

REIC RENTALS (CANADA) INC.

General Terms and Conditions of Equipment Rental

1. Prices and entire agreement. The prices for the rental by REIC RENTALS (CANADA) INC. as lessor (the "Company") to the customer as lessee (the "Customer") of the heaters and related equipment, products and services described in the accompanying Rental Contract (the "Equipment") are those set forth in the Company's current rental and/or service price and/or charge list(s), unless otherwise agreed in writing signed by an authorized representative of the Company. The Company's prices and charges, which are subject to change without notice, are based upon these General Terms of Equipment Rental (the "Terms"). Accordingly, these Terms, together with the attached Rental Contract represents a final, complete and exclusive statement of the agreement between the parties, supersedes any prior agreement or understanding between the parties, and may not be modified, supplemented, explained or waived by parole evidence, an oral representation or understanding, Customer's purchase order, a prior course of dealing, usage of the trade, the Company's performance or delivery or in any other way except in writing signed by an authorized representative of the Company. No sales representative or agent of the Company has any authority to change, in any manner, these Terms.

2. Taxes. Any sales, rental, service, use, excise, value added or other, similar tax imposed on this rental or any associated transaction is not included in the price and such tax shall be added to the price(s) and/or charges quoted.

3. Rental Period (Term). The rental period begins on the rental start date set forth on the Rental Contract and continues thereafter until the rental return date set forth on the Rental Contract or notice of termination by either party is delivered to the other party. If no rental period is specified on the attached Rental Contract, then the rental period for such Equipment shall be for a period of 60 days and shall begin when possession of the Equipment is given to the Customer or to a carrier for transport to the Customer, provided that such a rental period may be terminated earlier by the return by the Customer of the Equipment to the Company. At any time after the expiration of the rental period, the Customer agrees to return the Equipment to the Company on three (3) days written notice from the Company to the Customer. Notwithstanding any of the foregoing, the Company may demand return of the Equipment at any time for any reason on five (5) days prior written notice. In addition, if the Customer becomes bankrupt, or fails to maintain or operate the Equipment in accordance with the terms of this agreement, or fails to return the Equipment upon demand of the Company or fails to make rental payments within the time specified herein or violates any other provision of this agreement, the Company may unilaterally terminate this agreement and retake possession of the Equipment without liability of any kind and recover all rental amounts due as at the time of repossession.

4. Care, Custody and Control. Care, custody and control of the Equipment shall pass to the Customer when physical possession of the Equipment has been given to the Customer or a carrier for transport to the Customer. Transport of the Equipment shall be at the sole cost of the Customer in all instances and will be at the sole risk of the Customer. Care, custody and control of the Equipment shall remain with the Customer until physical possession of the Equipment is returned to the Company. For clarity, care, custody and control and risk of loss of the Equipment shall pass to the Customer in accordance with this Section 4 and Section 5 even if the Company provides any other services with regard to the Equipment.

5. Risk of Loss or Damage. Risk of loss of or damage to the Equipment will pass to the Customer when care, custody and control passes to the Customer in accordance with Section 4. Customer assumes and shall bear the entire risk of loss, theft or destruction of or damage to, the Equipment from any cause whatsoever, whether or not covered by insurance.

6. Ownership of Property. Notwithstanding any other provisions herein, including Sections 4 and 5, except for diesel, gasoline provided with a heater unit, if any, the Equipment is and shall at all times be and remain the sole personal and movable property of the Company, and Customer shall have no right, title or interest in or to the Equipment except as expressly set forth herein. Customer shall not allow the Equipment to become a fixture or accession to any real or personal property as applicable, and shall keep the Equipment free from any claim, privilege, lien, charge, encumbrance, levy, security interest, mortgage, pledge, hypothecation, seizure, trust, attachment, judicial process, ownership interest, licence, sublease or other right in favour of any third party.

7. Transportation, Installation and Operation. Customer is responsible for transportation of the Equipment to and from the site specified in the attached Rental Contract. Customer is responsible for the installation and operation of the Equipment at the site and the removal of the Equipment from the site at the end of the rental period. Upon request, the Company shall provide a service technician to advise Customer regarding initial installation and operation for the fee(s) and/or charges set forth in the current rental and/or service price and/or charge list(s). Customer shall install and operate the Equipment in a careful and proper manner consistent with a reasonably prudent oilfield service company, shall permit the Equipment to be operated only by competent and qualified persons, and shall observe and comply with all laws, ordinances, regulations and directives of applicable regulator(s) relating to the possession, installation and operation of the Equipment. Safety signs and markings necessary or desirable for the operation of the Equipment shall be responsibility of Customer.

8. Maintenance Service. The Company or an agent of the Company will provide a service technician to maintain and repair the Equipment at the request of the Customer (whether based on the indication on the Rental Contract or otherwise) for the fee(s) and/or charges set forth in the current rental and/or service price and/or charge list(s). Those fee(s) and/or charges may include, without limitation, standard fees, labour related fees, travel fees and expenses, charges for parts, handling materials and disposal of materials as the case may be from time to time.

9. Insurance. The Customer shall purchase and pay the cost of maintaining "all risk" commercial general liability (minimum amount of \$5,000,000 per occurrence), theft, fire and any other insurance required to indemnify the Company against any loss to, or of the Equipment, to the extent of the original replacement value (minimum of \$200,000 per heater unit). Such insurance is to cover the insurable interest of the Company in the Equipment. The Customer shall keep the said insurance in full force and effect from the date that the carrier takes possession of the Equipment for transport to the Customer and up to and including the date such Equipment is returned to the Company. The Customer shall furnish or cause to be furnished to the Company, as and when required by the Company, certificates of brokers or other evidence reasonably satisfactory to the Company that the insurance requirements are being complied with. If the Customer fails to insure the Equipment as specified above, the Company may purchase such insurance which the Customer agrees to pay for as additional rental fees, the insurance premiums and other costs associated therewith.

10. Delays or Nonperformance. The Company shall not be responsible for nondelivery, nonperformance or delays in delivery or performance occasioned by any causes beyond the Company's reasonable control or which cannot be overcome without unusual expense, including, without limitation, labour difficulties, delays of vendors or carriers, fires, governmental actions or material shortages. Any delays so occasioned shall cause a corresponding extension of the Company's delivery or performance dates which are, in any event, understood to be approximate.

11. Identification. Customer shall not alter, disfigure, or cover any marks or identification displayed on the Equipment.

12. Alterations and Modifications. Customer shall obtain the written consent of the Company prior to making any alterations or modifications to the Equipment. All approved and completed alterations or modifications shall become part of the Equipment, and title thereto shall vest in the Company. The alterations or modifications undertaken by Customer shall be performed and completed in workmanlike manner.

13. Return of Equipment. Customer shall peaceably and promptly tender the Equipment to the Company at the Company's site from which the Equipment originated in good order and condition upon expiry date, or at any time upon the termination hereof by the Company. In the event that Customer has not so tendered the Equipment, the Company shall charge the Customer the full rental rate, plus applicable taxes, for each day thereafter until the Equipment is returned. If at any time the Company deems, in its sole discretion, itself or the Equipment insecure or at risk, the Company may enter the premises immediately and remove the equipment without being required to first obtain a court order, and Customer hereby unequivocally and irrevocably grants its permission for the Company to do so. Customer shall pay the cost of inspection and cleaning the Equipment upon return of the Equipment to the Company. Except for items 1, 2, 5, 6, 7, 9, 15, 16, 17 and 18 of these General Terms and Conditions of Equipment Rental, this Agreement shall terminate upon the Company regaining possession of the Equipment as provided for in this section.

14. Inspection. The Company shall have the right at any time, without notice, during the rental period to enter upon the premises or place where the Equipment is located and shall be given free access and afforded all necessary facilities for the purpose of inspecting the Equipment without any trespass being occasioned thereby.

15. Limited Warranty. The Company warrants that the Equipment shall, at the date of delivery to Customer, be in good operating condition and in compliance with the specifications set forth in the applicable Rental Contract and with applicable laws and regulations. Customer acknowledges that there are no other warranties, representations or inducements, express or implied, statutory or otherwise, made by or on behalf of the Company or operating in favour of Customer as to any aspect of the Equipment, and that in no event shall the Company be liable to the Customer for any consequential, incidental, indirect or special damages whatsoever, or any lost revenues, downtime, diminished goodwill, or damage to, or replacement of, other equipment and property. Catalogs, circulars and similar pamphlets of the Company, including the information regarding the Equipment available on the Company's website, are issued for general information purposes only, shall not constitute a representation or warranty by the Company of the fitness, characteristics or suitability of the Equipment and shall not be deemed to modify the provisions hereof.

16. Indemnity. Customer shall defend, indemnify and hold the Company and its directors, officers, shareholders, employees, agents, contractors and affiliates subcontractors harmless from any and all liabilities (including without limitation, reasonable attorneys' and other consultants' fees and any lien or security interest filed against the Equipment), arising out of, connected with, or resulting from the Customer's rental or use of the Equipment, howsoever caused and regardless of negligence or fault of the Company. Customer shall further indemnify and hold the Company harmless from all loss or damage to the Equipment. Customer recognizes and agrees that included in this indemnity provision, without limitation, is the Customer's assumption of any and all liability for injury, disability, death or property damage caused directly or indirectly by the operation, use, control, handling or transportation of the Equipment.

17. Payment, Interest and Legal Fees. Terms are cash, net 30 days, provided however, the Company may at any time demand payment on or before delivery. Payment shall be made at the Company's main office in Red Deer, Alberta. Interest will be charged on accounts which are 30 days past due at the rate of one and a half percent (1½%) per month (18% per annum) or the maximum rate allowed by law, whichever is less. If the Company places said delinquent account with a lawyer or collection agency, Customer shall pay in addition to the amount owed, reasonable legal or agent's fees incurred by the Company.

18. General (a) Choice of law. The agreement formed hereby and the terms hereof shall be governed by and construed in accordance with the laws of the Province of Alberta, Canada. If any provision hereof is held by a Court to be illegal or invalid or invalid or in conflict with any law, the validity of the remaining provisions shall not be affected; (b) Assignment and Sublease. Customer shall not assign, sublease or otherwise transfer this rental agreement, in whole or in part, without the prior written consent of the Company; (c) Headings. The captions and headings of the articles in this Agreement are for convenience of reference only and shall not be interpreted or

construed so as to limit in any way or to change the subject matter of any part of this Agreement; (d) Waiver. No delay in exercising, or failure to exercise, any right or remedy accruing to the Company under this Agreement will impair or waive such right or remedy, nor will a waiver of any single breach by the Company be deemed a waiver of any other prior, subsequent or concurrent breach. Any waiver, permit, consent or approval on the part of the Company in respect of this Rental Contract must be in writing and shall have the effect only to the extent specifically set forth in such writing; (e) Time of Essence. Time shall be of the essence in this Rental Contract; (f) Severability. The invalidity or unenforceability of any provision of this Rental Contract shall not affect the validity or enforceability of any other provision of this Rental Contract; (g) Counterparts. This Rental Contract may be executed and delivered by the parties in counterparts and by facsimile or other electronic means and shall together constitute one and the same agreement.

Customer's initials _____