

Offer to Purchase

GroundForce GeoDrilling Solutions Inc.
(Submitted pursuant to the attached Terms and Conditions of Sale)

To: Deloitte Restructuring Inc., in its capacity as Receiver and Manager of GroundForce GeoDrilling Solutions Inc. and not in its personal capacity (the “Receiver”)

700 Bankers Court
850 2nd Street SW
Calgary, AB T2P 0R8

Attention: Luke Alliband

- 1. _____
Name of Offeror

- 2. _____
Address of Offeror

- 3. _____
Telephone number

- 4. _____
Facsimile number

- 5. _____
Email address

- 6. _____
List assets to purchase

- 7. The undersigned hereby irrevocably offers to purchase the assets listed above for the following amount, namely \$_____ (Canadian Dollars), plus GST. Enclosed is a certified cheque or bank draft payable to “Deloitte Restructuring Inc., in Trust”, in the amount of \$_____ (Canadian Dollars) representing twenty percent (20%) of the total amount of this offer.

- 8. The undersigned hereby acknowledges and agrees that this offer is not subject to any conditions precedent.

- 9. The undersigned (or each of them, if more than one) hereby represents and warrants that it (is/is not) a “non-Canadian” as defined in the *Investment Canada Act* (Canada).

- 10. The undersigned acknowledges receipt of a copy of the attached Terms and Conditions of Sale and acknowledges that such Terms and Conditions of Sale are deemed to form part of this offer and agrees to be bound by them and covenants and agrees, should it be the successful offeror, to execute an asset purchase agreement in a form acceptable to the Receiver.

Dated at _____ this _____ day of _____, 2015.

(Print name of prospective purchaser)

Signature of Purchaser

Terms and Conditions of Sale

Deloitte Restructuring Inc., in its capacity as Court-appointed Receiver and Manager (the “**Receiver**”) of GroundForce GeoDrilling Solutions Inc. (“**GroundForce**” or the “**Company**”) and not in its personal capacity, is offering for sale herein GroundForce’s Assets (as defined in the Information Summary dated October 18, 2015 (the “**Information Summary**”) on the following terms and conditions:

Offers

1. The Assets are being offered for sale on an “as is, where is” without recourse basis and with no representations or warranties from the Receiver or any other party as to title, encumbrances, description, fitness for use, condition (environmental or otherwise), defect (patent or latent), collectability, merchantability, quantity, quality, value or the validity, invalidity, or enforceability of any patent, copyright or trademark right, or any other matter or thing whatsoever, either stated or implied.
2. All offers made for all, or a portion of, the Assets (the “**Offers**”) must be submitted by completing the form of Offer to Purchase attached hereto and such Offers, together with these Terms and Conditions, must be received by Luke Alliband of the Receiver at 700 Bankers Court, 850 2nd Street SW, Calgary, Alberta T2P 0R8 by no later than **12:00 p.m. Mountain Time on Thursday, November 5, 2015** (the “**Offer Deadline**”). Offers that do not strictly comply with these Terms and Conditions of Sale may, at the absolute discretion of the Receiver, be rejected for that reason alone.
3. All Offers must be accompanied by a bank draft or certified cheque payable to “Deloitte Restructuring Inc., in Trust”, in an amount equal to twenty percent (20%) of the offered purchase price for the Assets (the “**Deposit**”).
4. Each party making an offer (the “**Offeror**”) must rely on its own judgment, inspection and investigation of the Assets. Each Offeror acknowledges and agrees that it has had a full opportunity to conduct, and has conducted, such tests, examinations, inspections, and investigations as it deems necessary or advisable to fully acquaint itself with the Assets, their title, fitness for particular purpose, location, existence, condition, quality, quantity, merchantability, suitability for intended purpose and with any other attributes that the Offeror considers relevant.
5. The submission of any Offer to the Receiver shall constitute an acknowledgement and an acceptance by the Offeror of the terms of the Information Summary, the Offer to Purchase, and the Terms and Conditions of Sale.
6. Offerors will have until the expiration of the Offer Deadline to proceed with further due diligence.
7. Each Offeror acknowledges that it has had the opportunity to consult with, and has consulted with, its own independent legal counsel prior to making the Offer.
8. Any Offer accepted by the Receiver will be subject to approval by the Court of Queen’s Bench of Alberta (the “**Court**”). The Order respecting Court approval shall be in a format acceptable to the Receiver.

Sales Process

9. The Receiver reserves the right to amend or terminate this sales process, or to withdraw or amend any of the Assets, at any time, at its sole discretion. With respect to any withdrawal or amendment, the sole obligation of the Receiver to the Offeror shall be to inform the Offeror of the withdrawal or amendment. With respect to the termination of the sales process, the sole obligation of the Receiver to the Offeror shall be to return any Deposit it has received without interest or deduction.

Acceptance of Offers and the APA

10. The Receiver shall be entitled to accept Offers prior to the Offer Deadline.

Terms and Conditions of Sale

11. Each Offeror acknowledges that the Receiver is not obligated to accept any Offer and the highest Offer shall not necessarily be accepted.
12. After receipt of the Offers, the Receiver may, in its sole discretion, negotiate with any Offeror to seek clarification and negotiate further with any Offeror in respect of any Offer. The Receiver shall not be obliged to negotiate with any Offeror or give any Offeror the opportunity to resubmit an Offer, whether or not the Receiver negotiates with other Offeror(s).
13. Upon submission of an Offer to the Receiver, no Offeror shall be entitled to retract, withdraw, vary or amend the Offer prior to acceptance or rejection thereof by the Receiver, without the prior written consent of the Receiver.
14. Deposits accompanying Offers that are not accepted by the Receiver shall be returned without interest thereon by prepaid registered mail or courier to the unsuccessful Offeror at the address set forth in the Offer, on or before Monday, November 16, 2015.
15. Upon the acceptance of an Offer in writing by the Receiver:
 - a. the the successful Offeror (the **"Purchaser"**) and the Receiver shall in good faith, within 7 days, draft, execute and deliver an Asset Purchase Agreement respecting the portion of the Assets being purchased by the Purchaser (the **"Purchased Assets"**) in a form acceptable to the Receiver (the **"APA"**);
 - b. the APA must incorporate these Terms and Conditions of Sale and closing of the sale shall occur in accordance with the terms of the APA;
 - c. the Receiver will apply to the Court for a Sale Approval and Vesting Order, in a form acceptable to the Receiver which will, amongst other things:
 1. approve the APA and the transaction contemplated by the APA; and
 2. vest the Purchased assets in the Purchaser free and clear of any and all security interests (whether contractual, statutory or otherwise), hypothecs, caveats, mortgages, trusts or deemed trusts, (whether contractual, statutory or otherwise), liens, executions, levies, charges or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise.
 - d. the APA shall provide for a closing date on or before November 30, 2015, or such other date as agreed to by the Receiver and the Purchaser in writing (the **"Closing Date"**); and
 - e. the Deposit made by the Purchaser shall be non-refundable, except as set out herein.
16. If the sale contemplated by the APA is completed, the Purchaser's Deposit will be applied, without interest, against the purchase price.
17. If an Offer is accepted by the Receiver, but the sale of the Purchased Assets is not completed as a result of any act or omission on the part of the Purchaser, the Purchaser's Deposit shall be forfeited to the Receiver as a genuine pre-estimate of liquidated damages and not as a penalty. Furthermore, the Receiver shall be entitled to pursue all of its rights and remedies against the Purchaser.
18. The Purchased Assets shall remain at the risk of the Receiver until the Closing Date. The Purchased Assets thereafter shall be at the risk of the Purchaser. Until the closing, the Receiver shall hold all insurance policies or proceeds thereof in trust for the parties as their interests may appear and, in the event of substantial damage to the Purchased Assets, the Purchaser may either have the proceeds of the insurance and complete the APA or may cancel the APA and have all

Terms and Conditions of Sale

monies theretofore paid returned without interest, cost or compensation of any kind whatsoever. Where any damage is not substantial, the Purchaser shall be obliged to complete the APA and be entitled to the proceeds of insurance referenced to such damage.

19. The Offeror shall cause to be paid and delivered to the Receiver on the Closing Date the offered purchase price plus any applicable goods and services tax and any other applicable taxes. These amounts shall be paid to the Receiver on the Closing Date in cash or by certified cheque, bank draft or wire, in each case drawn on a Canadian Chartered Bank by the Purchaser. After payment the Purchaser shall take delivery and possession of the Purchased Assets on an "as is and where is" basis on the Closing Date, without recourse to the Receiver or its respective employees, servants and agents.
20. Without limitation, the Purchased Assets shall be as they exist on the Closing Date with no adjustments to be allowed to the Purchaser for changes in condition, qualities or quantities from the date of viewing to the Closing Date. The Purchaser acknowledges and agrees that the Receiver shall not be required to inspect the Purchased Assets or any part thereof and the Purchaser shall be deemed at its own expense to have relied entirely on its own inspection and investigation.
21. The Purchaser acknowledges that no warranties or conditions, express or implied, pursuant to the *Sale of Goods Act* (Alberta) or similar legislation in other jurisdictions apply hereto and all of the same are hereby waived by the Purchaser.
22. The Purchaser agrees that all the insurance maintained by the Receiver in respect of the subject Assets shall be cancelled on the Closing Date and that the Purchaser shall be responsible for placing its own insurance thereafter.
23. The Purchaser shall indemnify the Receiver and hold the Receiver harmless against and from all losses, costs, damages and expenses which the Receiver may sustain, incur or be or become liable for by reason of or arising from any operations of the Purchaser in relation to any Assets.
24. At the Closing Date, the Purchaser shall be entitled to such deeds or assignments as may be considered necessary by the Receiver to convey the Purchased Assets to the Purchaser provided that the Purchaser shall remain liable under the APA notwithstanding any assignment thereof by the Purchaser. Any such deeds or assignments shall contain only a release of the Receiver's interest in the Assets and shall not contain any covenant other than a covenant that the Receiver has not done any act to encumber the Assets.
25. If Court approval of the APA is not obtained, neither the Purchaser nor the Receiver will be obligated to complete the contemplated purchase and the Receiver's Deposit accompanying the Offer shall be returned to the Purchaser without interest as soon as reasonably practicable.
26. The Offeror and the Receiver mutually agree to do all such further acts and execute all such further documents and instruments as may reasonably be necessary or convenient to give full effect to the APA.

General

27. Deloitte Restructuring Inc. is acting solely in its capacity as Receiver of GroundForce, and not in its personal capacity, and Deloitte Restructuring Inc. (and its employees, servants and agents) shall have no liability whatsoever in any way related to the Offer to Purchase, the Terms and Conditions of Sale, the APA, or in any way related to the Assets (as these terms are defined here, whether in contract, in tort, under statute or otherwise).
28. All stipulations as to time are strictly of the essence.
29. The Offer to Purchase, Terms and Conditions of Sale, and APA shall be governed by and construed

Terms and Conditions of Sale

in accordance with the laws of the Province of Alberta and the Offeror irrevocably attorns to the jurisdiction of the Courts of Queen's Bench of Alberta, Judicial District of Calgary.