U.S. Court as a foreign main proceeding and the Receiver as the foreign representative on March 5, 2015, pursuant to Chapter 15 of the United States *Bankruptcy Code*;

C. The Company is a wholly owned subsidiary of Calmena Energy Holdings Ltd., which is in turn a wholly owned subsidiary of the parent company, Calmena Energy Services Inc. Pursuant to the Receivership Order, the Receiver controls the shares of the Company;

D. The Company intends to enter into the asset sale agreements to be dated in or around May 2015 (the "**Asset Sale Agreements**") in respect of selling substantially all of the assets of the Company to Calmena Energy Services Inc. (which will in turn sell such assets to Turbo Drill Industries, Inc.) and 1616057 Alberta Ltd. for aggregate consideration of $1,635,000, subject to the adjustments therein (collectively, the "**Asset Sale**"); and

E. The sole shareholder and the sole manager of the Company (the "**Sole Manager**") have been provided with copies of the Asset Sale Agreements.

THE SOLE SHAREHOLDER HEREBY RESOLVES THAT:

Approval of Asset Sale and Asset Sale Agreements

1. The Asset Sale, the terms of which are substantially as set forth in the Asset Sale Agreements, is hereby authorized and approved.

2. The Asset Sale Agreements, substantially in the form presented to the sole shareholder, are hereby approved and the Sole Manager of the Company is hereby authorized and directed to sign and deliver for, on behalf of, and in the name of the Company, the Asset Sale Agreements with any and all such additions, omissions and amendments thereto as may be approved by the Sole Manager signing the Asset Sale Agreements.

3. The Sole Manager of the Company is hereby authorized and directed to sign and deliver for, on behalf of, and in the name of the Company, all such other agreements, instruments, certificates, directions, notices, acknowledgements, receipts and other documents and to perform and to do all other acts and things as the Sole Manager in her discretion may consider necessary, advisable or useful for the purpose of giving effect to these resolutions, execution as aforesaid to be conclusive evidence of this and the Sole Manager's approval.

4. Any acts taken prior to the effective date of these resolutions by any sole manager of the Company in connection with the foregoing resolutions are hereby ratified and confirmed.

The foregoing resolutions are hereby passed as evidenced by the signature below of the sole shareholder of the Company effective as of the date first above written.

CALMENA ENERGY HOLDINGS LTD., by
Ernst & Young Inc. in its capacity as the court-appointed receiver and not in its personal or corporate capacity

Per: ______________________________

Name: [●]
Title: [●]

BEING THE SOLE SHAREHOLDER OF CALMENA LUXEMBOURG HOLDING

G

Calmena Luxembourg Holding

Société à responsabilité limitée

Share Capital: USD 21,950,217

Registered office: 15, rue Edward Steichen, L-2540 Luxembourg

Grand-Duchy of Luxembourg

R.C.S. Luxembourg: B 151.919

(the "**Company**")

WRITTEN RESOLUTIONS OF THE SOLE MANAGER OF THE COMPANY MADE EFFECTIVE MAY ____, 2015.

AGENDA:

- **Approval of Asset Sale and Asset Sale Agreements.**

PRELIMINARY - ASSET SALE AGREEMENTS

WHEREAS:

A. Pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), the Alberta Court of Queen's Bench (the "**Alberta Court**") granted a receivership order with respect to all of the current and future property and undertakings of Calmena Energy Services Inc., Calmena Energy Holdings Ltd., 1414995 Alberta Ltd., Calmena Energy Services Operating Limited Partnership, Calmena Energy Services (USA) Corp., Calmena Drilling Services LLC, and Calmena Drilling Services US LP (the "**Debtors**") on January 20, 2015, as amended on February 9, 2015 (the "**Receivership Order**") appointing Ernst & Young Inc. (the "**Receiver**") as receiver and manager of the Debtors;

B. The Receivership Order was recognized by the U.S. Court as a foreign main proceeding and the Receiver as the foreign representative on March 5, 2015, pursuant to Chapter 15 of the United States *Bankruptcy Code*;

C. The Company is a wholly owned subsidiary of Calmena Energy Holdings Ltd., which is in turn a wholly owned subsidiary of the parent company, Calmena Energy Services Inc. Pursuant to the Receivership Order, the Receiver controls the shares of the Company;

D. The Company intends to enter into the asset sale agreements to be dated in or around May 2015 (the "**Asset Sale Agreements**") in respect of selling substantially all of the assets of the Company to Calmena Energy Services Inc. (which will in turn sell such assets to Turbo Drill Industries, Inc.) and 1616057 Alberta Ltd. for aggregate consideration of $1,635,000, subject to the adjustments therein (collectively, the "**Asset Sale**");

E. The sole shareholder of the Company has approved the Asset Sale and the Asset Sale Agreements and has authorized and directed the sole manager of the Company to execute and deliver the Asset Sale Agreements for and on behalf of the Company;

F. The sole manager of the Company has been provided with copies of the Asset Sale Agreements; and

G. It is in the best interests of the Company to enter into the Asset Sale Agreements.

THE SOLE MANAGER HEREBY RESOLVES THAT:

- **Approval of Asset Sale and Asset Sale Agreements**

1. The Asset Sale, the terms of which are substantially as set forth in the Asset Sale Agreements, is hereby authorized and approved.

2. The Asset Sale Agreements, substantially in the form presented to the sole manager, are hereby approved and the sole manager of the Company is hereby authorized and directed to sign and deliver for, on behalf of, and in the name of the Company, the Asset Sale Agreements with any and all such additions, omissions and amendments thereto as may be approved by the sole manager signing the Asset Sale Agreements.

3. The sole manager of the Company is hereby authorized and directed to sign and deliver for, on behalf of, and in the name of the Company, all such other agreements, instruments, certificates, directions, notices, acknowledgements, receipts and other documents and to perform and to do all other acts and things as the sole manager in her discretion may consider necessary, advisable or useful for the purpose of giving effect to these resolutions, execution as aforesaid to be conclusive evidence of this and the sole manager's approval.

4. Any acts taken prior to the effective date of these resolutions by the sole manager of the Company in connection with the foregoing resolutions are hereby ratified and confirmed.

The foregoing resolutions are hereby passed as evidenced by the signature below of the sole manager of the Company effective as of the date first above written.

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MARJORIE ALLO
Being the sole manager of Calmena
Luxembourg Holding